華潤電力控股有限公司
China Resources Power Holdings Company Limited

(Stock Code: 836)

Annual Report 2009

Electric power generation is our business.

"We do everything at our best efforts" is the cornerstone of our business philosophy. Our company mission is to become one of the leading independent power producers ("IPP"s) in the world and the best IPP in China. We are committed to accomplishing this mission.

About CR Power

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 and coal mine projects in the more affluent regions and regions with abundant coal resources in China. As at 31 December 2009, CR Power has 41 power plants in commercial operation. The total attributable operational generation capacity of the power plants held by the Company is 17,753 MW, with 37% located in Eastern China, 22% located in Southern China, 20% located in Central China, 12% located in Northern China, and 9% located in Northeastern China.

Corporate Structure

China Resources (Holdings) Company Limited

64.59%

China Resources Power Holdings Company Limited

Coal-fired (≥600MW)

- Changshu
- Fuyang
- Liyujiang B
- Shouyangshan
- Changzhou
- Shazhou
- Zhenjiang
- Yangzhou No. 2
- Shaojiao C
- ▲ Xuzhou (Phase III)
- ▲ Nanjing Thermal
- ▲ Heze
- ▲ Dengfeng((Phase II)

Coal-fired (300MW)

- Huaxin
- Liyujiang A
- Cangzhou
- Dengfeng
- Gucheng
- Hubei
- Lianyuan
- Caofeidian
- Dengkou
- Guangzhou Thermal (300MW)
- Banqiao
- Xuzhou
- Wenzhou Telluride
- Hengfeng
- Hengxing (Hengfeng Phase II)
- ▲ Nanjing Chemical Industry Park (Phase II)

Coal-fired (≤200MW)

- Yixing
- Xingning
- Tangshan
- Jiaozuo
- Luoyang
- Jinzhou
- Shenhai Thermal
- Banqiao
- Nanjing Chemical Industry Park
- Zhenjiang

Clean Energy

- Danan Wind
- Shantou Wind
- Penglai Wind
- Chaonan Wind
- Dahao Wind
- Huilaixian'an Wind
- Honghe Hydro
- Beijing Thermal
- Guangzhou Thermal
- ▲ Weichang Yudaokou Wind
- ▲ Weichang Yueliangshan Wind
- ▲ Weichang Dongbaliang Wind
- ▲ Penglai Wind (Phase II)
- ▲ Huilaiguanshan Wind
- ▲ Bayinxile Wind
- ▲ Yazuihe Hydro

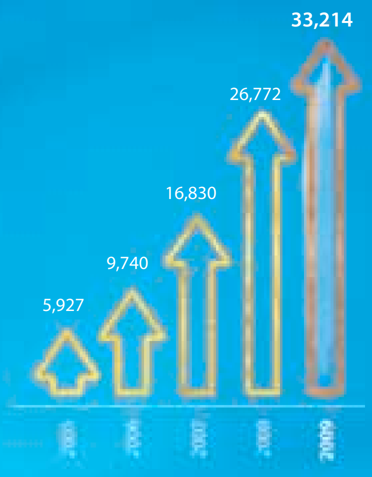
• Power plants in commercial operation
▲ Power plants under construction

Contents

Five-Year Financial Summary

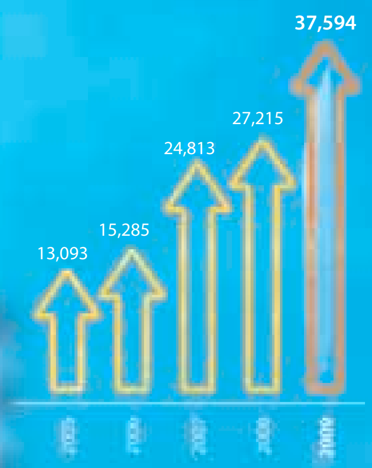
Basic earning per share
(HK$)

Turnover
(HK$ million)



Profit attributable to owners of the Company
(HK$ million)

Equity attributable to owners of the Company
(HK$ million)



Net generation of operating power plants
(million MWh)

Attributable operational generation capacity
(MW)

Eastern China
Southern China
Central China
Northern China
Northeastern China

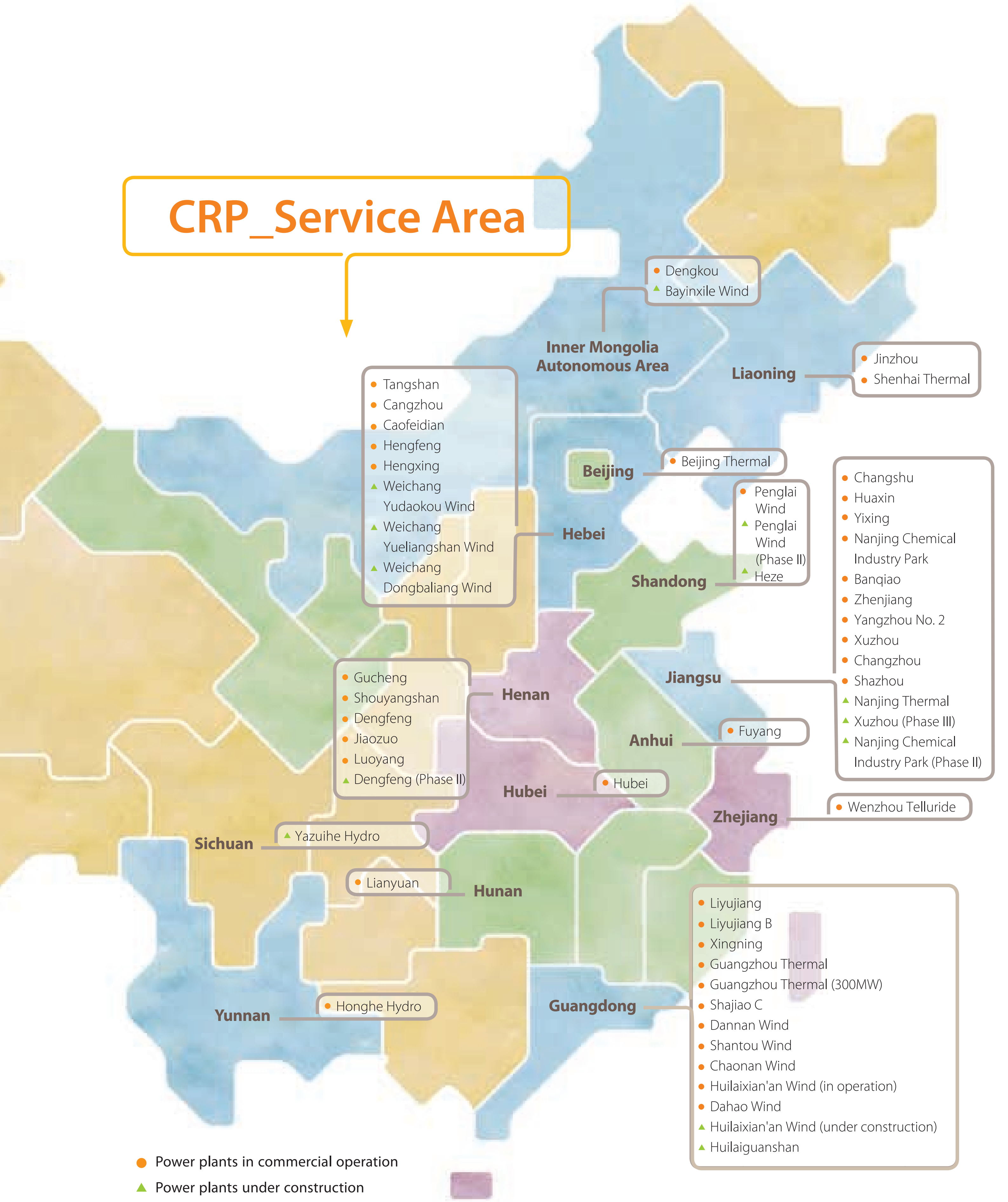
	2009	2008	2007	2006	2005
Earnings per share (HK$)					
Basic	**1.19**	0.41	0.82	0.62	0.75
Diluted	**1.17**	0.39	0.78	0.60	0.74
Turnover (HK$'000)	**33,213,676**	26,771,662	16,830,488	9,740,371	5,927,328
Profit attributable to owners of the Company (HK$'000)	**5,317,392**	1,717,448	3,220,597	2,364,856	2,858,225
Consolidated statement of financial position (HK$'000)					
Non-current assets	**99,928,141**	65,800,978	49,532,295	32,456,679	21,999,540
Current assets	**18,997,789**	13,848,868	14,282,223	5,581,802	6,456,631
Current liabilities	**(39,755,843)**	(20,492,128)	(17,995,582)	(8,285,656)	(5,466,802)
Non-current liabilities	**(34,014,705)**	(28,996,855)	(18,761,379)	(12,618,263)	(9,074,823)
Minority interests	**(7,561,403)**	(2,945,758)	(2,244,105)	(1,849,703)	(821,647)
Equity attributable to owners of the Company	**37,593,979**	27,215,105	24,813,452	15,284,859	13,092,899
Total assets	**118,925,930**	79,649,846	63,814,518	38,038,481	28,456,171
Bank balances and cash	**6,261,931**	5,467,088	7,887,134	2,747,242	4,411,484
Bank and other borrowings	**56,484,467**	37,671,443	26,672,332	16,590,998	11,045,267
Key financial ratios					
Current ratio (times)	**0.48**	0.68	0.79	0.67	1.18
Quick ratio (times)	**0.44**	0.59	0.74	0.61	1.13
Net debt to shareholders' equity (%)	**133.6**	118.3	75.7	90.6	50.7
EBITDA interest coverage (times)	**5.01**	3.62	5.56	5.48	6.98
Generation volume of operating power plants (MWh)					
Total gross generation	**122,243,413**	104,548,012	88,352,860	63,388,794	52,757,611
Total net generation	**114,245,966**	97,579,013	82,702,443	59,512,429	49,633,323
Attributable operational generation capacity (MW)					
Eastern China	**6,537**	4,450	4,362	3,380	2,026
Southern China	**3,964**	3,102	3,055	1,125	1,053
Central China	**3,583**	2,977	2,961	2,961	1,401
Northern China	**2,144**	927	537	460	150
Northeastern China	**1,525**	1,525	1,200	—	—
Total	**17,753**	12,981	12,505	8,003	4,940

Service Areas

PROVINCE	POWER PLANT	CAPACITY (MW, KW)	INSTALLED CAPACITY (MW)	EQUITY INTEREST	ATTRIBUTABLE CAPACITY (MW)
Jiangsu	Changshu	3x650	1,950	100%	1,950
	Huaxin	2x330	660	72%	475
	Yixing	2x60	120	55%	66
	Nanjing Chemical Industry Park	2x55	110	90%	99
	Banqiao	2x330+2x135	930	65%	605
	Zhenjiang	2x630+2x140+2x137.5	1,815	42.5%	771
	Yangzhou No. 2	2x630	1,260	45%	567
	Xuzhou	4x320	1,280	35%	448
	Changzhou	2x630	1,260	25%	315
	Shazhou	2x630	1,260	20%	252
	Nanjing Thermal	2x600	1,200	100%	1,200
	Xuzhou (Phase III)	2x1000	2,000	60%	1,195
	Nanjing Chemical Industry Park (Phase II)	2x300	600	90%	540
Guangdong	Liyujiang	2x315	630	60%	378
	Liyujiang B	2x650	1,300	100%	1,300
	Xingning	2x135	270	100%	270
	Guangzhou Thermal	2x180	360	100%	360
	Guangzhou Thermal (300MW)	2x300	600	100%	600
	Shajiao C	3x660	1,980	36%	713
	Dannan Wind	40x600KW	24	55%	13.2
	Shantou Wind	39x750KW	29.25	100%	29.25
	Chaonan Wind	132x750KW	99	100%	99
	Huilaixian'an Wind (in operation)	49x750KW	36.75	100%	36.75
	Dahao Wind	9x2	18	100%	18
	Huilaixian'an Wind (under construction)	17x750KW	12.75	100%	12.75
	Huilaiguanshan Wind	23x2+2x1.8	49.6	100%	49.6
Henan	Gucheng	2x300	600	100%	600
	Shouyangshan	2x600	1,200	85%	1,020
	Dengfeng	2x320	640	85%	544
	Jiaozuo	2x140	280	60%	168
	Luoyang	2x50	100	51%	51
	Dengfeng (Phase II)	1x600	600	85%	510
Hebei	Tangshan	1x200	200	80%	160
	Cangzhou	2x325	650	95%	618
	Caofeidian	2x300	600	90%	540
	Hengfeng	2x300	600	25%	150
	Hengxing	2x300	600	25%	150
	Weichang Yudaokou Wind	64x750KW	48	100%	48
	Weichang Yueliangshan Wind	33x1.5	49.5	100%	49.5
	Weichang Dongbaliang Wind	33x1.5	49.5	100%	49.5
Liaoning	Jinzhou	6x200	1,200	100%	1,200
	Shenhai Thermal	3x200	600	54.115%	325
Shandong	Penglai Wind	13x2+2x1.8	47.6	95%	45.22
	Penglai Wind (Phase II)	24x2	48	95%	45.6
	Heze	2x600	1,200	100%	1,200
Inner Mongolia	Dengkou	2x300	600	75%	450
	Bayinxile Wind	33x1.5	49.5	100%	49.5
Hunan	Lianyuan	2x300	600	100%	600
Hubei	Hubei	2x300	600	100%	600
Anhui	Fuyang	2x640	1,280	55%	704
Zhejiang	Wenzhou Telluride	2x300	600	40%	240
Yunnan	Honghe Hydro	3x70	210	70%	147
Beijing	Beijing Thermal	2x60+2x15	150	51%	77
Sichuan	Yazuihe Hydro	4x60+2x10	260	51%	133

Note: highlighted in red – power plants under construction

CRP_Service Area



Major Events 2009

Mar

Penglai Wind Farm commenced commercial operation on 3 March 2009 with a total installed capacity of 47.6MW.

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

Apr

CR Power was ranked by Forbes Magazine as one of the "Forbes Global 2000" listed enterprises, ranked 1,147th (2008: 1,598th).

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.

Jun

On 4 June 2009, CR Power announced a rights issue at a subscription price of HK$14 per shares on the basis of one rights share for every 10 shares held on 24 June 2009 (the "Rights Issue"). Total 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 Group to China Resources National Corporation, and the remaining HK$2.1 billion was received in cash.

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

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

The first 300MW coal-fired heat and power co-generation unit of Caofeidian Power Plant commenced commercial operation on 29 June 2009. CR Power owns a 90% equity interest.

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, with an installed capacity of 201MW. Dahao Wind Farm is located in Haojiang District, Shantou City, Guangdong Province, with an installed capacity of 20MW.

Jul

The second 300MW coal-fired heat and power co-generation unit of Caofeidian Power Plant commenced commercial operation on 13 July 2009. CR Power owns a 90% equity interest.

Aug

The acquisition of the remaining 60% equity interest in Jiangsu Investment from China Resources Co., Ltd. was completed on 11 August 2009. CR Power's operational attributable capacity was increased by 2,043MW.

Sep

The first 300MW coal-fired heat and power co-generation unit of Dengkou Power Plant commenced commercial operation on 1 September 2009. CR Power owns a 75% equity interest.

Oct

The first 300MW heat and power co-generation unit of Nansha Power Plant commenced commercial operation on 9 October 2009.

The second 300MW coal-fired unit of CR Lianyuan Plant passed 168-hour full load pilot run and commenced commercial operation on 13 October 2009. CR Power owns 100% equity interest.

The second 300MW coal-fired heat and power co-generation unit of Dengkou Power Plant commenced commercial operation on 21 October 2009.

Nov

CR Power was ranked, for a consecutive third time, as one of "Platts Top 250 Global Energy Companies" and world's fifth fastest growing energy company and Asia's fastest growing energy company.

Dec

The second 300MW coal-fired heat and power co-generation unit of Nansha Power Plant commenced commercial operation on 1 December 2009.

CR Power obtained approval from the PRC government for the construction of Huilai Guanshan Wind Farm and Penglai Xujiaji Wind Farm. Huilai Guanshan Wind Farm has an installed capacity of 49.6MW. CR Power wholly owns the wind farm. Penglai Xujiaji Wind Farm has an installed capacity of 48MW. CR Power has a 95% interest in the wind farm.

Chairman's Statement

Dear Shareholders,

On behalf of the Board,
I am pleased to present the annual results of CR Power for the year ended 31 December 2009.

Song Lin, *Chairman*

Results highlights

CR Power reported a consolidated turnover of HK$ 33.2 billion in 2009, representing an increase of 24.1% compared to last year. Profit attributable to shareholders of the Company was HK$5,317 million representing an increase of 209.6% compared with HK$1,717 million of last year. Basic earnings per share was HK$1.19, representing an increase of 190.2% compared with HK0.41 of last year.

The Board has recommended a final dividend of HK$0.32 per share. Together with the interim dividend of HK$0.06 per share paid on 5 October 2009, the total dividend for the full year is HK$0.38 per share, representing a dividend payout ratio of 31.9%.

External environment

After the sharp rise in coal price which resulted in unprecedented challenges for the power sector in China in 2008, 2009 was also an unusual year for the Chinese economic development and the power sector in China. At the beginning of the year, a negative growth was recorded in national power consumption year on year due to a slow down in national economic growth. National power consumption picked up in 2009 month by month along with economic recovery and development resulting from the adjustments of the national macro-economic policies and the decisive implementation of a series of economic stimulus measures. National power consumption reversed its negative growth trend in July and finally recorded a growth of approximately 6.7% for the full year.

In early 2009, there was a pessimistic view on our power generation and utilization hours for the full year, as many of our power plants are located in coastal areas in China. It was believed that CR Power would be negatively affected to a greater extent due to a significant decrease in exports. However, the net generation volume of the 32 consolidated operating power plants of CR Power in 2009 recorded an increase of 16.2%, a growth rate above the national average, from 64,740,110MWh in 2008 to 75,248,994MWh in 2009. The average utilization hours of our 22 comparable coal-fired power plants in operation for the whole year in 2008 and 2009 increased from 5,560 hours in last year to 5,750 hours, representing a growth of 3.4%, and was higher than the national average utilization hours of coal-fired power plants of 4,839 hours by 911 hours. Our results in a year when Chinese economic growth slowed down reflected that our business strategy which requires us to construct power plants in the more economically developed regions in China such as Eastern China, Southern China, Northern China, in particular, the Beijing-Tianjin-Tangshan region, and some regions in Central China with more rapid economic growth is appropriate as these regions showed greater resilience as the leading provinces and regions in terms of Chinese economic growth. On the other hand, they also illustrated the management capability of CR Power and the efforts made by the management team. Our management system was always able to mobilize our management team and the staff to make every effort to create value for the shareholders irrespective of the changes of the external environment.

Corporate development

In June 2009, CR Power became a constituent of the Hang Seng Index in Hong Kong as the fourth blue chip public utility and the only Chinese power company included in the Hang Seng Index constituents. In the same year, we were ranked by Forbes Magazine as one of the "Forbes Global 2000" listed enterprises again with a ranking of 1147th for overall position, much higher than the 1598th position in 2008. In terms of profit, assets and market capitalization, we were ranked the 1113th, 1576th and 578th, respectively. In addition, CR Power was ranked by Platts as one of the top 250 global energy enterprises for a consecutive third year, given our excellent return on investment and results, with a ranking of 54th energy company in Asia. We were also ranked the 5th fastest growing energy enterprise in the world, and the fastest growing energy enterprise in Asia again, with an outstanding compound turnover growth rate for three years of 65.3%.

At the end of 2009, the total number of consolidated operating power plants of CR Power increased to 32 from 22 of last year. The attributable operational generation capacity of the Company increased to 17,753MW at the end of 2009 from 12,981MW at the end of 2008, representing a growth of 4,772MW. The coal-fired generation units of the Company which commenced operation in 2009 included two 300MW coal-fired generation units at Lianyuan Power Plant, two 300MW heat and power co-generation units of Caofeidian Power Plant, two 300MW heat and power co-generation units of Dengkou Power Plant and two 300MW heat and power co-generation units of Nansha Power Plant in Guangzhou. The Company completed the acquisition of China Resources Power (Jiangsu) Investment Company Limited in August 2009 with an addition to the attributable operational generation capacity of 2,043MW. In addition, the new attributable wind power capacity commissioned in 2009 was 199MW, mainly situated in the coastal areas of Guangdong and Shandong.

In 2009, the average standard coal cost and the average unit fuel cost of our consolidated operating power plants decreased by 12.3% and 12.9%, respectively compared to last year. The net generation standard coal consumption rate of our consolidated operating plants was 337.8g/kWh, decreased by 2.7g/kWh from 340.5g/kWh of last year. The average standard coal cost decreased partially due to the changes in the external market environment. Coal price in China peaked in the summer of 2008 and then saw a steep decrease from the peak level as the economic growth slowed down. On the other hand, despite power producers and coal suppliers were engaged in lengthy negotiations, contract coal price still increased from the level recorded at the beginning of 2008 and also fluctuated during the year due to seasonal and climatic changes. However, the management team of CR Power made every effort for coal procurement in order to control the most important cost in our day-to-day operations. In addition to the lengthy negotiations with the coal suppliers, we also entered into strategic cooperation agreements, normally for a term of 5 years, with the major coal suppliers in China, including China Shenhua Energy Company Limited (中國神華能源股份有限公司), China Coal Energy Company Limited (中國中煤能源股份有限公司), Datong Coal Mine Group Company Limited (大同煤礦集團有限公司), Inner Mongolia Yitai Group Co.,Ltd. (內蒙古伊泰集團有限公司), Shaanxi Coal Selling and Transportation Corporation (陝西省煤炭運銷(集團)有限公司) and other coal suppliers, whereby volume of coal to be purchased each year in the five - year period and the maximum increase and decrease in coal price were specified to ensure that the contracted parties are protected with a coal price ceiling and floor when the external market was subject to material fluctuations. For coal consumption rate reduction, in addition to reducing our average coal consumption rate through the construction of large-scale efficient coal-fired power plants or efficient heat and power co-generation power plants, we also further reduced the coal consumption rate by improving management efficiency through measures such as technological upgrade and enhancement in the stability of generation units.

With a view to building up and consolidating the core competitiveness of CR Power, we continuously focused on three activities of the value chain - power plant construction, fuel production and supply, and power plant operation to establish our long term advantage of low costs, with more progress achieved in 2009. We conducted a pilot project in Hunan in 2009 by centralizing the management of our three power plants in Hunan, including Liyujiang Phase II, Liyujiang B Power Plant and Lianyuan Power Plant. We established a pilot branch company management model for regional management to establish our synergies in terms of fuel procurement, generation volume marketing, financial management and human resources management, thus further enhancing our operational efficiency and reducing our costs. In addition, we also established the second pilot regional branch company management model for our five power plants in Henan.

In addition, we continuously built up the core competitiveness of CR Power and our long term advantage of low costs by pursuing our business strategy of moving upstream, in order to control coal resources to secure long term fuel supply for CR Power, reduce fuel costs and increase our profitability. CR Power actively participated in coal resources consolidations in Shanxi in 2009. "Shanxi China Resources Liansheng Energy Investment Co., Ltd." was set up with our joint venture partners in Shanxi to invest and consolidate the coal resources in Lüliang District, including Xing County, Zhongyang County, Shilou County, Lin County and Jiaokou County and it achieved initial success. Successful participation in local coal resources consolidations in Shanxi represented our first step in the long term development of the coal business. Every beginning is difficult. The foregoing step forward was significant for our continuous participation in coal resources consolidations in various areas in Shanxi in the future to acquire new coal resources, enlarge the resources under our control and expand our management team in the coal business.

Social responsibilities

In addition to making every effort to create value for the shareholders, CR Power takes the initiative in pursuit of the commitment to fulfill our corporate social responsibilities, besides profit, in accordance with the philosophy of "be thankful to the community, fulfill social responsibility and become an outstanding corporate citizen".

We create investment value for the shareholders through above industry average profitability and satisfactory performance in the capital markets. We provide the staff a safe, healthy, joyful and happy working environment through a good organizational culture, ever improving human resources policies and career development opportunities, and continuously create life value for them. We also provide our customers safe, stable, reliable and quality energy supply such as electricity, coal and thermal energy through outstanding operation and create customer value to their satisfaction. We put the philosophy of energy saving and emission reduction into effect through strategic optimization, management innovation and technological innovation in the whole workflow including industry development, site selection, construction design, equipment selection, construction and installation and production and operation, thus cherishing the environment and resources shared by the mankind. We also express great compassion for the impoverished regions and people through participation in the construction of China Resources Hope Town, sponsoring Youth Business China, relieving the people in disaster stricken areas, provides donation and study grant and organizing volunteer activities, thus caring for the communities we live in.

As a power generator, we are especially concerned for environmental protection and actively fulfill our responsibility for environmental protection. We have made more investment in the clean energy sector. We have actively invested in wind farms in China and sought for appropriate hydro investment opportunities. We have also participated in the development of nuclear power projects and have set up a new energy company specializing in the development and construction of nuclear power plants and renewable energy projects under CR Power. For our coal-fired power generation business, all of our power plants have installed flue gas desulphurization ("FGD") facilities and three of our power plants have installed denitration facilities. In addition, all of our power plants have installed waste water treatment facilities and high efficiency dust extraction facilities to strengthen the comprehensive use of water resources and reduce the waste water and dust pollution to society.

For our future development, we acknowledge our corporate mission and will sustain a sound and stable operation with integrity and actively participate in promoting harmonious community relations. At a new starting point, we will make satisfactory returns to the shareholders, serve the society and contribute to the community with more outstanding results.

Outlook

We consistently pursue quality growth in business and profit. It is expected that by the end of 2010, our attributable operational generation capacity will further grow, in which the clean energy sector will account for a larger proportion. In 2010, we plan to construct a number of new large scale, high efficiency coal-fired power plants in our target markets. It is expected that their construction and, in turn, operation will contribute to a continuous profit growth and create value for the shareholders. For the clean energy sector, we will actively develop the wind power projects. It is expected that the wind power generation capacity of the Company will grow each year in the coming years. The preliminary works of our hydro projects are also being actively carried out. In addition, we will invest in other new clean energy projects, including solar energy projects, in due course to explore the various ways of developing the clean energy business on a larger scale.

In addition to construction of new power generation projects, we also actively reserve development resources for the future, including the coal-fired power plants and clean energy projects, of which wind power and hydro power projects are our focus, meeting our strategic requirements to ensure our long term sustainable development.

We will continuously and actively expand into the upstream business for maintaining our long term core competitiveness and value creation. There has been considerable progress in coal resources consolidations in Shanxi. However, some projects remain to be merged and consolidated. We will still seize the opportunities by seeking for coal resources acquisition opportunities in Shanxi subject to our development strategy and technical examination. For the projects which we have already acquired and the coal acquisition projects which we plan to complete, we will make every effort to resume their safe production as soon as possible to create more value and generate returns for CR Power. In addition, we will also continue to identify, acquire and develop new coal projects in other target markets to ensure the coal supply for our power plants and better control of our operating costs.

Among the key factors in the future sustainable development of CR Power, our organization and team spirit are more important, besides the trust of the shareholders, good opportunities and clear strategy. We will focus on fostering our vigorous and organic momentum to actively carry out management and control reform forward and continuously develop and enhance the excellent "leadership" and outstanding "execution capability" of our management team, thus making every effort to lead CR Power to reach a new peak in response to the challenges from the market and itself.

Appreciation

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

Song Lin
Chairman

Hong Kong, 22 March 2010

Directors and Senior Management

Mr. Song Lin

Mr. Wang Shuai Ting

Mr. Tang Cheng

Mr. Zhang Shen Wen

Ms. WANG Xiao Bin

DIRECTORS

Mr. Song Lin

Mr. Song Lin, aged 47, was appointed Chairman of the Board and an executive director of the Company in August 2003. Mr. Song joined China Resources (Holdings) Company Limited ("CRH") in 1985 and is concurrently Chairman of CRH and China Resources National Corporation. Mr. Song is also the Chairman of China Resources Microelectronics Limited and the Deputy Chairman of China Vanke Co., Ltd., which is a listed company in China. He is also an independent non-executive director of Geely Automobile Holdings Limited and a non-executive director of The Bank of East Asia (China) Limited. Mr. Song was previously the Chairman of China Resources Enterprise, Limited and China Resources Land Limited and resigned from such positions on 30 April 2009 and 18 June 2009 respectively. He was also the Chairman of China Resources Logic Limited (now renamed as China Resources Gas Group Limited) and an independent non-executive director of China Merchants Bank Co., Ltd. Mr. Song has extensive experience in the electricity industry in China. He was involved in the overall project development in various parts of the PRC, including specifically the development of Changshu Power Plant, Shouyangshan Power Plant and Liyujiang Phase II. Mr. Song also has extensive experience in corporate investment, development, merger and acquisitions. Mr. Song holds a Bachelor's degree in Solid Mechanics from the University of Tong Ji in Shanghai, China.

Mr. Wang Shuai Ting

Mr. Wang Shuai Ting is Vice Chairman of the Board and an executive director of the Company. Mr. Wang is the President and Chief Executive Officer of the Company. Mr. Wang is also the Vice Chairman of China Resources (Holdings) Company Limited. Mr. Wang has extensive experience in the electricity industry in the PRC. He served as the General Manager of China Resources (Xuzhou) Electric Power Co., Ltd. ("CR Xuzhou") from 1994 to 2001 and was in charge of the construction and operation of Xuzhou Power Plant. Prior to his engagement in CR Xuzhou, Mr. Wang worked in the general office of the Government of Jiangsu Province from June 1985 to March 1987 and was subsequently the head of the Industrial Office of Xuzhou Municipal Government. He was also the Deputy Secretary-general of Xuzhou Municipal Government. Mr. Wang holds an Executive Master's degree in Business Administration ("EMBA") from China Europe International Business School.

Mr. Tang Cheng

Mr. Tang Cheng is an Executive Director of the Company. Mr. Tang is also Executive Vice President of the Company. From November 2002 to March 2006, Mr. Tang served as the General Manager of China Resources Power (Changshu) Co., Ltd. From July 2001 to October 2002, he was the General Manager of China Resources (Xuzhou) Electric Power Co., Ltd. Mr. Tang has considerable experience in the management and operation of power plants. Mr. Tang holds an EMBA from China Europe International Business School.

Mr. Jiang Wei

Ms. Chen Xiao Ying

Mr. Anthony H. Adams

Mr. Wu Jing Ru

Mr. Chen Ji Min

Mr. Ma Chiu-Cheung, Andrew

Mr. Zhang Shen Wen

Mr. Zhang Shen Wen is an executive director of the Company. Mr. Zhang is also Executive Vice President of the Company. Mr. Zhang has considerable experiences in the development of power plants. He was the General Manager of the Finance and Accounting Department of the Company between July 2001 and September 2003, and was involved in the development of Liyujiang Phase II and the acquisitions of Shajiao C Power Plant and Wenzhou Telluride Phase II. Mr. Zhang joined China Resources National Corporation in 1994 and worked at Hebei Hengfeng Power Generation Co., Ltd. between 1998 and 1999. Mr. Zhang holds a Bachelor of Science degree in Electrical Automation from the North China University of Technology in China and a Bachelor's degree of Economics from the University of International Business and Economics in China. He also holds a Master's degree in Business Administration from the University of San Francisco.

Ms. Wang Xiao Bin

Ms. Wang Xiao Bin is an executive director and Chief Financial Officer of the Company. Prior to joining the Company in July 2003, Ms. Wang was a director of corporate finance of ING Investment Banking, responsible for execution of capital markets and merger and acquisition transactions in the Asia Pacific region. She worked for Pricewaterhouse in Australia in the audit and business advisory division for five years before joining ING Barings. Ms. Wang is a member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants and the Securities Institute of Australia. Ms. Wang holds a graduate diploma in Applied Finance and Investment from the Securities Institute of Australia and a Bachelor's degree in Commerce from Murdoch University in Australia.

Mr. Jiang Wei

Mr. Jiang Wei was appointed a non-executive director of the Company in August 2003. Mr Jiang is currently the Director and Vice President of China Resources (Holdings) Company Limited and China Resources National Corporation. Mr. Jiang is a non-executive director of China Resources Enterprise, Limited, China Resources Land Limited, China Resources Microelectronics Limited and China Assets (Holdings) Limited; an Executive Director of Cosmos Machinery Enterprises Limited; and an independent non-executive director of Greentown China Holdings Limited. He is also a director of China Vanke Co., Ltd., which is a listed company in China. Mr. Jiang obtained both his Bachelor's degree in International Trade and Master's degree in International Business and Finance from the University of International Business and Economics in Beijing, China.

Ms. Chen Xiao Ying

Ms. Chen Xiao Ying was appointed a non-executive director of the Company in August 2007. She is the Executive Vice Chairman of CITIC 21CN Company Limited and the Chairman of the Pollon Group. Ms. Chen has been developing and managing the Pollon Group's business, including investments in powerplants, telecommunication and properties in the PRC, since its establishment in1989. Ms. Chen has been a member of the Chinese National People's Political Consultative Committee since 1998 and the Permanent Honorary President of Friends of Hong Kong Association Limited since 1999.

Mr. Anthony H. Adams

Mr. Anthony H. Adams was appointed an independent non-executive director of the Company in 2003. Mr. Adams is a managing director based in Hong Kong with JP Morgan Asset Management, where he focuses on direct investments in the Asian infrastructure and related resources sectors. Prior to joining JP Morgan in 2006, he was a managing director based in Hong Kong with Emerging Markets Partnership, which is the principal advisor to the AIG Infrastructure Funds, a set of private equity funds targeted at infrastructure and infrastructure-related opportunities in emerging Asia, Latin America, Europe and Africa. Prior to joining EMP, Mr. Adams was a project development manager at Bechtel Enterprises, the direct investment and development arm of the Bechtel Group, at which he participated in numerous energy and other infrastructure projects throughout Asia Pacific. Mr. Adams holds a Bachelor of Arts degree from the University of Vermont (Phi Beta Kappa) and a Master's degree in Business Administration from Harvard Business School.

Mr. Wu Jing Ru

Mr. Wu Jing Ru was appointed an independent non-executive director ofthe Company in August 2003. Mr. Wu is an independent non-executive director of China Yangtze Power Co., Ltd., and wasformerly Deputy General Manager of the State Energy Investment Corporation in the PRC, the Head of the Loans Department at the State Development Bank of China as well as an expert member and senior counsel in its loans valuation committee. He was also a member of the Three Gorges Project Inspection Committee under the State Council and Deputy Chief of Supervision team of the Three Gorges Transmission and Distribution project. Mr. Wu spent nearly 20 years of his professional careerin the Hydro Power Ministry, where heserved in various positions, including Deputy Section-in-chief, Deputy Directorand Director of the Planning Department.Mr. Wu graduated from the PowerDepartment at Shanghai Jiao TongUniversity.

Mr. Chen Ji Min

Mr. Chen Ji Min was appointed an independent non-executive director of the Company in February 2006. Mr. Chen was a member of the Standing Committee of the People's Congress of Zhejiang Province ("Standing Committee") and a Deputy Director of the Finance and Economy Commission of the Standing Committee. Mr. Chen had served as director of the Bureau of Electricity of Ningbo City, deputy director of the Economic and Trading Committee of Ningbo City, deputy director and director of the Bureau of Electricity of Zhejiang Province, General Manager of the Electricity Development Company of Zhejiang Province and Chairman of the Board of Directors of Zhejiang South-East Company Limited, a company with B shares listed on the Shanghai Stock Exchange. Mr. Chen graduated from the Electricity Engineering Department of Zhejiang University.

Mr. Ma Chiu-Cheung, Andrew

Mr. Ma Chiu-Cheung, Andrew, was appointed an independent non-executive director of the Company in December 2006. Mr. Ma is a Founder and former Director of Andrew Ma DFK (CPA) Limited. He is presently a director of Mayee Management Limited. He has more than 30 years' experience in the field of accounting, auditing and finance. He received his Bachelor's degree in Economics from the London School of Economics and Political Science (University of London) in England. Mr. Ma is a fellow member of the Institute of Chartered Accountants in England & Wales, the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Directors and the Taxation Institute of Hong Kong. He is currently also an independent non-executive director of several other listed companies in Hong Kong.

SENIOR MANAGEMENT

Mr. Bu Fan Sen

Mr. Bu Fan Sen was appointed an Executive Vice President of the Company in October 2007. Mr. Bu served as Assistant Vice President of the Company from December 2005 to October 2007. Prior to joining the Company, from September 2002 to September 2005, Mr. Bu served as Chairman of SDIC Huajing Power Holdings Co., Ltd., a company listed on the Shanghai Stock Exchange. From March 2001 to March 2004, Mr. Bu served as General Manager of SDIC Electric Power Co., Ltd. Prior to that, Mr. Bu was Chief of Business Department of State Development & Investment Corp. Mr. Bu holds a Bachelor of Science degree in Water Conservancy and Hydro Power Engineering from Hehai University.

Mr. Du Hua Dong

Mr. Du Hua Dong was appointed an Executive Vice President of the Company in October 2007. Mr. Du served as General Manager of China Resources Power Hubei Co., Ltd. from July 2002 to October 2007. Mr. Du has 16 years of experience in the electricity industry in China. He joined China Resources (Xuzhou) Electric Power Co., Ltd. as an Assistant General Manager in 1994, and later became General Manager of Huaibei Guo An Electricity Co., Ltd. Mr. Du holds a diploma from Xuzhou Economic and Technology Management Institute and a Master's degree in Management from Wuhan University.

Mr. Li She Tang

Mr. Li She Tang was appointed Executive Vice President of the Company in June 2009. Mr. Li has over 26 years of experience in the electricity industry in China. Mr. Li served as Chief Technical Officer of the Company from September 2003 to June 2009, and served as General Manager of China Resources Power Dengfeng Co., Ltd. from August 2002 to December 2003. Mr. Li was Senior Advisor and Chief Engineer of Saide China Holdings Limited and General Manager of Puqi Sithe Power Generating Company Limited (which was renamed as China Resources Power Hubei Co., Ltd.) from 1999 to 2002. Mr. Li started his career in the electricity industry in 1984 in the Power Planning and Engineering Institute of the Ministry of Electricity, where he served in various positions, including Head of Office, Deputy Section-in-chief, section-in-chief and Chief Engineer. Mr. Li is a Senior Engineer and holds a Bachelor's degree in Engineering, majoring in Power Plant Thermal Engineering from Xi'an Jiaotong University in China.

Mr. Wang Yu Jun

Mr. Wang Yu Jun is an Executive Vice President of the Company and the General Manager of Jiangsu Zhenjiang Generator Company Limited. Mr. Wang served as Assistant General Manager of China Resources (Xuzhou) Electric Power Co., Ltd., Executive Deputy General Manager of China Resources Power Hunan Liyujiang Co., Ltd. and General Manager of China Resources Power Dengfeng Co., Ltd. from November 2000 to March 2006. Mr. Wang has over 20 years of experience in power plant operation and management. Prior to joining China Resources Power, he held management positions in various power plants in Xuzhou. Mr. Wang holds a Master's degree in Engineering from Nanjing University of Science and Technology and a Master's degree in Business Administration from China Europe International Business School.

Ms. Liu Ping

Ms. Liu Ping is an Executive Vice President of the Company and the General Manager of China Resources Power Henan Branch Company 華潤電力河南分公司. Ms. Liu served as General Manager of China Resources (Luoyang) Thermal Power Co., Ltd. and Chief Financial Officer of China Resources Power Dengfeng Co., Ltd. and China Resources Power Henan Shouyangshan Co., Ltd. from October 2003 to March 2006. Ms. Liu has over 15 years of experience in financial management. Prior to joining the Company, Ms. Liu served as a management personnel in the People's Bank of China in Xuzhou City, Jiangsu Province. Ms. Liu holds a Master's degree in Business Administration from China Europe International Business School.

Mr. Ding Qi

Mr. Ding Qi is the Chief Human Resources Officer of the Company. He served as General Manager of the Human Resources and Administration Department of the Company from November 2001 to June 2007. Prior to joining the Company, he was a Departmental Manager of China Resources Development and Investment Co., Ltd. from 1998 to 1999. Mr. Ding holds a Bachelor's degree in Wireless Communications from the Nanjing Communications Engineering Institute.

Report of the Directors

The directors (the "Directors") of China Resources Power Holdings Company Limited (the "Company") have the pleasure in presenting to the shareholders their report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009.

Principal Activities

The principal activity of the Group is to invest, develop, operate and manage power plants and coal mine projects in the more affluent regions or regions with abundant coal resources in China. Particulars of the Company's principal subsidiaries and associates are set out in notes 17 and 18 to the financial statements, respectively.

Group Profit

The consolidated income statement is set out on page 61 and shows the Group's profit for the year ended 31 December 2009. A discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position are provided in the Management's Discussion and Analysis on pages 18 to 27 of this Annual Report.

Dividends

An interim dividend of HK$0.06 per share was paid on 5 October 2009.

The Board of Directors resolved to recommend the payment of a final dividend of HK$0.32 per share for the year ended 31 December 2009 to shareholders whose names appear on the Register of Members of the Company on 8 June 2010. The proposed dividend will be paid on or about 21 June 2010 following approval at the Annual General Meeting.

Property, Plant and Equipment

Details of the movement in property, plant and equipment of the Group and the Company during the year are set out in note 13 to the financial statements.

Share Capital

Details of movements in the share capital of the Company during the year are set out in note 36 to the financial statements.

Reserves

Distributable reserves of the Company amounted to HK$7,000.5 million as at 31 December 2009 (2008: HK$7,998.5 million). Movement in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on pages 66 to 67 of this Annual Report and note 38 to the financial statements, respectively.

Bank Loans and Other Borrowings

The total borrowings of the Group as at 31 December 2009 amounted to HK$56,484.5 million (2008: HK$37,671.4 million). Particulars of borrowings are set out in note 33 to the financial statements.

Directors

The Directors who held office during the year of 2009 and as at the date of this Annual Report are as follows:

Executive Directors:

Mr. Song Lin	(Chairman)
Mr. Wang Shuai Ting	(Vice Chairman and Chief Executive Officer)
Mr. Tang Cheng	
Mr. Zhang Shen Wen	
Ms. Wang Xiao Bin	

Non-Executive Directors:

Mr. Jiang Wei
Ms. Chen Xiao Ying

Independent Non-Executive Directors:
Mr. Anthony H. Adams
Mr. Wu Jing Ru
Mr. Chen Ji Min
Mr. Ma Chiu-Cheung, Andrew

As at 31 December 2009, none of the Directors had a service contract with the Company or any subsidiaries which is not determinable by the employing company within one year without payment of compensation other than statutory compensation.

In accordance with Article 120 of the Company's Articles of Association, Ms. Chen Xiao Ying, Mr. Anthony H. Adams, Mr. Wu Jing Ru and Mr. Ma Chiu-Cheung, Andrew retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company. *(see note below)*

Note : Subsequent to the date of this report, Mr. Tang Cheng, Ms. Chen Xiao Ying and Mr. Wu Jing Ru resigned as Directors and Mr. Shi Shanbo, Ms. Elsie Leung Oi-sie and Dr. Raymond K.F. Ch'ien were appointed as Directors with effect from 22 April 2010. In view of the aforesaid changes and in accordance with the Company's Articles of Association, Ms. Wang Xiao Bin, Mr. Anthony H. Adams, Mr. Chen Ji Min and Mr. Ma Chiu-Cheung, Andrew, being the Directors longest in office, retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company and Mr. Shi Shanbo, Mr. Elsie Leung Oi-sie and Dr. Raymond K.F. Ch'ien, being newly appointed Directors retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company. Details of the retiring Directors are set out in a circular to shareholders of the Company dated 27 April 2010.

The Company has received annual confirmation from each of the independent non-executive directors as regards their independence to the Company and considers that each of the independent non-executive directors is independent to the Company.

Biographical details of the Directors as at the date of this report are set out on pages 14 to 16 of this Annual Report.

The executive directors are entitled to salaries and discretionary bonuses determined by the Board at its absolute discretion having regard to the Group's performance and the prevailing market situation. The non-executive directors and the independent non-executive directors are entitled to fees authorised by shareholders and approved by the Board by reference to the prevailing market conditions. The Directors are granted options to subscribe for the Company's shares (the "Shares"). For details of the share option schemes, please refer to pages 19 to 21 of this Annual Report. Details of Directors' remuneration are provided under note 9 to the financial statements.

Share Options

The Company has two share option schemes, namely the pre-IPO share option scheme and the share option scheme as follows:

(A) Pre-IPO Share Option Scheme

The Company adopted a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") on 6 October 2003. The purposes of the Pre-IPO Share Option Scheme are to attract and retain the best available personnel; to provide additional incentive to employees, directors, consultants and advisors of (a) the Company, its subsidiaries and associated companies and (b) China Resources (Holdings) Company Limited ("CRH") and its subsidiaries; and to promote the success of the business of the Company, its subsidiaries and associated companies. The Pre-IPO Share Option Scheme ended on 12 November 2003, being the date on which dealings in the Shares commenced on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and no further options under the Pre-IPO Share Option Scheme can be granted after that date. The provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect for a period of 10 years from 6 October 2003.

Under the Pre-IPO Share Option Scheme, 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.

As a result of the rights issue of 424,337,196 rights shares at a subscription price of HK$14 per Share on the basis of one rights share for every ten Shares held on 24 June 2009 (the "Rights Issue"), the exercise price per Share and the number of Shares issuable upon the exercise of the outstanding share options pursuant to the Pre-IPO Share Option Scheme are adjusted pursuant to Rule 17.03(13) of the Rules Governing the Listing of Securities of The Stock Exchange (the "Listing Rules").

As at 31 December 2009, a total of 30,762,016 Shares (as adjusted) (representing approximately 0.66% of the existing issued share capital of the Company) may be issued by the Company upon exercise of all options which had been granted under the Pre-IPO Share Option Scheme.

Movement of the options under the Pre-IPO Share Option Scheme during the year ended 31 December 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 exercised during the year[2]	Number of options outstanding as at 31 December 2009	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	(400,000)	170,080	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	(11,434,118)	10,466,076	5 Oct 2013	2.750
Aggregate total of other participants	6 Oct 2003	21,358,000	355,788	(3,522,128)	18,191,660	5 Oct 2013	2.750
		46,098,000	620,262	(15,956,246)	30,762,016		

Note: 1. Number of options and exercise price were adjusted immediately after ex-entitlement to the Rights Issue.

2. The weighted average closing prices of the Shares immediately before the dates on which the options were exercised was HK$15.90.

3. No option was lapsed or cancelled under the Pre-IPO Share Option Scheme during the year.

(B) SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was approved by a resolution in writing of the shareholders of the Company on 6 October 2003. The purposes of the Share Option Scheme are to attract and retain the best available personnel; to provide additional incentive to employees, directors, consultants and advisors of (a) the Company, its subsidiaries and associated companies and (b) CRH and its subsidiaries; and to promote the success of the business of the Company, its subsidiaries and associated companies.

The Board may, at its absolute discretion, offer an option to eligible person to subscribe for the Shares at an exercise price and subject to the other terms of the Share Option Scheme. Upon acceptance of the offer of a grant, the grantee shall pay HK$1 to the Company as nominal consideration for the grant.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 367,000,000 Shares of the Company, being 10% of the total number of Shares in issue immediately prior to the date on which dealings in the Shares commenced on the Stock Exchange.

The total number of Shares issued and to be issued upon the exercise of the options granted to or to be granted to each eligible person under the Share Option Scheme and any other schemes of the Company or any of its subsidiaries (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue.

Options granted have 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.

The Share Option Scheme will remain in force for a period of 10 years from 6 October 2003.

As a result of the Rights Issue, the exercise price per Share and the number of Shares issuable upon the exercise of the outstanding share options pursuant to the Share Option Scheme are adjusted pursuant to Rule 17.03(13) of the Listing Rules.

As at 31 December 2009, a total of 102,855,460 Shares (as adjusted) (representing approximately 2.20% of the existing issued share capital of the Company) may be issued by the Company upon exercise of all options which had been granted under the Share Option Scheme.

Movement of the options granted under the Share Option Scheme during the year ended 31 December 2009 is as follows:

Participant	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 year	Number of options exercised during the year[2]	Number of options outstanding as at 31 December 2009	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	(6,054,560)	7,179,780	31 Aug 2014	4.175
	18 Mar 2005	13,800,000	198,720	—	(4,764,120)	9,234,600	17 Mar 2015	3.919
	18 Nov 2005	38,040,000	698,580	9,750,000	(13,514,020)	34,974,560	17 Nov 2015	4.641
	5 Sep 2006	23,120,000	386,640	—	(3,831,680)	19,674,960	4 Sep 2016	6.925
	30 Mar 2007	24,236,000	424,440	—	(972,160)	23,688,280	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	—	(964,320)	5,090,000	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	—	(30,340,860)	102,855,460		

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 Shares immediately before the date on which the options were exercised was HK$16.49.

3. No option was granted, lapsed or cancelled under the Share Option Scheme during the year.

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, 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 at an earlier date.

For the year ended 31 December 2009, the Trustee purchased a total of 30,650,000 Shares, representing 0.74% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of approximately HK$526,160,000 (including transaction costs).

From the Adoption Date up to 31 December 2009, the Trustee purchased a total of 41,230,000 Shares, representing 0.99% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of approximately HK$681,500,000 (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.

DIRECTORS' INTERESTS IN SECURITIES

Save as disclosed below, as at 31 December 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 Divisions 7 and 8 of Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), 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 31 December 2009 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of the Company
Song Lin	Beneficial Owner	1,386,000	Long	0.030%
Wang Shuai Ting	Beneficial Owner	3,795,000	Long	0.081%
Tang Cheng	Beneficial Owner	2,151,800	Long	0.046%
Zhang Shen Wen	Beneficial Owner	2,426,800	Long	0.052%
Wang Xiao Bin	Beneficial Owner	3,128,000	Long	0.067%
Jiang Wei	Beneficial Owner	840,000	Long	0.018%
Chen Xiao Ying	Interest in controlled corporations	53,355,969	Long	1.139%
Anthony H. Adams	Beneficial Owner	18,000	Long	0.0004%

Name of Director	Capacity	Date of grant	Date of expiry	Exercise price[1] (HK$)	Number of options and underlying shares as at 1 January 2009	Number of options adjusted as a result of the Rights Issue[1]	Number of options exercised during the year	Number of options and underlying shares as at 31 December 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	0.017%
	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.919	540,000	9,720	—	549,720	0.012%
Wang Shuai Ting	Beneficial Owner	6 Oct 2003	5 Oct 2013	2.750	900,000	16,200	—	916,200	0.020%
	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.919	540,000	9,720	—	549,720	0.012%
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	0.005%
Wang Xiao Bin	Beneficial Owner	6 Oct 2003	5 Oct 2013	2.750	560,000	10,080	(400,000)	170,080	0.004%
	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.919	360,000	6,480	—	366,480	0.008%
Jiang Wei	Beneficial Owner	6 Oct 2003	5 Oct 2013	2.750	200,000	3,600	—	203,600	0.004%
	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.919	360,000	6,480	—	366,480	0.008%
Anthony H. Adams	Beneficial Owner	18 Nov 2005	17 Nov 2015	4.641	200,000	3,600	—	203,600	0.004%
Wu Jing Ru	Beneficial Owner	18 Nov 2005	17 Nov 2015	4.641	200,000	3,600	—	203,600	0.004%
Chen Ji Min	Beneficial Owner	30 Mar 2007	29 Mar 2017	12.210	200,000	3,600	—	203,600	0.004%
Ma Chiu-Cheung, Andrew	Beneficial Owner	30 Mar 2007	29 Mar 2017	12.210	200,000	3,600	—	203,600	0.004%

Note: 1. Number of options and exercise price were adjusted immediately after ex-entitlement to the Rights Issue.

(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 31 December 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	1,000,000	Long	0.042%
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 year	Number of options and underlying shares as at 31 December 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 31 December 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%

(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 31 December 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
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 year	Number of options and underlying shares as at 31 December 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%

(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 31 December 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	0.014%
Wang Shuai Ting	Beneficial Owner	972,000	Long	0.011%
Tang Cheng	Beneficial Owner	2,000	Long	0.00002%
Zhang Shen Wen	Beneficial Owner	108,000	Long	0.001%
Jiang Wei	Beneficial Owner	537,614	Long	0.006%

(F) CHINA RESOURCES CEMENT HOLDINGS LIMITED

China Resources Cement Holdings Limited ("CR Cement") is a fellow subsidiary of the Company. Details of shares in CR Cement held by the Directors as at 31 December 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 Cement
Song Lin	Beneficial Owner	3,000,000	Long	0.045%
Wang Shuai Ting	Beneficial Owner	1,000,000	Long	0.015%

ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES

Other than disclosed in "Directors' Interests in Securities" above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or the chief executive or their respective associates, of the Company to acquire benefits by means of the acquisition of shares in, or debt securities of, the Company or any associated corporation and none of the Directors and chief executive, or their spouse and children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries, holding companies or fellow subsidiaries was a party and in which a Director had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

In addition there was no contract of significance between the Company or any of its subsidiaries and its controlling shareholder (or its subsidiaries) (if any) and there was no contract of significance for the provision of services to the Company by its controlling shareholder (or its subsidiaries) (if any) subsisting during the year.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 31 December 2009, the Directors were not aware of any other persons (other than a Director or chief executive, whose interests are disclosed in the section headed "Directors' Interests in Securities" above) who had an interest or short position in the Shares or underlying shares of the Company as recorded in the register kept pursuant to Section 336 of the SFO:

Name of shareholders	Capacity	No. of Shares held	Long/short position	Approximate % of shareholding
Finetex International Limited ("Finetex")	Beneficial owner	3,024,999,999	Long	64.59%
CRH	Interest in a controlled corporation	3,024,999,999	Long	64.59%
CRC Bluesky Limited	Interest of a controlled corporation	3,024,999,999	Long	64.59%
China Resources Co., Limited ("CRL")	Interest of a controlled corporation	3,024,999,999	Long	64.59%
China Resources National Corporation ("CRNC")	Interest of a controlled corporation	3,024,999,999	Long	64.59%

Note: Finetex is a 100% subsidiary of CRH, which 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 CRH, 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 Finetex.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

On 2 November 2009, Guangzhou China Resources Thermal Power Company Limited ("CR Guangzhou Power"), a subsidiary of the Company, entered into three master agreements with China Resources Cement Investment Limited, whereby CR Guangzhou Power agreed to (1) supply de-sulphur gypsum, ash and slag; and (2) purchase limestone powder, each for a term from 2 November 2009 to 31 December 2011. Details of the continuing connected transactions are as stated in the Company's announcement dated 2 November 2009.

Save as disclosed above, in accordance with paragraph 14A.37 of the Listing Rules, the independent non-executive directors of the Company have reviewed and confirmed that as at 31 December 2009, the other continuing connected transactions of the Company were exempt from the reporting, announcement and independent shareholders' approval requirements under paragraph 14A.33 of the Listing Rules and that they:

(i) have been entered into in the ordinary course of the Company's business;

(ii) have been entered into either:

  (a) on normal commercial terms; or

  (b) where there was no available comparison to judge whether they are on normal commercial terms, on terms no less favourable than those available to or from independent third parties; and

(iii) have been entered into on terms that are fair and reasonable so far as the independent shareholders of the Company are concerned, and in accordance with the terms of the agreement governing such transactions.

MAJOR CUSTOMERS AND SUPPLIERS

Purchases from the Group's five largest suppliers together accounted for 18.5% of the Group's total purchases during the year. The five largest suppliers are 平頂山天安煤業股份有限公司 (Pingdingshan Tianan Coal Mining Company Limited) (6.0%), 中國神華能源股份有限公司(China Shenhua Energy Company Limited) (3.7%), 湖南省煤業集團有限公司(Hunan Provincial Coal Mining Company Limited) (3.6%), 義馬煤業（集團）有限責任公司 (Yima Coal (Group) Company Limited) (3.4%), and 山西潞安環保能源開發股份有限公司 (Shanxi Lu'an Environmental Energy Development Company Limited) (1.8%).

Sales to the Group's five largest customers together accounted for 74.1% of the Group's total turnover during the year. The five largest customers are 江蘇省電力公司 (Jiangsu Electric Power Company) (21.4%), 廣東電網公司 (Guangdong Power Grid Company) (20.7%), 河南省電力公司 (Henan Provincial Power Company) (16.6%), 遼寧省電力有限公司(Liaoning Electric Power Company Limited) (10.6%) and 安徽省電力公司 (Anhui Electric Power Corporation) (4.9%).

At no time during the year did a Director, an associate of a Director or a shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) have any interest in any of the Group's five largest suppliers or customers.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Saved as disclosed above under the section headed "Restricted Share Award Scheme", the Company and its subsidiaries did not purchase, sell or redeem any securities of the Company during the year ended 31 December 2009.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied, throughout the financial year, with the code provision set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules. For details, please refer to the Corporate Governance Report on pages 41 to 59 in this Annual Report.

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 throughout the year ended 31 December 2009.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

AUDIT COMMITTEE

The financial statements have been reviewed by the Audit Committee. 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 review of financial statements.

AUDITORS

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs Deloitte Touche Tohmatsu as the auditors of the Company.

On behalf of the Board

Song Lin
Chairman

Hong Kong, 22 March 2010

Management's Discussion and Analysis

BUSINESS REVIEW FOR 2009

Following an exceptionally challenging year of 2008 when coal price in China reached its historical peak level, 2009 was still an unusual year for the Chinese power industry. In line with the global economic conditions, Chinese economic development and power demand also slowed down. For the first six months of the year, power consumption nationwide recorded a year-on-year negative growth, even though total power consumption gradually recovered month by month as a result of the economic recovery and various stimulus measures for the economy deployed by the Chinese government. Power demand reversed its year-on-year negative growth trend in July of 2009 with power consumption and growth rate strengthened month by month in the second half of the year and a whole year nationwide power consumption growth of approximately 5.96% was recorded.

With the slowing down of the Chinese economic development, coal price in the Chinese domestic market also decreased from its peak level recorded in the summer of 2008. For most of the time in the year, there was also significant improvement in the availability of railway transportation capacity. Chinese power producers and coal suppliers were engaged in lengthy discussions to reach an agreement on contract coal prices. In order to reduce coal costs, Chinese power producers also turned to international markets from time to time to secure quality coal at competitive prices.

In view of the macroeconomic conditions, the Group employed a number of measures to maximize generation volume and control coal costs. We actively participated in various markets in China to obtain excess generation volume, whether by bidding for excess power generation or by replacing small generation units for power generation. We also entered into five-year coal procurement agreements with a number of major coal suppliers in the country in order to secure our contract coal purchase volume for the five year period and secure a pricing mechanism with price ceiling and floor fixed in order to protect the contracted parties.

In 2009, the Group recorded a strong generation capacity growth and a strong year-on-year growth of net generation. With a decrease in coal prices and other costs of operations, our profitability and return on equity improved significantly as compared to 2008.

As at 31 December 2009, our total attributable operational generation capacity increased to 17,753MW from 12,981MW as at 31 December 2008.

The growth in our operational generation capacity is attributable to the commissioning of new power plants as well as completion of acquisitions of power plant assets from our controlling shareholder.

Total net generation volume of our 41 operating power plants amounted to 114,245,966MWh in 2009, representing an increase of 17.1% from 97,579,013MWh in 2008. Total net generation volume of our 32 consolidated operating power plants amounted to 75,248,994MWh in 2009, representing an increase of 16.2% from 64,740,110MWh in 2008.

On a same plant basis (using 22 coal-fired power plants which were in commercial operation for the entire year of 2008 and 2009), gross and net generation volumes increased by 3.4% and 3.6%, respectively. The average full-load equivalent utilisation hours for 2009 of the 22 coal-fired power plants amounted to 5,750 hours, representing an increase of 3.4% from 5,560 hours for 2008.

Average unit fuel cost for our consolidated operating power plants in 2009 was RMB208.1/MWh, a year-on-year decrease of 12.9%. Average standard coal cost for our consolidated operating power plants in 2009 has decreased by 12.3% on a year-on-year basis.

During the year, we actively pursued our strategies of vertical integration and actively participated in the coal mining industry consolidation in Shanxi Province. We set up a subsidiary in Shanxi and acquired a number of existing operational coal mines in Lüliang District in Shanxi Province. We believe that our operations in Lüliang District will serve as a platform which not only enabling us to penetrate our operations in the local coal mining industry, but also enabling us to penetrate into other areas in Shanxi Province. We remain deeply committed to pursuing more coal mine assets and resources acquisitions in order to support our power generation business and enhance our profitability.

PROSPECTS FOR 2010

While continuing to identify and develop new power projects in line with our business strategies and investment disciplines, our main focus in 2010 is to ensure that coal mine assets which we acquired in 2009 will resume commercial operation as soon as possible, ramp up our commercial production volume and achieve all the operational objectives we set for the year. In addition, we will continue to identify and develop coal mine projects in the country in order to increase the total coal resources which we control and secure our long-term fuel supply at low costs.

As for our power generation business, we have received a number of preliminary approvals from National Development and Reform Commission to construct new power plants in the country. Subject to final government approval, 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 2010. For coal procurement, we have already secured a significant portion of our total coal demand for the year through contract purchases. We will monitor contract fulfillment throughout the year. For our operating power plants, we will continue to deploy a number of measures in order to improve our operational efficiency and profitability.

For the renewable energy sector, we mainly focus on development of wind farms and hydro-electric projects. We have secured a number of sites in the country for the construction of wind farms and will construct a number of new wind farms each year. We also have one hydro project under construction and a number of new hydro projects undertaking feasibility studies or to be approved by the government.

Construction of new power plants and acquisitions and constructions of coal mines will be funded by our operational cash flow, loan facilities provided by Chinese and international commercial banks and the funds from other debt facilities. We will monitor our capital structure and balance sheet on an ongoing basis to ensure that we have a stable capital structure to support the Company's operations and future development plans.

OPERATING RESULTS

The audited results of operations for the years ended 31 December 2008 and 2009 are as follows:

Consolidated Income Statement

For the year ended 31 December 2009

	2009 **HK$'000**	2008 HK$'000
Turnover	**33,213,676**	26,771,662
Operating expenses		
Fuel	**(19,052,308)**	(17,482,818)
Repair and maintenance	**(579,679)**	(304,745)
Depreciation and amortisation	**(3,244,254)**	(2,813,692)
Others	**(3,297,305)**	(3,247,453)
Total operating expenses	**(26,173,546)**	(23,848,708)
Other income	**416,248**	560,802
Profit from operations	**7,456,378**	3,483,756
Finance costs	**(1,931,726)**	(1,711,614)
Share of results of associates	**889,912**	396,901
Fair value change on derivative financial instruments	**(6,508)**	(17,531)
Profit before taxation	**6,408,056**	2,151,512
Taxation	**(370,431)**	(215,987)
Profit for the year	**6,037,625**	1,935,525
Profit for the year attributable to:		
Owners of the Company	**5,317,392**	1,717,448
Minority interests	**720,233**	218,077
	6,037,625	1,935,525
Earnings per share		
- basic	**HK$1.19**	HK$0.41
- diluted	**HK$1.17**	HK$0.39

Consolidated Statement of Financial Position

As at 31 December 2009

	2009 HK$'000	2008 HK$'000
Non-current assets		
Property, plant and equipment	**71,552,710**	50,318,595
Prepaid lease payments	**1,486,211**	1,021,098
Mining rights	**188,213**	197,061
Exploration and resources rights	**355,468**	239,989
Interests in associates	**9,107,332**	6,381,116
Goodwill	**3,756,835**	3,207,440
Investments in investee companies	**201,053**	128,416
Deposit paid for acquisition of subsidiaries	**1,657,899**	981,418
Deposit paid for acquisition of additional interest in a subsidiary	**134,390**	—
Deposit paid for establishment of an associate	**77,942**	77,942
Deposit paid for acquisition of property, plant and equipment	**1,076,532**	406,311
Deposit paid for acquisition of mining/exploration rights	**10,023,947**	2,584,496
Deposit paid for land use rights	**161,305**	125,118
Pledged bank deposits	**37,218**	37,201
Deferred taxation assets	**111,086**	94,777
	99,928,141	65,800,978
Current assets		
Inventories	**1,431,955**	1,857,595
Trade receivables, other receivables and prepayments	**8,288,090**	4,796,957
Amounts due from minority shareholders of subsidiaries	**3,023**	150,379
Amounts due from associates	**931,621**	1,292,759
Amounts due from group companies	**164,790**	144,923
Financial assets at fair value through profit or loss	**5,844**	2,962
Restricted bank balances	**1,503,229**	91,564
Pledged bank deposits	**407,306**	44,641
Bank balances and cash	**6,261,931**	5,467,088
	18,997,789	13,848,868

	2009 HK$'000	2008 HK$'000
Current liabilities		
Trade payables, other payables and accruals	**12,763,230**	7,976,704
Amounts due to associates	**3,249,297**	960,264
Amounts due to group companies	**2,002**	1,607,791
Amounts due to minority shareholders of subsidiaries	**167,384**	428,534
Taxation payable	**62,298**	34,099
Bank and other borrowings - repayable within one year	**23,494,165**	9,484,736
Derivative financial instruments	**17,467**	—
	39,755,843	20,492,128
Net current liabilities	**(20,758,054)**	(6,643,260)
Total assets less current liabilities	**79,170,087**	59,157,718
Non-current liabilities		
Bank and other borrowings - repayable after one year	**32,990,302**	28,186,707
Accrued retirement benefit cost	**294,337**	316,594
Derivative financial instruments	**316,083**	387,265
Deferred taxation liabilities	**413,983**	106,289
	34,014,705	28,996,855
	45,155,382	30,160,863
Capital and reserves		
Share capital	**4,683,431**	4,212,797
Share premium and reserves	**32,910,548**	23,002,308
	37,593,979	27,215,105
Minority interests	**7,561,403**	2,945,758
	45,155,382	30,160,863

Consolidated Statement of Cash Flows

For the year ended 31 December 2009

	2009 HK$'000	2008 HK$'000
OPERATING ACTIVITIES		
Profit before taxation	**6,408,056**	2,151,512
Adjustments for:		
Amortisation of prepaid lease payments	**56,100**	47,434
Amortisation of mining rights	**9,235**	9,352
Depreciation for property, plant and equipment	**3,178,919**	2,756,906
Recognition of share-based payments	**53,587**	91,337
Interest expense	**1,931,726**	1,711,614
Interest income	**(49,608)**	(91,704)
Fair value change on financial assets at fair value through profit and loss	**(2,882)**	(1,833)
Fair value change on derivative financial instruments	**6,508**	17,531
Share of results of associates	**(889,912)**	(396,901)
Net (gain) loss on disposal and write-off of property, plant and equipment	**(11,408)**	74,188
Operating cash flows before movements in working capital	**10,690,321**	6,369,436
Decrease (increase) in inventories	**556,415**	(839,018)
(Increase) decrease in trade receivables, other receivables and prepayments	**(1,367,791)**	1,090,220
Increase (decrease) in trade payables, other payables and accruals	**137,184**	(338,852)
PRC Enterprise Income Tax paid	**(270,757)**	(175,102)
NET CASH FROM OPERATING ACTIVITIES	**9,745,372**	6,106,684
INVESTING ACTIVITIES		
Dividends received from associates	**313,433**	411,238
Interest received	**49,608**	91,704
Increase in pledged bank deposits	**(363,006)**	(25,742)
Increase in restricted bank balances	**(1,412,923)**	(91,564)
Purchase and deposit paid for acquisition of property, plant and equipment and land use rights	**(11,503,328)**	(11,060,363)
Purchase and deposit paid for acquisition of mining rights and exploration and resources rights	**(7,563,833)**	(2,681,056)
Loan repaid from (advanced to) a minority shareholder of a subsidiary	**147,377**	(138,748)
Loan repaid from (advanced to) associates	**371,234**	(1,114,699)
Capital contribution for investments in associates	**(41,742)**	(122,847)
Deposit paid for acquisition of subsidiaries	**(677,869)**	(981,418)
Deposit paid for acquisition of additional interest in a subsidiary	**(134,390)**	—
Investments in investee companies	**(72,637)**	—
Acquisition of additional interest in subsidiaries	**(172,283)**	—
Acquisitions of subsidiaries	**(2,560,859)**	(999,866)
Proceeds from disposal of property, plant and equipment and insurance claims received on damaged plant and equipment	**138,736**	184,480
Advances to group companies	**(20,005)**	(144,828)
Repayment of deferred consideration	**—**	(155,000)
NET CASH USED IN INVESTING ACTIVITIES	**(23,502,487)**	(16,828,709)

	2009 **HK$'000**	2008 HK$'000
FINANCING ACTIVITIES		
New bank and other borrowings raised	**37,705,145**	25,621,214
Capital contribution from minority shareholders	**2,851,479**	80,602
Proceeds on issue of shares	**2,286,360**	214,148
Purchase of shares held by share award scheme	**(526,160)**	(155,340)
(Repayment of advances) advances from associates	**(406,781)**	960,164
Advances from group companies	**524,995**	1,307,717
Advances to minority shareholders of subsidiaries	**(66,310)**	—
Repayment of bank and other loans	**(24,245,756)**	(16,657,515)
Interest paid	**(2,441,254)**	(1,843,717)
Dividends paid	**(619,505)**	(1,044,269)
Dividends paid to minority shareholders of subsidiaries	**(465,822)**	(526,941)
NET CASH FROM FINANCING ACTIVITIES	**14,596,391**	7,956,063
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**839,276**	(2,765,962)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**5,467,088**	7,887,134
EFFECT ON FOREIGN EXCHANGE RATE CHANGE	**(44,433)**	345,916
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, REPRESENTING BANK BALANCES AND CASH	**6,261,931**	5,467,088

Overview

Net profit for the year ended 31 December 2009 amounted to HK$5,317.4 million, representing an increase of 209.6% from HK$1,717.4 million for 2008.

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

- Increase in net generation volume — Total net generation volume of our 32 consolidated operating power plants increased by 16.2% from 64,740,110MWh in 2008 to 75,248,994MWh in 2009. This partially is due to an increase in our generation capacity from 12,981MW as at 31 December 2008 to 17,753MW as at 31 December 2009. We have commissioned a number of coal-fired power plants and wind farms during the year and completed the acquisition of a 60% equity interest in China Resources (Jiangsu) Investment Company Limited ("Jiangsu Investment") from our controlling shareholder in August 2009, thereafter Jiangsu Investment becoming a wholly-owned subsidiary of the Company. In addition, on a same plant basis, for the 22 coal-fired power plants which were in commercial operation for the entire year of 2008 and 2009, the net generation volume has increased by 3.6%. The average full-load equivalent utilisation hours for 2009 of the 22 coal-fired power plants amounted to 5,750 hours, increased by 3.4% from 5,560 hours for 2008.

- Decrease in unit fuel cost — Fuel costs for 2009 amounted to HK$19,052.3 million, increased by 9.0% from HK$17,482.8 million for 2008. In the meantime, turnover increased by 24.1% as compared with 2008. Average unit fuel cost for our consolidated operating power plants in 2009 was RMB208.1/MWh, decreased by 12.9% compared to 2008. Average standard coal cost for our consolidated operating power plants in 2009 has decreased by 12.3% on a year-on-year basis;

- Tariff adjustments — Chinese government announced two tariff hikes in July and August 2008, respectively. On average, our consolidated coal-fired power plants received tariff increases of RMB41.41/MWh, inclusive of value-added tax ("VAT"). Such increase was offset to some extent by an average of RMB3.46/MWh tariff reduction announced by the Chinese government in November 2009. Average tariff for our consolidated operating power plants in 2009 increased by 5.4% as compared to 2008; and

- Contribution from Liyujiang Phase II and Liyujiang B Power Plant — Due to the extreme weather conditions in certain parts of China in early 2008, the dual transmission lines for power transmission to Guangdong Province of Liyujiang Phase II and Liyujiang B Power Plant were seriously damaged by the formation of thick ice blocks which led to the collapse of transmission towers. The net losses on transmission lines amounted to HK$88.1 million and were charged as expenses in 2008. In addition, the operations of Liyujiang Phase II and Liyujiang B Power Plant were suspended for almost three months in the first half of 2008. In 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 financial statements and principal accounting policies

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

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

The Group had net current liabilities as at 31 December 2009. The directors of the Company (the "Directors") are of the opinion that, taking into account the presently available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements for at least the next 12 months commencing from 31 December 2009. Hence, the financial statements have been prepared on a going concern basis.

Turnover and segment information

Turnover represents the net amount received and receivable for the sales of electricity, heat generated by thermal power plants and coal, net of sales related taxes, during the year.

	2009 **HK$'000**	2008 HK$'000
Sales of electricity	**30,918,198**	25,102,876
Heat supply	**932,037**	323,051
Sales of coal	**1,363,441**	1,345,735
	33,213,676	26,771,662

Turnover for the year ended 31 December 2009 was HK$33,213.7 million, representing a 24.1% increase from HK$26,771.7 million for the year ended 31 December 2008. The increase in turnover was mainly due to an increase in net generation volume and average tariff in 2009. Total net generation volume of our 32 consolidated operating power plants increased by 16.2% from 64,740,110MWh in 2008 to 75,248,994MWh in 2009. In addition, average tariff for our consolidated operating power plants has increased by 5.4% in 2009. Our consolidated coal-fired power plants received an average of RMB41.41/MWh (inclusive of VAT) increase when Chinese government announced tariff hikes in July and August 2008. Such increase was offset to some extent by an average of RMB3.46/MWh tariff reduction announced by Chinese government for the services areas that we cover in November 2009.

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

Segment revenue and results

The following are the Group's revenue and results analysed by reportable segments.

For the year ended 31 December 2009

	Sales of electricity HK$'000	**Coal mining** HK$'000	**Eliminations** HK$'000	**Total** HK$'000
Revenue				
External sales	31,850,235	1,363,441	—	33,213,676
Inter-segment sales	—	149,246	(149,246)	—
Total	31,850,235	1,512,687	(149,246)	33,213,676
Segment profit	7,172,457	436,177	—	7,608,634
Unallocated corporate expenses				(201,864)
Interest income				49,608
Finance costs				(1,931,726)
Share of profit of associates				889,912
Fair value change on derivative financial instruments				(6,508)
Profit before taxation				6,408,056

For the year ended 31 December 2008

	Sales of electricity HK$'000	Coal mining HK$'000	Eliminations HK$'000	Total HK$'000
Revenue				
External sales	25,425,927	1,345,735	—	26,771,662
Inter-segment sales	—	675,424	(675,424)	—
Total	25,425,927	2,021,159	(675,424)	26,771,662
Segment profit	2,957,949	628,681	—	3,586,630
Unallocated corporate expenses				(194,578)
Interest income				91,704
Finance costs				(1,711,614)
Share of profit of associates				396,901
Fair value change on derivative financial instruments				(17,531)
Profit before taxation				2,151,512

Inter-segment sales are charged at prevailing market rates.

Geographical segments

Substantially all of the Group's non-current assets are located in the PRC, and operations for the year were substantially carried out in the PRC.

Operating expenses

Operating expenses mainly comprise fuel costs, repair and maintenance, depreciation and amortisation, and other administrative costs such as staff costs, professional fee, office rent, travelling expense, entertainment expense and write-off of pre-operating expenses.

Operating expenses amounted to HK$26,173.5 million for the year ended 31 December 2009, representing a 9.7% increase from HK$23,848.7 million for the year ended 31 December 2008. The increase in operating expenses was mainly due to commencement of commercial operation as well as acquisition of new power plants in 2008 and 2009. The number of consolidated operating power plants has increased from 22 at the year end of 2008 to 32 at the year end of 2009.

Fuel costs for the year ended 31 December 2009 amounted to approximately HK$19,052.3 million, representing an increase of 9.0% from HK$17,482.8 million for the year ended 31 December 2008. This is because the total number of consolidated coal-fired power plants has increased from 18 at the year end of 2008 to 23 at the year end of 2009, despite the decrease of average standard coal cost for our consolidated operating power plants in 2009 by 12.3% year-on-year. Average unit fuel cost for our consolidated operating power plants in 2009 was RMB208.1/MWh, decreased by 12.9% on a year-on-year basis. Fuel costs accounted for approximately 72.8% of the total operating expenses for the year ended 31 December 2009, compared to 73.3% for the year ended 31 December 2008.

Other income

Other income amounted to HK$416.2 million for 2009, representing a 25.8% decrease from HK$560.8 million for 2008. Other income in 2009 mainly comprises sales of scrap materials, government grants, service income from heat connection contracts, and interest income from bank balances. The decrease is mainly due to a decrease of service income from heat connection contracts from HK$174.3 million in 2008 to HK$52.6 million in 2009.

Profit from operations

Profit from operations represents profit from subsidiaries before deduction of finance costs and minority interests. Profit from operations amounted to HK$7,456.4 million for the year ended 31 December 2009, representing a 114.0% increase from HK$3,483.8 million for the year ended 31 December 2008. The increase was mainly due to the increases in net generation volume and average tariff which resulted in a 24.1% increase in revenue and a 12.9% decrease in average unit fuel cost for our consolidated operating power plants in 2009.

Finance costs

Finance costs amounted to HK$1,931.7 million for the year ended 31 December 2009, representing a 12.9% increase from HK$1,711.6 million for the year ended 31 December 2008. The increase in finance costs is mainly due to a 46.3% increase in average bank and other borrowings (calculated using bank and other borrowings outstanding at the beginning and end of the year) from HK$32,171.9 million for 2008 to HK$47,078.0 million for 2009, offset by a decrease in average interest rate for the Group for the year.

	2009 **HK$'000**	2008 HK$'000
Interest on bank and other borrowings:		
- repayable within five years	**1,872,828**	780,872
- not repayable within five years	**437,769**	1,064,882
	2,310,597	1,845,754
Less: Interest on specific loans capitalised in property, plant and equipment	**(378,871)**	(134,140)
	1,931,726	1,711,614

Share of results of associates

Share of results of associates for the year ended 31 December 2009 amounted to HK$889.9 million, representing a 124.2% increase from HK$396.9 million for the year ended 31 December 2008. The increase mainly reflects an improvement in profitability of our associate power plants in 2009, including Yangzhou No.2 Power Plant, Xuzhou Power Plant and Wenzhou Telluride Phase II, and contribution from associate power plants held by Jiangsu Investment after we completed the acquisition of Jiangsu Investment in August 2009.

Fair va lue change on derivative financia l instruments

The Group uses derivative financial instruments (primarily interest rate swap) to hedge its exposure against changes in interest rate on bank borrowings. At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair values at the end of the reporting period. 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 and changes in fair value of some swaps that do not qualify for hedge accounting are recognised immediately in profit and loss. Fair value loss on derivative financial instruments for the year ended 31 December 2009 amounted to HK$6.5 million and represented the loss relating to the ineffective portion of cash flow hedge.

Taxation

Taxation charge for the year ended 31 December 2009 was HK$370.4 million, representing a 71.5% increase from HK$216.0 million for the year ended 31 December 2008. PRC Enterprise Income Tax for the year ended 31 December 2009 was HK$296.9 million, representing a 83.0% increase from HK$162.2 million for the year ended 31 December 2008. The increase in PRC Enterprise Income Tax mainly reflected improvement in profitability of Jinzhou Power Plant and Huaxin Power Plant which are required to pay PRC Enterprise Income Tax at the standard rates of 20% and 25%, respectively. The increase is also attributable to the consolidation of Jiangsu Investment after we completed the acquisition in August 2009. Power plants under Jiangsu Investment are required to pay PRC Enterprise Income Tax at the standard rate of 20% or 25%.

Details of the taxation charge for the year ended 31 December 2008 and 2009 are set out below:

	2009 **HK$'000**	2008 HK$'000
The charge comprises:		
The Company and its subsidiaries		
PRC Enterprise Income Tax		
- current	**287,196**	150,106
- underprovision in prior years	**9,660**	12,081
	296,856	162,187
Deferred taxation	**73,575**	53,800
	370,431	215,987

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

Profit for the year

	2009 HK$'000	2008 HK$'000
Profit for the year has been arrived at after charging:		
Directors´ remuneration		
- Fees	**1,049**	894
- Other emoluments	**10,519**	9,939
- Pension costs	**381**	204
- Share option benefits expenses	**461**	1,282
	12,410	12,319
Other staff costs	**1,484,558**	1,113,913
Pension costs, excluding directors	**204,326**	197,936
Share option benefits expenses, excluding directors	**53,126**	90,055
Total staff costs	**1,754,420**	1,414,223
Amortisation of prepaid lease payments	**56,100**	47,434
Amortisation of mining rights (included in depreciation and amortisation)	**9,235**	9,352
Auditor's remuneration	**5,312**	5,867
Depreciation of property, plant and equipment	**3,178,919**	2,756,906
Net loss on disposal and written off of property, plant and equipment	**—**	74,188
Net exchange loss	**4,145**	—
Minimum lease payments under operating leases in respect of:		
- land and buildings	**82,473**	64,705
- other assets	**8,534**	5,729
Pre-operating expenses of subsidiaries (included in other operating expenses)	**55,588**	116,867
and after crediting:		
Service income from heat connection contracts	**52,572**	174,326
Net exchange gain	**—**	9,754
Interest income	**49,608**	91,704
Government grant	**96,542**	49,326
Fair value change on financial assets at fair value through profit or loss	**2,882**	1,833
Gain on disposal of property, plant and equipment	**11,408**	—
Sales of scrap materials	**155,266**	108,620
Expenses capitalised in construction in progress:		
Other staff costs	**125,450**	142,353
Pension costs	**20,807**	5,400
Depreciation	**5,162**	6,867

Profit for the year attributable to owners of the Company

As a result of the above, the Group's net profit has increased to HK$5,317.4 million for the year ended 31 December 2009 from HK$1,717.4 million for 2008, representing a 209.6% increase year on year.

Earnings per share

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

	2009 **HK$'000**	2008 HK$'000
Profit attributable to owners of the Company	**5,317,392**	1,717,448

	Number of ordinary shares	
	2009	2008
Weighted average number of ordinary shares excluding own shares held for share award scheme for the purposes of basic earnings per share	**4,454,782,698**	4,234,502,451
Effect of dilutive potential ordinary shares:		
- share options	**97,822,679**	153,518,708
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**4,552,605,377**	4,388,021,159

On 4 June 2009, the Company announced the rights issue of 424,337,196 rights shares at a subscription price of HK$14 per share in the proportion of one rights shares for every ten rights shares (the "Rights Issue"). The Rights Issue was completed on 10 July 2009. The number of shares for the purpose of calculating basic earnings per share for both years has been adjusted to reflect the Rights Issue.

	2009 **HK$'000**	2008 HK$'000
Basic earnings per share	**1.19**	0.41
Diluted earnings per share	**1.17**	0.39

Final dividend and closure of register of members

The Board resolved to recommend a final dividend of HK$0.32 per share for the year ended 31 December 2009 (2008: HK$0.08 per share).

Subject to approval of shareholders at the forthcoming annual general meeting of the Company, the final dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Tuesday, 8 June 2010. The register of members of the Company will be closed from Wednesday, 2 June 2010 to Tuesday, 8 June 2010 (both days inclusive), during which no share transfer will be registered. To qualify for the proposed final 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 Tuesday, 1 June 2010. The dividend will be payable on or about 21 June 2010.

Capital structure management

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

The capital structure of the Group consists of debt, which includes long-term bank borrowings, short-term bank borrowings and corporate bonds, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated profits.

The Directors review the capital structure on a regular 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 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, borrowings, and charge of assets

The Group had net current liabilities as at 31 December 2009. The Directors are of the opinion that, taking into account the presently available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements for at least the next 12 months commencing from 31 December 2009.

The bank balances and cash as at 31 December 2009 denominated in local currency and foreign currencies amounted to HK$818.6 million, RMB4,649.3 million and US$21.0 million.

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

	2009 **HK$'000**	2008 HK$'000
Secured bank loans	**6,159,953**	3,933,775
Unsecured bank loans	**49,863,124**	28,203,663
Other loans	**461,390**	5,534,005
	56,484,467	37,671,443

The maturity profile of the above loans is as follows:

	2009 **HK$'000**	2008 HK$'000
Within 1 year	**23,494,165**	9,484,736
More than 1 year, but not exceeding 2 years	**9,578,244**	3,753,912
More than 2 years, but not exceeding 5 years	**17,163,792**	12,063,789
More than 5 years	**6,248,266**	12,369,006
	56,484,467	37,671,443
The above secured bank and other loans are secured by:		
Pledge of assets *(note)*	**10,367,797**	5,472,162

Note: Certain bank loans were secured by the Group's land use rights, buildings, power generating plant and equipment, and note receivables with carrying values of HK$32,628,000 (2008: HK$93,400,000), HK$915,983,000 (2008: HK$740,950,000), HK$9,130,402,000 (2008: HK$4,637,812,000) and HK$288,784,000 (2008: nil), respectively.

The bank and other borrowings as at 31 December 2009 denominated in local currency and foreign currencies amounted to HK$7,189.0 million, RMB40,648.6 million and US$403.6 million, respectively.

As at 31 December 2009, bank borrowings of HK$10,287,019,000 (2008:HK$9,037,019,0000) bore interest at a range from HIBOR plus 0.30% to HIBOR plus 1.20% per annum and the remaining bank borrowings carried fixed interest rates at a range from 1.79% to 7.60% (2008: 3.09% to 7.83%) per annum.

As at 31 December 2009, other loans of HK$113,574,000 and HK$340,722,000 were provided by Anhui Province Wenergy Company Limited (安徽省皖能股份有限公司) ("Wenergy"), a minority shareholder of Fuyang China Resources Power Company Limited, and Anhui Province Energy Group Co., Ltd. (安徽省能源集團有限公司), the holding company of Wenergy, respectively, which bear interest at 4.5131% and 4.5135% per annum, respectively and are repayable in 2010. For the year ended 31 December 2009, total interest incurred is HK$11,168,000.

The Group uses interest rate swaps with net quarterly settlement to minimise its exposure to interest expenses of certain Hong Kong Dollar bank borrowings by swapping floating interest rates to fixed interest rates. As at 31 December 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 31 December 2009, the Group's ratio of net debt to shareholders' equity was 133.6%. In the opinion of the Directors, the Group has a healthy capital structure, which can support its future development plan and operations.

For the year ended 31 December 2009, the Group's primary sources of funding included bank borrowings, net cash inflow from operating activities, proceeds from issue of shares and capital contribution from minority shareholders, which amounted to HK$37,705.1 million, HK$9,745.4 million, HK$2,286.4 million and HK$2,851.5 million, respectively. The Group's funds were primarily used in repayment of short-term bank loans, purchase of property, plant and equipment and land use rights, purchase of mining rights and exploration and resources rights, acquisition of or deposit paid for acquisition of subsidiaries, and payment of interest, which amounted to HK$24,245.8 million, HK$11,503.3 million, HK$7,563.8 million, HK$3,545.4 million and HK$2,441.3 million, respectively.

Trade receivables

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

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

	2009 **HK$'000**	2008 HK$'000
0 - 30 days	**5,010,516**	3,102,624
31 - 60 days	**90,186**	402,209
Over 60 days	**86,344**	29,635
	5,187,046	3,534,468

Trade payables

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

	2009 HK$'000	2008 HK$'000
0 - 30 days	**1,674,656**	1,518,018
31 - 90 days	**584,550**	232,788
Over 90 days	**259,613**	245,439
	2,518,819	1,996,245

Key financial ratios of the Group

	2009	2008
Current ratio *(times)*	**0.48**	0.68
Quick ratio *(times)*	**0.44**	0.59
Net debt to shareholders' equity *(%)*	**133.6**	118.3
EBITDA interest coverage *(times)*	**5.01**	3.62

Current ratio	=	balance of current assets at the end of the year/balance of current liabilities at the end of the year
Quick ratio	=	(balance of current assets at the end of the year - balance of inventories at the end of the year)/balance of current liabilities at the end of the year
Net debt to shareholders' equity	=	(balance of total bank and other borrowings at the end of the year - balance of bank balances and cash at the end of the year)/balance of equity attributable to owners of the Company at the end of the year
EBITDA interest coverage	=	(profit before taxation + interest expense + depreciation and amortisation)/ interest expenditure (including capitalised interests)

Foreign exchange rate risk

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

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

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 31 December 2009, the Group had HK$818.6 million and US$21.0 million cash at bank, and HK$7,189.0 million and US$403.6 million bank borrowings on its balance sheet, the remaining assets and liabilities of the Group were mainly denominated in RMB.

Contingent lia bilities

The Group did not have any material contingent liabilities as at 31 December 2009.

Contingent liabilities of the Company are set out below:

	2009 **HK$'000**	2008 HK$'000
Guarantees given to banks for credit facilities granted to subsidiaries (to the extent of facilities utilised)	—	19,641

Employees

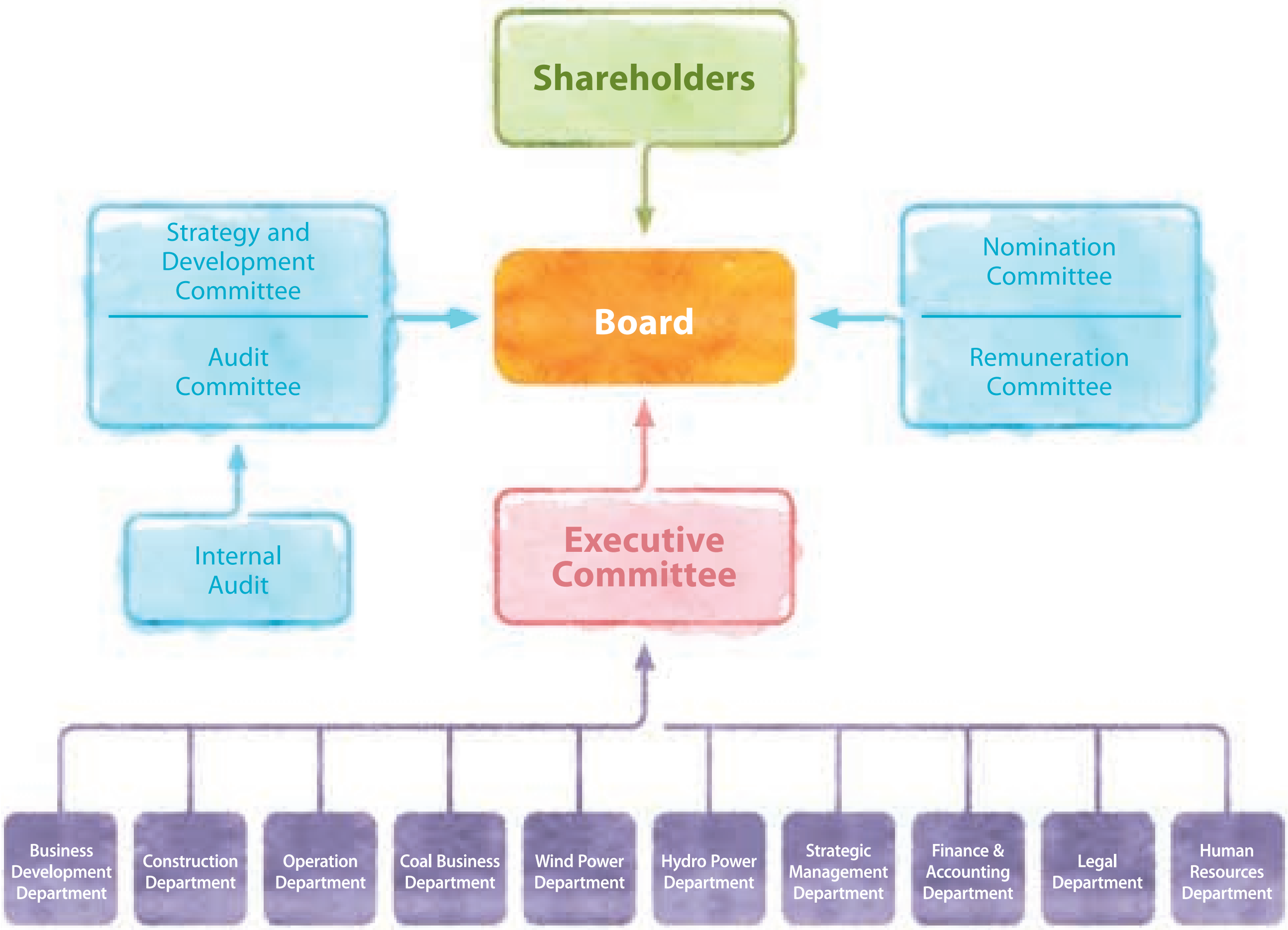
The Group had approximately 23,600 employees as at 31 December 2009.

The Company and its subsidiaries have concluded employment contracts with all of its respective 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.

Corporate Governance Report

China Resources Power Holdings Company Limited (the "Company" or "CR Power") and the directors of the Company (the "Directors") consistently regards corporate governance as a key part of value creation, and is committed to improving the overall standard of corporate governance with reference to international corporate governance practices. To safeguard the interests of the shareholders and all the staff and strive to achieve maximization of shareholder value, the Board of Directors (the "Board") and the management of the Company strongly believe that a high standard of corporate governance is crucial to the success of a company. The Board acknowledges its responsibilities in establishing and maintaining a good and sound corporate governance structure and complying with the best corporate governance practices in order to continuously improve its accountability and transparency.

Corporate governance structure



In 2009, CR Power applied the principles and complied with all of the provisions as well as substantially all of the recommended best practices of the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") promulgated by The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The following summarizes CR Power's corporate governance practices and explains deviations, if any, from the Code.

A. Directors

A.1 The Board

Principle

A company should be headed by an effective board which should assume responsibility for leadership and control of the company and be collectively responsible for promoting its success by directing and supervising the company's affairs. Directors should make decisions objectively in the interests of the company.

The Board is responsible for optimization of the Company's corporate governance, and is ultimately accountable for the Company's activities, strategies and operating results.

The responsibilities of the Board include the following:

(1) determine the strategies, objectives, policies, and business plans of the Company and supervise the execution of the Company's strategies;

(2) supervise and control the operating and financial performance of the Company, and set appropriate risk control policies and procedures to ensure that the strategic objectives of the Company are fully implemented;

(3) monitor the performance of the senior management and set appropriate remuneration of senior members of management; and

(4) perfect the corporate governance structure in order to enhance communication with Shareholders.

The Company has in place internal guidelines setting forth matters that require the Board's approval. Under the guidelines, investment in new power plants or coal mine projects, expansion of existing power plants, acquisition of power plants, coal mines and related business and assets, and borrowings (such as commitment to syndicated loans) require the approval of the Board.

In the period under review, the Company strictly complied with the above principle and code provision A.1.1 to A.1.8 as described as follows:

A.1.1 The Board met 9 times in the period under review. Each meeting involved the active participation in person of a majority of Directors entitled to be present. Other Directors actively participated in the meetings through conference call. The Directors' attendances at the meetings of the Board and Board committees held in the period under review are as shown below:

Number of meetings attended / Director	Board	Board Committees: Audit	Board Committees: Remuneration
Song Lin	2		
Wang Shuai Ting	7		
Tang Cheng	9		
Zhang Shen Wen	9	1	
Wang Xiao Bin	9	2	
Jiang Wei	0		
Chen Xiao Ying	0		
Anthony H. Adams	7	2	1
Wu Jing Ru	7	2	
Chen Ji Min	8	2	
Ma Chiu-Cheung, Andrew	9	2	1
Total number of meetings held	9	2	1

A.1.2 In the period under review, arrangements for each Board meeting were in place to ensure that all Directors were given an opportunity to include matters in the agenda for regular Board meetings. The Board was supported by four committees. Each committee had its own responsibilities, power and functions. The Chairmen of respective committees reported to the Board regularly and made recommendations on matters discussed when appropriate.

A.1.3 In the period under review, notice of at least 14 days was given of a regular Board meeting to ensure giving all directors an opportunity to attend as far as possible. For all other Board meetings, reasonable notice was given.

A.1.4 In the period under review, all Directors had access to the advice and services of the company secretary or other professionals with a view to ensure that Board procedures, and all applicable rules and regulations, were followed.

A.1.5 Minutes of Board meetings and meetings of Board committees were kept by a duly appointed secretary of the meeting and arranged to be reviewed by the Directors present in the meetings. Such minutes were open for inspection at any reasonable time on reasonable notice by any Director when he/she deems necessary.

A.1.6 Minutes of Board meetings and meetings of Board committees recorded in sufficient detail the matters considered by the Board and decisions reached. Draft and final versions of minutes of Board meetings and meetings of Board committees were sent to all directors for their comment within a reasonable time after the meetings are held.

A.1.7 Directors were noticed to seek professional advice from independent third parties in appropriate circumstances at the Company's expense.

A.1.8 If a substantial shareholder or a Director had a conflict of interest in a matter to be considered by the Board which the Board had determined to be material, the matters should be dealt with in accordance with applicable regulations by the Board and a Board meeting should be held if necessary.

In addition, in accordance with the recommended best practices, the Company had arranged insurance cover in respect of legal action against the Directors in the period under review.

A.2 Chairman and Chief Executive Officer

Principle

There are two key aspects of the management of a company - the operation and management of the board and the day-to-day management of the company's business. There should be a clearly division of these responsibilities at the board level to ensure that there is a balance of power and authority and that power will not be concentrated in any one individual.

In the period under review, the Company strictly complied with the above principle and code provision A.2.1 to A.2.3 as described as follows:

A.2.1 The roles of Chairman and Chief Executive Officer of the Company are separate and performed by different individuals and the division of responsibilities between the Chairman and the Chief Executive Officer has been clearly established and set out in writing.

The Chairman of the Board is Mr. Song Lin, who is responsible for providing leadership for the Board. His duties are mainly to ensure the effective operation of the Board, and also to ensure the establishment of and compliance with the corporate governance practices and procedures. The Chairman is also responsible for ensuring that appropriate procedures are adopted to guarantee effective communications with shareholders, and that the shareholders' opinions are circulated among all Board members.

The Chief Executive Officer of the Company is Mr. Wang Shuai Ting, who is responsible for managing the Company's business and coordinating overall business operations, implementing major strategies approved by the Board and making day-to-day operation decisions.

None of the members of the Board has any connections (including financial, business, family relationship and other material/related relationships) with each other (including between the Chairman and the Chief Executive Officer).

A.2.2 The Chairman ensured that all Directors were properly briefed on issues arising at Board meetings with the help of Executive Directors.

A.2.3 The Chairman ensured that all the Directors who were present at a Board meeting received adequate information, which must be complete and reliable, in a timely manner prior to the meeting with the help of Executive Directors.

In addition, the Company complied with all recommended best practices except A.2.7 in the period under review.

A.3 Composition of the Board

Principle

The board should have a balance of skills and experience appropriate for the requirements of the business of the company. The board should ensure that changes to its composition can be managed without undue disruption. The board should include a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the board, which can effectively exercise independent judgement. Non-executive directors should be of sufficient calibre and number for their views to carry weight. According to Rule 3.10 of the Listing Rules, the board of directors of a listed company shall have at least three independent non-executive directors.

In the period under review, the Company strictly complied with the requirements of Rule 3.10 of the Listing Rules, the above principle and code provision A.3.1.

In the period under review, the Board consists of 11 Directors, 5 of whom are executive directors, 2 are non-executive directors and 4 are independent non-executive directors. The number of independent non-executive directors has met the requirement of Rule 3.10 of the Listing Rules.

Set out below are details of the composition of the Board and the Board Committees:

	Board Designation	Board Committee Membership			
Director		**Strategy and Development**	**Audit**	**Remuneration**	**Nomination**
Song Lin	E, Chairman			Chairman	
Wang Shuai Ting	E	Chairman			Chairman
Tang Cheng	E	√			
Zhang Shen Wen	E	√			
Wang Xiao Bin	E	√			
Jiang Wei	NE				
Chen Xiao Ying	NE				
Ma Chiu-Cheung, Andrew	INED		Chairman	√	
Anthony H. Adams	INED		√	√	√
Wu Jing Ru	INED	√	√		√
Chen Ji Min	INED	√	√		

Note:

E: Executive Director
NE: Non-executive Director
INED: Independent Non-executive Director

A.3.1 The independent non-executive directors are expressly identified as such in all corporate communications that disclose the names of directors of the Company. The Company posts the names and biographical details of the Board members on its website (www.cr-power.com), with their designations in the Board clearly stated.

Each member of the Board has different background and professional specializations, and is well-experienced in his/her respective specialized area such as development, construction, operation as well as management of power plants, capital markets and financial management. Mr. Ma Chiu-Cheung, Andrew, is the independent non-executive director with appropriate professional qualifications as required under the Listing Rules and is appointed as the Chairman of the Audit Committee, which comprises only independent non-executive directors. Brief biographies of Board members are disclosed on page 14 to page 16 of this Annual Report.

The Company complied with all recommended best practices in the period under review.

A.4 Appointments, re-election and deposition of Board members

Principle

There should be a formal, considered and transparent procedure for the appointment of new directors to the board. There should be plans in place for orderly succession for appointments to the board. All directors should be subject to re-election at regular intervals. A company must explain the reasons for the resignation or removal of any director.

In the period under review, the Company strictly complied with the above principle and code provision A.4.1 to A.4.2 as described as follows:

A.4.1 All the non-executive directors (including independent non-executive Directors) were appointed for a specific term, subject to re-election.

In accordance with Article 120 of the Company's Articles of Association, one-third of the Directors, including executive Directors, non-executive directors as well as independent non-executive Directors, retire by rotation and being eligible, offer themselves for re-election in the forthcoming annual general meeting of the Company, provided that every Director shall be subject to retirement by rotation at least every three years.

A.4.2 In accordance with the Company's Articles of Association, all new directors appointed to fill a casual vacancy or being a new member of the Board shall be subject to election by shareholders at the next general meeting after their appointment or next annual general meeting. The Company currently does not have any director appointed to fill a casual vacancy.

The Company has established a nomination committee with specific written terms of reference. The Nomination Committee is mainly composed of independent non-executive Directors. The Nomination Committee comprises three Directors, namely Mr. Wang Shuai Ting as the Chairman, and Mr. Anthony H. Adams and Mr. Wu Jing Ru as members.

The main role of the Nomination Committee is to assure the process of appointments and re-election of the Board members are transparent and to assess effectiveness of the Board as a whole and the contribution of individual Directors to the effectiveness of the Board.

The responsibilities of the Nomination Committee (as set out in the Company's website: www.cr-power.com) are as follows:

(1) to regularly review the structure, size and composition (including skills, knowledge and experience) of the Board and make recommendations to the Board in relation to any proposed changes;

(2) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(3) to evaluate the independence of independent non-executive Directors; and

(4) to evaluate the performance of Directors and make recommendations to the Board in respect of the appointment or re-appointment of Directors and succession planning for Directors particularly the Chairman and the Chief Executive Officer.

The Chairman of the Nomination Committee reports the findings and recommendations of the Nomination Committee to the Board after each meeting.

In addition, the Company strictly complied with all recommended best practices in the period under review.

A.5 Responsibilities of Directors

Principle

Every director is required to keep abreast of his/her responsibilities as a director of the company and of the conduct, business activities and development of the company. Given the essential unitary nature of the board, non-executive directors have the same duties of care and skill, and fiduciary duties as executive directors.

In the period under review, the Company strictly complied with the above principle and code provision A.5.1 to A.5.4 as described as follows:

A.5.1 Every newly appointed director of the Company receives a comprehensive, formal and tailored induction on the first occasion of his/her appointment in order to ensure that he/she has a proper understanding of the operations and business of the Company and that he/she is fully aware of his/her responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements.

This code provision is not applicable to the Company during the year 2009.

A.5.2 The non-executive Directors actively participated in Board meetings of the Company and were invited to serve on the audit, remuneration, nomination committee and other governance committees. The Directors were encouraged to participate in continuous professional development programmes at the Company's expense. The independent non-executive Directors were also invited to visit the power plants and attend the general meetings, thus enabling them to develop a good understanding of the activities of the Company and the views of the shareholders.

A.5.3 In the period under review, the attendance at the Board meeting was satisfactory. Most executive Director and non-executive Director ensured that he/she could give sufficient time and attention to the affairs of the Company.

A.5.4 The Company has also established written guidelines for senior management in respect of their dealings in the securities of the Company for their strict compliance. The Company issued notices to all Directors, and senior management and relevant employees reminding them to comply with the guidelines 60 days prior to the publication of the annual results and 30 days prior to the publication of the interim results.

Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with their obligations regarding dealings in securities of the Company under the Model Code set out in Appendix 10 of the Listing Rules.

In addition, the Company complied with all recommended best practices in the period under review.

A.6 Supply of and access to information

Principle

Directors should be provided in a timely manner with appropriate information in such form and of such quality as will enable them to make an informed decision and to discharge their duties and responsibilities.

In the period under review, the Company strictly complied with the above principle and code provision A.6.1 to A.6.3 as described as follows:

A.6.1 In respect of regular Board meetings and committee meetings, the Company's policy is to provide a 14-day notice prior to the meeting setting out the intended agenda. As much as practicable, an agenda and accompanying board papers are delivered in full to all Directors at least three days before the intended date of a Board or Board Committee meeting.

A.6.2 All Directors are entitled to have access to board papers and related materials. To enable Directors to make decisions based upon the related data on hand, the Company's management is required to provide complete and reliable information and provide briefing to the Board in respect of the matters and issues under consideration.

The Company keeps the Board members informed of the latest developments of the Company in a timely manner. In addition to regular Board meetings, the Company also provides the Board members with reports in relation to news releases, investor relations activities and share price performance on a monthly basis.

The Company has set out an internal guideline to enable Directors to seek independent professional advice in appropriate circumstances at the Company's expense.

B. Remuneration of Directors and Senior Management

B.1 The level and make-up of remuneration and disclosure

Principle

The issuer should disclose its directors' remuneration policy and information on other remuneration related matters. There should be a formal and transparent procedure for setting policy on executive directors' remuneration and for fixing the remuneration packages for all directors. Levels of remuneration should be sufficient to attract and retain the directors needed to run the company successfully, but companies should avoid paying more than is necessary for this purpose. No director should be involved in deciding his/her own remuneration.

In the period under review, the Company strictly complied with the above principle and code provision B.1.1 to B.1.5 as described as follows:

B.1.1 The Board has established a remuneration committee, comprising Mr. Song Lin, the Chairman of the Board and Mr. Ma Chiu- Cheung, Andrew and Mr. Anthony H. Adams. Mr. Song Lin is the Chairman of the Remuneration Committee. Among the three members of the remuneration committee, two members are independent non-executive Directors.

In 2009, the Remuneration Committee held a meeting. Its attendance is detailed in A.1.1 above.

B.1.2 The Remuneration Committee had consulted the Chairman and/or Chief Executive Officer about their proposals relating to the remuneration of other executive Directors and the senior management.

B.1.3 The terms of reference of the Remuneration Committee (formulated by the Company and adopted by the Board) as set out in the Company's website: www.cr-power.com) are as follows:

(1) to make recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing the policy on such remuneration;

(2) to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, which in turn includes any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive Directors;

(3) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

(4) to review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company; and

(5) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.

B.1.4 The terms of reference of the Remuneration Committee are set out in the Company's website: www.cr-power.com as detailed in B.1.3 above.

B.1.5 The Remuneration Committee was provided with sufficient resources to discharge its duties.

The total remuneration of executive Directors and senior management comprises three key components, namely basic salary, annual bonus and share options. The Company's policy is to determine executive Directors' and senior management's bonus based on the Company's and individual's performance for the year. The Company has also set up share option schemes to retain the best available personnel, to provide long-term incentive to employees and to ensure the interests of the executive Directors, senior management and staff are aligned with those of the shareholders of the Company (the "Shareholders"). Please refer to note 9 under the section "Notes to the Financial Statements" in this Annual Report on page 95 to page 96 for details on Directors' remuneration.

In addition, the Company complied with all recommended best practices.

C. Accountability and Audit

C.1 Financial reporting

Principle

The board should present a balanced, clear and comprehensible assessment of the company's performance, position and prospects.

In the period under review, the Company strictly complied with the above principle and code provision C.1.1 to C.1.3 as described as follows:

C.1.1 Directors were provided with such major financial information and the related information of the Company as would enable them to make an informed assessment before the publication of the interim results and the annual results respectively.

C.1.2 The Directors acknowledge that they are responsible for overseeing the preparation of financial statements of each financial period, which gives a true and fair view of the operating results and financial conditions of the Company. There should be a statement by the auditors about their reporting responsibilities in the annual report and the interim report as detailed in the auditors' report and review report in the annual report and the interim report respectively. In the period under review, the Directors are not aware of material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

In preparing the financial reports for the year ended 31 December 2009, the Directors have selected appropriate accounting policies and applied them consistently; made judgments and estimates that are prudent and reasonable, and prepared accounts on a going concern basis.

C.1.3 The Directors acknowledged that their responsiblilty to present a balanced, clear and understandable assessment extended to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

Currently, the Company has not decided to announce and publish results on a quarterly basis and has not complied with all recommended best practices.

C.2 Internal controls

Principle

The board should ensure that the company maintains sound and effective internal controls to safeguard the shareholders' investment and the company's assets.

In the period under review, the Company strictly complied with the above principle and code provision C.2.1 to C.2.2 as described as follows:

C.2.1 The Company's target is to establish an efficient and effective internal control system which comprises the following five components: control environment, risk assessment, control activities, information and communication, and monitoring.

The Company believes that the control environment sets the tone of an organization and provides a foundation of all other components of internal control. It includes integrity, business ethics, management's philosophy and operating style, the way management assigns authority and responsibility, and attention and direction provided by the Board, all of which form and create a control environment.

The Company emphasizes on professional integrity and high business ethics. It creates handbooks and manuals for management and staff, explaining our fundamental value and corporate culture, which is based on honesty and integrity and focuses on value creation.

C.2.2 The Company and its subsidiaries provide regular training to its management and staff. The training sessions not only cover the technical and operational aspects of our businesses, but also on business ethics and corporate value.

The Company has created a Code for Managers that sets out the respective responsibilities and rights and reporting procedures of the management team, mainly for the general managers, deputy general managers and chief financial officers of our power plants. The Company has also laid out an evaluation and remuneration policy which encourages our management team to focus on return and value creation for Shareholders.

The Company has an internal audit department that is independent of the activities it audits. The internal auditors report to the Chairman of the Audit Committee and administratively to the Chief Executive Officer. The internal auditors have unrestricted access and authority to review the information on the business and internal control matters of the Company. The internal auditors can employ outside resources when necessary.

The responsibilities of the internal auditors include but not limited to the following:

(1) to review adequacy and effectiveness of internal systems and controls;

(2) to check compliance with the Company's policies and procedures, appropriate laws and good business practices; and

(3) to ensure economical and efficient use of the Company's resources.

The Directors have annually reviewed the effectiveness of the system of internal controls (including financial, operational and compliance controls and risk management functions) of the Company and its subsidiaries. The Directors believe that in order to manage the risk of failure in achieving the Company's goals and objectives to an ultimate extent, the Company should improve continuously its internal control system.

During 2009, the internal audit department completed the internal audit and the follow-up audits on a number of subsidiaries and branches of the Company, and presented their findings and recommendations to the Audit Committee and the Board.

The Company complied with all recommended best practices.

C.3 Audit Committee

Principle

The board should establish formal and transparent arrangements for considering how it applies the financial reporting and internal control principles and for maintaining an appropriate relationship with the company's auditors. Audit committee established by the company pursuant to the Listing Rules should have clear terms of reference.

In the period under review, the Company strictly complied with the above principle and code provision C.3.1 to C.3.6 as described as follows:

C.3.1 Full minutes of audit committee meetings were kept by a duly appointed secretary of the meeting. Minutes of the audit committee meetings were sent to all members of the committee for their comment within a reasonable time after the meeting. The final versions of the minutes were for record only.

C.3.2 None of a former partner of the Company's existing auditing firm acted as a member of the Company's audit committee for a period of 1 year commencing on the date of his ceasing:

i. to be a partner of the firm; or

ii. to have any financial interest in the firm, C.3.3 The Company's Audit Committee only comprises independent non-executive Directors, namely Mr. Ma Chiu-Cheung, Andrew, Mr. Anthony H. Adams, Mr. Wu Jing Ru and Mr. Chen Ji Min as members. Mr. Ma Chiu-Cheung is the Chairman of the Committee. Mr. Ma Chiu-Cheung is a Certified Public Accountant in Hong Kong, and a fellow member of the Institute of Chartered Accountants in England & Wales, Hong Kong Institute of Certified Public Accountants, The Taxation Institute of Hong Kong and The Hong Kong Institute of Directors.

The terms of reference of the Audit Committee (formulated by the Company and adopted by the Board as set out in the Company's website: www.cr-power.com) are as follows:

(1) primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;

(2) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

(3) to develop and implement policies on the engagement of an external auditor to supply non-audit services. The Audit Committee should report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps may be taken;

(4) to monitor integrity of financial statements, accounts, annual reports and interim reports of the Company and to review significant financial reporting judgments contained in them, including:

a. any changes in accounting policies and practices;

b. major judgment areas;

c. significant adjustments resulting from audit;

d. the going concern assumptions and any qualifications;

e. compliance with accounting standards; and

f. compliance with the Listing Rules and other legal requirements in relation to financial reporting.

(5) to review the Company's financial controls, internal control and risk management systems;

(6) to discuss with the management the system of internal control and ensure that the management has discharged its duty to have an effective internal control system;

(7) to consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response;

(8) to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company; and

(9) to review and monitor the effectiveness of the internal audit function.

C.3.4 The terms of reference of the audit committee formulated by the Company and adopted by the Board were set out in the Company's website: www.cr-power.com. as detailed in C.3.3 above.

C.3.5 The Audit Committee held two meetings in 2009. External and internal auditors, representatives of the executive directors as well as senior management were invited to attend the Audit Committee meetings. There was no disagreement between the Board and Audit Committee on the selection and appointment of the internal and external auditors.

During 2009, the fees paid to the Company's external auditor amounted to HK$5,809,000, of which fees paid for non-audit related services amounted to HK$497,000.

C.3.6 The audit committee was provided with sufficient resources to discharge its duties.

The Company complied with all recommended best practices.

D. Delegation by the Board

D.1 Management functions

Principle

The company should have a formal schedule of matters specifically reserved to the board for its decision. The board should give clear directions to management as to the matters that must be approved by the board before decisions are made on behalf of the company.

In the period under review, the Company strictly complied with the above principle and code provision D.1.1 to D.1.2 as described as follows:

D.1.1&D.1.2 The Board is mainly responsible for formulating and approving the business strategies, objectives, policies and plans of the Company, and monitoring the execution of the Company's strategies. It is also responsible for overseeing the operating and financial performance of the Company and establishing appropriate risk control policies and procedures in order to ensure that the strategic objectives of the Company are materialized. In addition, the Board is also responsible for improving the corporate governance structure and enhancing communications with Shareholders.

The Board has delegated the responsibilities of the execution of strategies and decision making for day-to-day operation of the Company to the management team headed by the Chief Executive Officer.The management reports regularly to the Board on the operating and financial performance of the Company. Development, expansion and acquisition of power plants and other major capital expenditure and commitment, as well as major financing decisions are all to be reviewed and approved by the Board.

D.2 Board committees

Principle

Board committees should be formed with specific written terms of reference which deal clearly with the committees' authority and duties.

D.2.1&D.2.2 The Company has established written terms of reference for the four committees (namely, audit, nomination, remuneration and strategy and development) of the Board. Details on the duties of the Board committees have been set out in the Company's website (www.cr-power.com) as detailed in A.4.2, B.1.3 and C.3.3.

E. Communication with Shareholders

E.1 Effective communication

Principle

The board should endeavor to maintain an on-going dialogue with shareholders and in particular, use annual general meetings and other general meetings to communicate with shareholders and encourage their participation.

In the period under review, the Company strictly complied with the above principle and code provision E.1.1 to E.1.3 as described as follows:

E.1.1 The Company and its Board and management highly value the opinions and requirements of our Shareholders. The Company communicates with Shareholders through various channels including publication of interim and annual reports, press releases and announcements of the latest developments of the Company on its corporate website in a timely manner.

Shareholders may assess the latest information released by the Company electronically on the Company's website. The Company regards the annual general meeting as an important opportunity for communication with Shareholders. The Chairman of the Board and the Chairmen of different committees attended the annual general meeting as far as possible and respond to the enquiry of Shareholders.

E.1.2 The Vice Chairman of the Board and the Chief Executive Officer Mr. Wang Shuai Ting, the executive Director and the Chief Financial Officer Ms. Wang Xiao Bin, and independent non-executive Director Mr. Ma Chiu-Cheng, Andrew attended the annual general meeting held on 8 June 2009. In the period under review, the Company did not hold any extraordinary general meeting.

E.1.3 The notice to shareholders was sent at least 20 clear business days before the meeting in the case of annual general meetings.

E.2 Voting by Poll

Principle

The company should regularly inform shareholders of the procedure for voting by poll and ensure compliance with the requirements about voting by poll contained in the Listing Rules and the constitutional documents of the issuer.

In the period under review, the Company strictly complied with the above principle and code provision E.2.1.

Details of the poll voting procedures had been explained to Shareholders by the chairman of the annual general meeting at the commencement of such meeting and no question has been asked by Shareholders in this respect. Details of the proposed resolutions are also set out in the circular.

The Company also enhances communication with Shareholders through various investor relations activities.

Major Investor Relations Activities

We consistently pay close attention to investor relations activities and always believe that maintaining effective communications with the Shareholders in a timely manner will enable us to create value. During the meetings with investors, we explain not only the situation and future development trend of the Chinese power industry, current development strategies and future outlook of the Company, we also place great emphasis on listening to investors' feedback so as to improve our investor relations management and create greater value for the Shareholders.

In 2009, our management team actively participated in a number of major investment forums and conferences and participated in 16 investor forums and conferences organised by the major international securities brokers. In addition, we also conducted road shows in Hong Kong, Singapore, and main financial centres in the US and Europe after the announcements of our interim and final results. These investor relations activities have provided various communication channels with the management of the Company to the institutional investors.

In order to enhance the understandings of investors towards our power plant operations and our front-line plant managers, we arrange visits to power plants for fund managers upon request. These activities enabled our investors to better understand the operations of our power plants whilst our plant managers were able to get a better understanding of capital markets' expectations, which helped to improve our internal management and thus enhance profitability.

During the year, there were more than 100 requests for company visits and teleconferences from different investors, together with the investor conferences and road shows organised by various securities brokers, we had met approximately more than 300 fund managers and analysts from all over the world. The active level of investor relations activities during the year proved the level of interests from capital markets in obtaining more information and knowing more about the Company.

We also provide Shareholders and potential investors with a channel to obtain the latest information of the Company and have their queries answered in a timely manner. We announce our net generation volume to analysts and media on a monthly basis; we also issue press releases to inform the markets of the commencement of new generation units, the effect of the new state policies on the Company and our latest investments and acquisitions in a timely manner; all of the information was available on our website simultaneously. There is a question and answer (Q&A) session on the website for the sake of making inquiries by the public about the Company. All of the inquiries will be handled fairly and we aim to provide replies as soon as possible.

Independent Auditor's Report

Deloitte.
德勤

TO THE SHAREHOLDERS OF
CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED
華潤電力控股有限公司
(incorporated in Hong Kong with limited liability)

We have audited the financial statements of China Resources Power Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 61 to 159, which comprise the consolidated and Company's statements of financial position as at 31 December 2009, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financia l statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
22 March 2010

Consolidated Income Statement

For the year ended 31 December 2009

	NOTES	2009 HK$'000	2008 HK$'000
Turnover	5	**33,213,676**	26,771,662
Operating expenses			
Fuel		**(19,052,308)**	(17,482,818)
Repairs and maintenance		**(579,679)**	(304,745)
Depreciation and amortisation		**(3,244,254)**	(2,813,692)
Others		**(3,297,305)**	(3,247,453)
Total operating expenses		**(26,173,546)**	(23,848,708)
Other income		**416,248**	560,802
Profit from operations		**7,456,378**	3,483,756
Finance costs	6	**(1,931,726)**	(1,711,614)
Share of results of associates		**889,912**	396,901
Fair value change on derivative financial instruments		**(6,508)**	(17,531)
Profit before taxation		**6,408,056**	2,151,512
Taxation	7	**(370,431)**	(215,987)
Profit for the year	8	**6,037,625**	1,935,525
Profit for the year attributable to:			
Owners of the Company		**5,317,392**	1,717,448
Minority interests		**720,233**	218,077
		6,037,625	1,935,525
Earnings per share	12		
– basic		**HK$1.19**	HK$0.41
– diluted		**HK$1.17**	HK$0.39

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2009

	2009 HK$'000	2008 HK$'000
Profit for the year	**6,037,625**	1,935,525
Other comprehensive income and expense:		
Exchange differences arising from translation	**(43,552)**	1,348,370
Share of changes in translation reserve of associates	**(5,087)**	337,239
Fair value change on cash flow hedges	**60,223**	(267,554)
Other comprehensive income for the year	**11,584**	1,418,055
Total comprehensive income for the year	**6,049,209**	3,353,580
Total comprehensive income for the year attributable to:		
Owners of the Company	**5,334,592**	2,966,037
Minority interests	**714,617**	387,543
	6,049,209	3,353,580

Consolidated Statement of Financial Position

At 31 December 2009

	NOTES	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment	13	**71,552,710**	50,318,595
Prepaid lease payments	14	**1,486,211**	1,021,098
Mining rights	15	**188,213**	197,061
Exploration and resources rights	16	**355,468**	239,989
Interests in associates	18	**9,107,332**	6,381,116
Goodwill	19	**3,756,835**	3,207,440
Investments in investee companies	20	**201,053**	128,416
Deposit paid for acquisition of subsidiaries	44	**1,657,899**	981,418
Deposit paid for acquisition of additional interest in a subsidiary		**134,390**	—
Deposit paid for establishment of an associate		**77,942**	77,942
Deposit paid for acquisition of property, plant and equipment		**1,076,532**	406,311
Deposit paid for acquisition of mining/exploration rights	21	**10,023,947**	2,584,496
Deposit paid for land use rights		**161,305**	125,118
Pledged bank deposits	22	**37,218**	37,201
Deferred taxation assets	35	**111,086**	94,777
		99,928,141	65,800,978
Current assets			
Inventories	23	**1,431,955**	1,857,595
Trade receivables, other receivables and prepayments	24	**8,288,090**	4,796,957
Amounts due from minority shareholders of subsidiaries	25	**3,023**	150,379
Amounts due from associates	26	**931,621**	1,292,759
Amounts due from group companies	27	**164,790**	144,923
Financial assets at fair value through profit or loss	28	**5,844**	2,962
Restricted bank balances	22	**1,503,229**	91,564
Pledged bank deposits	22	**407,306**	44,641
Bank balances and cash	22	**6,261,931**	5,467,088
		18,997,789	13,848,868
Current liabilities			
Trade payables, other payables and accruals	29	**12,763,230**	7,976,704
Amounts due to associates	30	**3,249,297**	960,264
Amounts due to group companies	31	**2,002**	1,607,791
Amounts due to minority shareholders of subsidiaries	32	**167,384**	428,534
Taxation payable		**62,298**	34,099
Bank and other borrowings - repayable within one year	33	**23,494,165**	9,484,736
Derivative financial instruments	34	**17,467**	—
		39,755,843	20,492,128

Consolidated Statement of Financial Position

At 31 December 2009

	NOTES	2009 HK$'000	2008 HK$'000
Net current liabilities		**(20,758,054)**	(6,643,260)
Total assets less current liabilities		**79,170,087**	59,157,718
Non-current liabilities			
Bank and other borrowings - repayable after one year	33	**32,990,302**	28,186,707
Accrued retirement benefit cost	29	**294,337**	316,594
Derivative financial instruments	34	**316,083**	387,265
Deferred taxation liabilities	35	**413,983**	106,289
		34,014,705	28,996,855
		45,155,382	30,160,863
Capital and reserves			
Share capital	36	**4,683,431**	4,212,797
Share premium and reserves		**32,910,548**	23,002,308
		37,593,979	27,215,105
Minority interests		**7,561,403**	2,945,758
		45,155,382	30,160,863

The financial statements on pages 61 to 159 were approved by the Board of Directors and authorised for issue on 22 March 2010 and are signed on its behalf by:

SONG LIN
DIRECTOR

WANG SHUAI TING
DIRECTOR

Statement of Financial Position

At 31 December 2009

	NOTES	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment	13	**10,310**	9,548
Investments in subsidiaries	17	**13,402,497**	9,439,686
Loans to subsidiaries	17	**2,261,068**	2,246,069
Investments in associates	18	**2,348,329**	2,418,416
Deposit paid for establishment of an associate		**29,892**	29,892
Investment in an investee company		**60,526**	28,776
		18,112,622	14,172,387
Current assets			
Other receivables and prepayments		**44,400**	50,779
Amount due from an associate	26	**837,338**	592,755
Amounts due from group companies	27	**18,446,669**	16,546,644
Bank balances and cash	22	**824,678**	947,832
		20,153,085	18,138,010
Current liabilities			
Other payables and accruals		**60,399**	27,613
Amounts due to associates	30	**1,324**	1,324
Amounts due to group companies	31	**1,928**	1,665
Bank borrowings - repayable within one year	33	**1,000,000**	200,000
Derivative financial instruments	34	**17,467**	—
		1,081,118	230,602
Net current assets		**19,071,967**	17,907,408
Total assets less current liabilities		**37,184,589**	32,079,795
Non-current liabilities			
Bank borrowings - repayable after one year	33	**9,287,019**	8,837,019
Derivative financial instruments	34	**316,083**	387,265
		9,603,102	9,224,284
		27,581,487	22,855,511
Capital and reserves			
Share capital	36	**4,683,431**	4,212,797
Share premium and reserves	38	**22,898,056**	18,642,714
		27,581,487	22,855,511

SONG LIN
DIRECTOR

WANG SHUAI TING
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2009

	Attributable to the owners of the Company												
	Share capital HK$'000	Share premium HK$'000	General reserve HK$'000 (note 38)	Special reserve HK$'000 (note 38)	Capital reserve HK$'000	Shares held for share award scheme HK$'000 (note 39)	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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2009

	Attributable to the owners of the Company												
	Share capital HK$'000	Share premium HK$'000	General reserve HK$'000 (note 38)	Special reserve HK$'000 (note 38)	Capital reserve HK$'000	Shares held for share award scheme HK$'000 (note 39)	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 arising from translation	—	—	—	—	—	—	(37,936)	—	—	—	(37,936)	(5,616)	(43,552)
Share of changes in translation reserve of associates	—	—	—	—	—	—	(5,087)	—	—	—	(5,087)	—	(5,087)
Fair value change on cash flow hedges	—	—	—	—	—	—	—	—	60,223	—	60,223	—	60,223
Profit for the year	—	—	—	—	—	—	—	—	—	5,317,392	5,317,392	720,233	6,037,625
Total comprehensive income for the year	—	—	—	—	—	—	(43,023)	—	60,223	5,317,392	5,334,592	714,617	6,049,209
Rights issue of shares at a price of HK$14 per rights share (note 36)	424,337	5,516,384	—	—	—	—	—	—	—	—	5,940,721	—	5,940,721
Shares issued upon exercise of options	46,297	149,342	—	—	—	—	—	—	—	—	195,639	—	195,639
Recognition of equity settled share based payments	—	—	—	—	—	—	—	53,587	—	—	53,587	—	53,587
Transfer of share option reserve on exercise of share options	—	89,673	—	—	—	—	—	(89,673)	—	—	—	—	—
Purchase of shares under share award scheme	—	—	—	—	—	(526,160)	—	—	—	—	(526,160)	—	(526,160)
Capital contribution by minority shareholders	—	—	—	—	—	—	—	—	—	—	—	2,851,479	2,851,479
Dividends paid to minority shareholders	—	—	—	—	—	—	—	—	—	—	—	(191,420)	(191,420)
Acquisition of additional interests in subsidiaries	—	—	—	—	—	—	—	—	—	—	—	(172,283)	(172,283)
Acquired on acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	1,413,252	1,413,252
Dividends paid	—	—	—	—	—	—	—	—	—	(619,505)	(619,505)	—	(619,505)
Transfer of reserves	—	—	450,476	—	—	—	—	—	—	(450,476)	—	—	—
Transfer (Note a)	—	—	—	—	14,094	—	—	—	—	(14,094)	—	—	—
Transfer upon utilisation (Note b)	—	—	—	—	(4,439)	—	—	—	—	4,439	—	—	—
At 31 December 2009	4,683,431	16,487,148	987,041	40,782	35,249	(681,500)	3,270,366	319,127	(309,511)	12,761,846	37,593,979	7,561,403	45,155,382

Notes:

(a) Pursuant to regulations in the People's Republic of China (the "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 year ended 31 December 2009, amount totalling HK$4,439,000 (2008: HK$1,721,000) has been spent on the relevant assets and expenditure as approved by the PRC government, the corresponding amount was then transferred to retained profits.

Consolidated Statement of Cash Flows

For the year ended 31 December 2009

		2009 HK$'000	2008 HK$'000
OPERATING ACTIVITIES			
Profit before taxation		**6,408,056**	2,151,512
Adjustments for:			
Amortisation of prepaid lease payments		**56,100**	47,434
Amortisation of mining rights		**9,235**	9,352
Depreciation for property, plant and equipment		**3,178,919**	2,756,906
Recognition of share-based payments		**53,587**	91,337
Interest expense		**1,931,726**	1,711,614
Interest income		**(49,608)**	(91,704)
Fair value change on financial assets at fair value through profit and loss		**(2,882)**	(1,833)
Fair value change on derivative financial instruments		**6,508**	17,531
Share of results of associates		**(889,912)**	(396,901)
Net (gain) loss on disposal and write-off of property, plant and equipment		**(11,408)**	74,188
Operating cash flows before movements in working capital		**10,690,321**	6,369,436
Decrease (increase) in inventories		**556,415**	(839,018)
(Increase) decrease in trade receivables, other receivables and prepayments		**(1,367,791)**	1,090,220
Increase (decrease) in trade payables, other payables and accruals		**137,184**	(338,852)
PRC Enterprise Income Tax paid		**(270,757)**	(175,102)
NET CASH FROM OPERATING ACTIVITIES		**9,745,372**	6,106,684
INVESTING ACTIVITIES			
Dividends received from associates		**313,433**	411,238
Interest received		**49,608**	91,704
Increase in pledged bank deposits		**(363,006)**	(25,742)
Increase in restricted bank balances		**(1,412,923)**	(91,564)
Purchase and deposit paid for acquisition of property, plant and equipment and land use rights		**(11,503,328)**	(11,060,363)
Purchase and deposit paid for acquisition of mining rights and exploration and resources rights		**(7,563,833)**	(2,681,056)
Loan repaid from (advanced to) a minority shareholder of a subsidiary		**147,377**	(138,748)
Loan repaid from (advanced to) associates		**371,234**	(1,114,699)
Capital contribution for investments in associates		**(41,742)**	(122,847)
Deposit paid for acquisition of subsidiaries		**(677,869)**	(981,418)
Deposit paid for acquisition of additional interest in a subsidiary		**(134,390)**	—
Investments in investee companies		**(72,637)**	—
Acquisition of additional interest in subsidiaries		**(172,283)**	—
Acquisitions of subsidiaries	42	**(2,560,859)**	(999,866)
Proceeds from disposal of property, plant and equipment and insurance claims received on damaged plant and equipment		**138,736**	184,480
Advances to group companies		**(20,005)**	(144,828)
Payment of deferred consideration		**—**	(155,000)
NET CASH USED IN INVESTING ACTIVITIES		**(23,502,487)**	(16,828,709)

Consolidated Statement of Cash Flows

For the year ended 31 December 2009

	NOTES	2009 HK$'000	2008 HK$'000
FINANCING ACTIVITIES			
New bank and other borrowings raised		**37,705,145**	25,621,214
Capital contribution from minority shareholders		**2,851,479**	80,602
Proceeds on issue of shares	36	**2,286,360**	214,148
Purchase of shares held by share award scheme		**(526,160)**	(155,340)
(Repayment of advances) advances from associates		**(406,781)**	960,164
Advances from group companies		**524,995**	1,307,717
Advances to minority shareholders of subsidiaries		**(66,310)**	—
Repayment of bank and other loans	36	**(24,245,756)**	(16,657,515)
Interest paid		**(2,441,254)**	(1,843,717)
Dividends paid		**(619,505)**	(1,044,269)
Dividends paid to minority shareholders of subsidiaries		**(465,822)**	(526,941)
NET CASH FROM FINANCING ACTIVITIES		**14,596,391**	7,956,063
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**839,276**	(2,765,962)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**5,467,088**	7,887,134
EFFECT ON FOREIGN EXCHANGE RATE CHANGE		**(44,433)**	345,916
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, REPRESENTING BANK BALANCES AND CASH		**6,261,931**	5,467,088

1. GENERAL AND BASIS OF PREPARATION

The Company is a public company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The immediate holding company as at 31 December 2009 is Finetex International Limited ("Finetex"), a company incorporated in British Virgin Islands. The directors regard the ultimate holding company to be China Resources National Corporation ("CRNC"), a company established in the People's Republic of China (the "PRC"). The address of the registered office and principal place of business of the Company is Rooms 2001-2002, 20th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The financial statements are presented in Hong Kong dollars and the functional currency of the Company is Renminbi. The Company uses Hong Kong dollars as its presentation currency because the Company is a public company incorporated in Hong Kong with its shares listed on the Stock Exchange.

The Company is an investment holding company. The principal activities of its subsidiaries and associates are set out in notes 17 and 18, respectively.

The Group had net current liabilities as at 31 December 2009. The directors are of the opinion that, taking into account the presently 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 financial statements. Hence, the financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS"s)

In the current year, the Group has applied the following new and revised Hong Kong Accounting Standards ("HKAS"s), HKFRS, amendments and interpretations ("INT"s) (hereinafter collectively referred to as "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the Group has early adopted paragraphs 25 to 27 of HKAS 24 (Revised) "Related party disclosures" and HKAS 32 (Amendment) "Classification of rights issue" in advance of its effective date.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC*) - INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) - INT 13	Customer loyalty programmes
HK(IFRIC) - INT 15	Agreements for the construction of real estate
HK(IFRIC) - INT 16	Hedges of a net investment in a foreign operation
HK(IFRIC) - INT 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

* IFRIC represents the International Financial Reporting Interpretations Committee.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS"s) *(continued)*

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) "Presentation of financial statements"

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

Improving disclosures about financial instruments (amendments to HKFRS 7 "Financial instruments: Disclosures")

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The comparative information based on the requirement of HKFRS 7 (Amendment) has been presented.

HKAS 24 (Revised) "Related party disclosures"

The amendments to HKAS 24 (Revised) "Related party disclosures" modify the definition of a related party and simplify related party disclosures for government-related entities. HKAS 24 (Revised) provides a partial exemption from the disclosure requirements for government-related entities. The Group has early partially adopted the paragraphs 25 to 27 of HKAS 24 (Revised) in the current year in advance of its effective date. Amounts reported for the prior year have been restated retrospectively.

HKAS 32 (Amendment) "Classification of rights issues"

The amendment specifies that rights, options or warrants to acquire a fixed number of an entity's own non-derivative equity instruments for a fixed amount in any currency are classified as equity instruments provided the offer is made pro-rata to all existing owners of the same class of the entity's own non-derivative equity instruments. The Group has early adopted the HKAS 32 (Amendment) in the current year in advance of its effective date.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS"s) *(continued)*

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective, except for the partial exemption from disclosure requirement for government-related entity in accordance with HKAS 24 (Revised).

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related party disclosures[4]
HKAS 27 (Revised)	Consolidated and separate financial statements[1]
HKAS 39 (Amendment)	Eligible hedged items[1]
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters[4]
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters[6]
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions[4]
HKFRS 3 (Revised)	Business combinations[1]
HKFRS 9	Financial instruments[5]
HK(IFRIC) - INT 14 (Amendment)	Prepayments to a minimum funding requirement[3]
HK(IFRIC) - INT 17	Distributions of non-cash assets to owners[1]
HK(IFRIC) - INT 19	Extinguishing financial liabilities with equity instruments[6]

1 Effective for annual periods beginning on or after 1 July 2009.
2 Amendment that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.
3 Effective for annual periods beginning on or after 1 January 2011.
4 Effective for annual periods beginning on or after 1 January 2010.
5 Effective for annual periods beginning on or after 1 January 2013.
6 Effective for annual periods beginning on or after 1 July 2010.

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after 1 January 2010.

HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

HKFRS 9 "Financial instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's and the Company's financial assets.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS"s) *(continued)*

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. The amendment will be effective from 1 January 2010, with earlier application permitted. Before the amendment to HKAS 17, lessees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendment has removed such a requirement. Instead, the amendment requires the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendment to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

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 financial statements of the Group and the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective dates of acquisition or up to the effective dates of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Acquisition of additional interests in subsidiaries is recorded at historical cost and the excess of the cost of acquisition over the carrying amounts of net assets acquired is recognised as goodwill.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Business combinations

The acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 "Business combinations" are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of net assets of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of sales related taxes.

Revenue from sales of electricity and heat are recognised when electricity and heat has been delivered.

Revenue from sales of coal is recognised when coal is delivered and title has passed.

Service income is recognised when services are rendered.

Interest income from a financial asset including financial assets at fair value through profit or loss is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments including financial assets at fair value through profit or loss is recognised when the shareholders' rights to receive payment have been established.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment

Property, plant and equipment including building held for use in the production or supply of electricity, or for administrative purposes other than construction in progress are stated at cost less subsequent accumulated depreciation and accumulated impairment loss.

Subsequent costs, including repair and maintenance, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its subsidiaries and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress, over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method.

Construction in progress including property, plant and equipment in the course of construction for production or for its own use purpose. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Inventories

Inventories which consist of coal, fuel, spare parts and consumables are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases and amortised over the lease term on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the entities are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the translation reserve).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of an entity on or after 1 January 2005 are treated as assets and liabilities of that entity and retranslated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the translation reserve.

Goodwill and fair value adjustments on identified assets acquired arising on an acquisitions of an entity prior to 1 January 2005 is treated as non-monetary foreign currency items of the acquirer and reported using the historical cost prevailing at the date of the acquisition.

Exploration and resources rights

Exploration and resources rights are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and resources rights are stated at cost less any accumulated impairment losses. Exploration and resources rights include the cost of exploration rights and the expenditures incurred in the search for mineral resources as well as the determination of the technical feasibility and commercial viability of extracting those resources. When the technical feasibility and commercial viability of extracting mineral resources become demonstrable, previously recognised exploration and resources rights are reclassified as intangible assets or other fixed assets. These assets are assessed for impairment before reclassifications.

Impairment of exploration and resources rights

The carrying amount of the exploration and resources rights is reviewed annually and adjusted for impairment in accordance with HKAS 36 "Impairment of assets" whenever one of the following events or changes in circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive):

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.

- Substantive expenditure on future exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Exploration and resources rights *(continued)*

Impairment of exploration and resources rights (continued)

- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.

- Sufficient data exist to indicate that, through a development in the specific area is likely to proceed, the carrying amount of the exploration and resources rights is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in the consolidated income statement whenever the carrying amount of an asset exceeds its recoverable amount.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Investment tax credits

Tax benefit arising from the purchase of PRC produced plant and equipment for production in the PRC is recognised in the consolidated income statement when government approval is obtained and conditions for utilisation have been fulfilled.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Mining rights

Mining rights are amortised using the units of production method based on the actual production volume for the year over the total estimated production volume within the contractual life of the mining rights.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) or payments through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period to net carrying amount on initial recognition.

Interest income from debts instruments and interest expense is recognised on an effective interest basis.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss, loans and receivables and available-for-sale investments. All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, restricted bank deposits, pledged bank deposits, bank balances and cash, amounts due from minority shareholders of subsidiaries/associates/group companies) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment of financial assets below).

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits which are subject to an insignificant risk of changes in value.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Impairment of financial assets

Financial assets, other than those financial assets at fair value through profit or loss, are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, the objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade and other receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When trade and other receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated equity.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities including trade and other payables, amounts due to group companies, minority shareholders of subsidiaries and associates and bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments and hedging

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair values at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

The Group uses derivative financial instruments (primarily interest rate swap) to hedge its exposure against changes in interest rate on bank borrowings. At the inception of the hedging relationship the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity (hedging reserve) are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Equity-settled share-based payment transactions

Share options/awarded shares granted to directors and employees of the Company, directors of CRH, employees of CRH and its subsidiaries for their service to the Group

The fair value of services received determined by reference to the fair value of share options and awarded shares granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in share option reserve and share award reserve, respectively.

At the end of the reporting period, the Group revises its estimates of the number of options and awarded shares that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share option reserve and share award reserve, respectively.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting period or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

At the time when the awarded shares are vested, the amount previously recognised in share award reserve and the amount of relevant treasury shares will be transferred to retained profits.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect is material).

Provisions for the Group's restoration, rehabilitation and environmental expenses are based on estimates of required expenditure at the mines in accordance with PRC rules and regulations. The Group estimates its liabilities for final reclamation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment losses on tangible and intangible assets other than goodwill and exploration and resources rights (see the accounting policy in respect of goodwill and exploration and resources rights above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets. Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit contributions

Payments to defined contribution retirement benefit plans, state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3 above, management had made the following key estimates that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment review of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2009, the carrying amount of goodwill is HK$3,756,835,000 (2008: HK$3,207,440,000). Details of the recoverable amount calculation are disclosed in note 19.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Provision for restoration, rehabilitation and environmental expenditure

The provision for restoration, rehabilitation and environmental costs for mining sites and facilities has been determined by the directors based on their best estimates. The directors estimated this liability for final reclamation and mine closure based upon detailed calculations of the amount and timing of future cash flows spending for a third party to perform the restored work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability, such that the provision reflects the present value of the expenditures expected to be required to settle the obligation. However, in so far as the effect on the land and the environment from current mining activities becomes apparent in future periods, the estimate of the associated costs may be subject to change in the near future. The provision is reviewed regularly to verify that it properly reflects the present value of the obligation arising from the current and past mining activities. The carrying amount of the provision for restoration, rehabilitation and environment costs is HK$38,643,000 (2008: HK$173,652,000).

Provision for employee retirement benefits

The Group is obligated to pay employee retirement benefits for retired employees and early retired employees (i.e. retired before their statutory retirement dates) for their life time or upto their statutory retirement dates, respectively, of China Resources Power (Jinzhou) Co., Ltd. ("Jinzhou"), China Resources Tianneng (Xuzhou) Coal and Power Co., Ltd. ("Tianneng"), China Resources Power Hunan Liyujiang Co., Ltd. ("Hunan Liyujiang") and Shenyang Shenhai Thermal Power Co., Ltd. ("Shenyang Shenhai"). The estimation requires subjective assumptions and any change to the assumptions can materially affect the fair value of the provision for employee retirement benefits. As at 31 December 2009, total provision for the employee retirement benefits is HK$294,337,000 (2008: HK$316,594,000).

Mining rights

Mining rights are amortised using the unit of production method based on the actual production volume for the year over the total estimated production volume within the contractual life of the mining rights. The directors exercise their judgment in estimating the total estimated production volume of mine. Where the estimation is different from the original total estimated production volume of mine, such difference will impact the amortisation charged in the year in which such estimate is changed. The carrying amount of the mining rights is HK$188,213,000 (2008: HK$197,061,000).

5. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amount received and receivable for the sales of electricity, heat generated by thermal power plants and sales of coal, net of sales related taxes during the year.

	2009 **HK$'000**	2008 HK$'000
Sales of electricity	**30,918,198**	25,102,876
Heat supply	**932,037**	323,051
Sales of coal	**1,363,441**	1,345,735
	33,213,676	26,771,662

5. TURNOVER AND SEGMENT INFORMATION *(continued)*

The Group has adopted HKFRS 8 "Operating segments" with effect from 1 January 2009. HKFRS 8 is a disclosure standard that 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 for the purpose of allocating resources to segments and assessing 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. 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. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit, segment assets and segment liabilities.

For the purpose of resources allocation and performance assessment, the chief operating decision maker reviews operating results and financial information on a group company by company basis. Each company is identified as an operating segment in accordance with HKFRS 8. When the group company is operating in similar business model with similar target group of customers, the Group's operating segments are aggregated into reportable segments of sales of electricity (inclusive of supply of heat generated by thermal power plant) and coal mining.

Segment revenues and results

The following is an analysis of the Group's revenue and profit by reportable segment.

For the year ended 31 December 2009

	Sales of electricity HK$'000	Coal mining HK$'000	Eliminations HK$'000	Total HK$'000
Revenue				
External sales	31,850,235	1,363,441	—	33,213,676
Inter-segment sales	—	149,246	(149,246)	—
Total	31,850,235	1,512,687	(149,246)	33,213,676
Segment profit	7,172,457	436,177	—	7,608,634
Unallocated corporate expenses				(201,864)
Interest income				49,608
Finance costs				(1,931,726)
Share of results of associates				889,912
Fair value change on derivative financial instruments				(6,508)
Profit before taxation				6,408,056

5. TURNOVER AND SEGMENT INFORMATION *(continued)*

Segment revenues and results *(continued)*

For the year ended 31 December 2008

	Sales of electricity HK$'000	Coal mining HK$'000	Eliminations HK$'000	Total HK$'000
Revenue				
External sales	25,425,927	1,345,735	—	26,771,662
Inter-segment sales	—	675,424	(675,424)	—
Total	25,425,927	2,021,159	(675,424)	26,771,662
Segment profit	2,957,949	628,681	—	3,586,630
Unallocated corporate expenses				(194,578)
Interest income				91,704
Finance costs				(1,711,614)
Share of results of associates				396,901
Fair value change on derivative financial instruments				(17,531)
Profit before taxation				2,151,512

Inter-segment sales are charged at prevailing market rates.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of central corporate expenses, interest income, finance costs, share of results of associates and fair value change on derivative financial instruments. This is the measure reported to the chief operating decision marker for the purposes of resource allocation and performance assessment.

5. TURNOVER AND SEGMENT INFORMATION *(continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

Segment assets

	2009 HK$'000	2008 HK$'000
Segment assets		
– Sales of electricity	**86,911,166**	62,304,541
– Coal mining	**14,502,176**	5,160,873
Total segment assets	**101,413,342**	67,465,414
Interests in associates	**9,107,332**	6,381,116
Pledged bank deposits, restricted bank deposits, bank balances and cash	**8,209,684**	5,640,494
Deferred taxation assets	**111,086**	94,777
Corporate assets, mainly representing assets held by head office and investment holding companies	**60,554**	68,045
Consolidated assets	**118,901,998**	79,649,846

Segment liabilities

	2009 HK$'000	2008 HK$'000
Segment liabilities		
– Sales of electricity	**(15,026,304)**	(9,241,486)
– Coal mining	**(1,358,521)**	(1,731,950)
Total segment liabilities	**(16,384,825)**	(10,973,436)
Bank and other borrowings	**(56,484,467)**	(37,671,443)
Derivative financial instruments	**(333,550)**	(387,265)
Taxation payable	**(62,298)**	(34,099)
Deferred taxation liabilities	**(413,983)**	(106,289)
Amount due to ultimate holding company, including in amounts due to group companies	**—**	(295,516)
Corporate liabilities, mainly representing liabilities of head office and investment holding companies	**(67,493)**	(20,925)
Consolidated liabilities	**(73,746,616)**	(49,488,983)

5. TURNOVER AND SEGMENT INFORMATION *(continued)*

Segment assets and liabilities *(continued)*

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than interests in associates, pledged bank deposits, restricted bank deposits, bank balances and cash, deferred taxation assets and unallocated corporate assets; and

- all liabilities are allocated to reportable segments other than bank and other borrowings, derivative financial instruments, taxation payable, deferred tax liabilities, amount due to ultimate holding company and unallocated corporate liabilities.

Other segment information

2009

	Sales of electricity HK$'000	Coal mining HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit:				
Additions to non-current assets (Note)	12,908,848	7,703,688	3,522	20,616,058
Depreciation and amortisation	3,128,317	113,844	2,093	3,244,254
Net gain on disposal of property, plant and equipment	(11,408)	—	—	(11,408)
Amounts regularly provided to chief operating decision maker but not included in the measure of segment profit:				
Share of results of associates	832,732	57,180	—	889,912
Finance costs	(1,634,986)	(23,153)	(273,587)	(1,931,726)

5. TURNOVER AND SEGMENT INFORMATION *(continued)*

Other segment information *(continued)*

2008

	Sales of electricity HK$'000	Coal mining HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit:				
Additions to non-current assets (Note)	10,240,085	2,913,830	6,613	13,160,528
Depreciation and amortisation	2,718,092	94,399	1,201	2,813,692
Net loss on disposal and write-off of property, plant and equipment	74,188	—	—	74,188
Amounts regularly provided to chief operating decision maker but not included in the measure of segment profit:				
Share of results of associates	349,458	47,443	—	396,901
Finance costs	(1,377,352)	(39,907)	(294,355)	(1,711,614)

Note: Non-current assets excluded financial instruments and deferred tax assets.

Geographical information

The Group's operations are located in the PRC, other than Hong Kong. All of the Group's revenue from external customers are attributed to customers located in the PRC, other than Hong Kong. The Group's non-current assets excluding financial instruments and deferred taxation assets located in the PRC, other than Hong Kong, amounted to HK$99,769,527,000 (2008: HK$65,659,452,000).

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2009 HK$'000	2008 HK$'000
Customer A	**7,109,424**	4,865,856
Customer B	**6,871,881**	5,282,308
Customer C	**5,511,428**	4,719,921
Customer D	**3,507,205**	3,058,585

Note: The revenue is from sales of electricity and heat generated by thermal power plants.

6. FINANCE COSTS

	2009 HK$'000	2008 HK$'000
Interest on bank and other borrowings:		
– wholly repayable within five years	**(1,872,828)**	(780,872)
– not wholly repayable within five years	**(437,769)**	(1,064,882)
	(2,310,597)	(1,845,754)
Less: Interest capitalised in property, plant and equipment (Note)	**378,871**	134,140
	(1,931,726)	(1,711,614)

Note: Borrowing costs capitalised during the year arose on funds borrowed specifically for the purpose of obtaining qualifying assets and on the generally borrowing pool and are calculated by applying a capitalisation rate of 5.89% (2008: 6.81%) per annum to expenditure on qualifying assets.

7. TAXATION

	2009 HK$'000	2008 HK$'000
The charge comprises:		
The Company and its subsidiaries		
PRC Enterprise Income Tax		
– current	**287,196**	150,106
– underprovision in prior years	**9,660**	12,081
	296,856	162,187
Deferred taxation (note 35)	**73,575**	53,800
	370,431	215,987

No provision for Hong Kong Profits Tax has been made as the Group had no taxable profit in Hong Kong or incur tax losses 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, pursuant to CaiShui [2008] No. 46 Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment (財政部、國家稅務總局關於執行公共基礎設施項目企業所得稅優惠目錄有關問題的通知), certain wind power plants of the Group, which are set up after 1 January 2008, entitled to a tax holiday of a three-year full exemption followed by a three-year 50% exemption commencing from their respective first profit-making year.

7. TAXATION *(continued)*

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.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, certain subsidiaries of the Company will change the existing tax rates 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.

The taxation charge can be reconciled to the profit before taxation per the consolidated income statement as follows:

	2009 HK$'000	2008 HK$'000
Profit before taxation	**6,408,056**	2,151,512
Less: Share of results of associates	**(889,912)**	(396,901)
Profit before taxation attributable to the Company and its subsidiaries	**5,518,144**	1,754,611
Tax at applicable rate of 20% (2008: 18%)	**1,103,629**	315,830
Tax effect of income that is not taxable in determining current year taxable profit	**(1,988)**	(4,744)
Tax effect of expenses that are not deductible in determining current year taxable profit	**106,295**	89,193
Effect of tax exemptions granted to PRC subsidiaries	**(420,975)**	(156,416)
Reduction of tax in respect of Tax Benefits	**(611,175)**	(124,940)
Effect of different tax rates of subsidiaries	**69,831**	17,650
Tax effect of tax losses not recognised	**39,358**	44,929
Deferred tax arising from withholding tax on undistributed profits of the PRC subsidiaries/associates	**76,584**	25,512
Underprovision in prior years	**9,660**	12,081
Others	**(788)**	(3,108)
Tax expense for the year	**370,431**	215,987

Note: Tax rate of 20% (2008: 18%) is adopted for the taxation reconciliation as such tax rate is applicable to most of the Group's operations in the PRC for the year.

8. PROFIT FOR THE YEAR

	2009 HK$'000	2008 HK$'000
Profit for the year has been arrived at after charging:		
Directors' remuneration		
– Fees	**1,049**	894
– Other emoluments	**10,519**	9,939
– Pension costs	**381**	204
– Share option benefits expenses	**461**	1,282
	12,410	12,319
Other staff costs (Note a)	**1,484,558**	1,113,913
Pension costs, excluding directors (Note a)	**204,326**	197,936
Share option benefits expenses, excluding directors	**53,126**	90,055
Total staff costs	**1,754,420**	1,414,223
Amortisation of prepaid lease payments	**56,100**	47,434
Amortisation of mining rights (included in depreciation and amortisation)	**9,235**	9,352
Auditor's remuneration	**5,312**	5,867
Depreciation of property, plant and equipment (Note a)	**3,178,919**	2,756,906
Net loss on disposal and write-off of property, plant and equipment (Note b)	**—**	74,188
Net exchange loss	**4,145**	—
Minimum lease payments under operating leases in respect of:		
– land and buildings	**82,473**	64,705
– other assets	**8,534**	5,729
Pre-operating expenses of subsidiaries (included in other operating expenses)	**55,588**	116,867
and after crediting:		
Service income from heat connection contracts	**52,572**	174,326
Net exchange gain	**—**	9,754
Interest income	**49,608**	91,704
Government grant (Note c)	**96,542**	51,277
Fair value change on financial assets at fair value through profit or loss	**2,882**	1,833
Gain on disposal of property, plant and equipment	**11,408**	—
Sales of scrap materials	**155,266**	108,620
Expenses capitalised in construction in progress:		
Other staff costs	**125,450**	142,353
Pension costs	**20,807**	5,400
Depreciation	**5,162**	6,867

8. PROFIT FOR THE YEAR *(continued)*

Notes:

(a) Amount excluded expenses capitalised in construction in progress.

(b) During the year ended 31 December 2008, amount included loss on write-off of property, plant and equipment, net of insurance compensation, of HK$88,078,000 due to a snow disaster.

(c) During the year ended 31 December 2009, the Group received refund of value-added tax from the relevant PRC Tax Authority to encourage the operations of certain PRC subsidiaries for growth in supply of electricity of HK$62,589,000 (2008: HK$17,708,000) and development of environmental friendly electricity generation of HK$15,989,000 (2008: HK$6,655,000). There were no unfulfilled conditions attached to these grants and, the Group has recognised the grants upon receipts.

In addition, during the year ended 31 December 2009, the Group received subsidies from the relevant PRC Government for the high operating cost due to increase in coal price amounting to HK$17,964,000 (2008: HK$26,914,000). There were no unfulfilled conditions attached to these grants and, therefore, the Group recognised the grants upon receipts.

9. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

(i) Details of directors' remuneration are as follows:

The emoluments paid or payable to each of the eleven (2008: eleven) directors were as follows:

For the year ended 31 December 2009

	Song Lin HK$'000	Wang Shuai Ting HK$'000	Tang Cheng HK$'000	Zhang Shen Wen HK$'000	Wang Xiao Bin HK$'000	Jiang Wei HK$'000	Chen Xiao Ying HK$'000	Anthony H. Adams HK$'000	Wu Jing Ru HK$'000	Chen Ji Min HK$'000	Ma Chiu Cheung, Andrew HK$'000	Total 2009 HK$'000
Fees	53	—	—	—	—	70	126	200	200	200	200	1,049
Other emoluments												
Salaries and other benefits	1,325	2,130	1,860	1,975	1,574	—	—	—	—	—	—	8,864
Pension costs	147	72	47	43	72	—	—	—	—	—	—	381
Share option benefits expenses	91	91	21	40	61	61	—	48	48	—	—	461
Bonus (Note)	—	483	350	397	425	—	—	—	—	—	—	1,655
Total emoluments	1,616	2,776	2,278	2,455	2,132	131	126	248	248	200	200	12,410

For the year ended 31 December 2008

	Song Lin HK$'000	Wang Shuai Ting HK$'000	Tang Cheng HK$'000	Zhang Shen Wen HK$'000	Wang Xiao Bin HK$'000	Jiang Wei HK$'000	Chen Xiao Ying HK$'000	Anthony H. Adams HK$'000	Wu Jing Ru HK$'000	Chen Ji Min HK$'000	Ma Chiu Cheung, Andrew HK$'000	Total 2008 HK$'000
Fees	70	—	—	—	—	70	126	157	157	157	157	894
Other emoluments												
Salaries and other benefits	—	1,886	888	766	1,320	—	—	—	—	—	—	4,860
Pension costs	—	72	36	30	66	—	—	—	—	—	—	204
Share option benefits expenses	238	251	167	60	162	116	—	61	61	83	83	1,282
Bonus (Note)	—	1,667	1,086	1,080	1,246	—	—	—	—	—	—	5,079
Total emoluments	308	3,876	2,177	1,936	2,794	186	126	218	218	240	240	12,319

Note: The bonus is determined having regard to the performance of individuals and market trends.

9. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES *(continued)*

(ii) Employees

Details of remunerations paid by the Group to the five highest paid individuals (including two (2008: three) directors, and the remaining three (2008: two) employee) for the year are as follows:

	2009 HK$'000	2008 HK$'000
Salaries and other benefits	**10,387**	5,707
Pension costs	**179**	210
Bonus	**1,927**	7,647
Share option benefits expenses	**971**	2,182
	13,464	15,746

Emoluments of these five individuals are within the following bands:

	2009	2008
HK$2,000,001 to HK$2,500,000	**3**	1
HK$2,500,001 to HK$3,000,000	**1**	2
HK$3,000,001 to HK$3,500,000	**1**	—
HK$3,500,001 to HK$4,000,000	**—**	1
HK$4,000,001 to HK$4,500,000	**—**	1

During the year, no remuneration has been paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office. No directors have waived any remunerations during the year.

10. RETIREMENT BENEFIT SCHEMES

(a) Hong Kong

The Group participates in a pension scheme, which was registered under the Mandatory Provident Fund Scheme Ordinance (the "MPF Ordinance"), for all its employees in Hong Kong. The scheme is a defined contribution scheme and is funded by contributions from employers and employees according to the provisions of the MPF Ordinance.

During the year, the total amounts contributed by the Group to the scheme in Hong Kong and charged to the consolidated income statement represent contributions payable to the scheme by the Group at rates specified in the rules of the scheme are as follows:

	2009 HK$'000	2008 HK$'000
Amount contributed and charged to the consolidated income statement	**1,719**	1,344

(b) PRC

(i) Other than certain retired employees and early retired employees of Jinzhou, Tianneng, Hunan Liyujiang and Shenyang Shenhai employed by the vendors at respective acquisition dates (the "Pre-acquisition Employees"), the employees of the Group in the PRC are members of state-managed retirement benefit schemes operated by the respective local government in the PRC. The Group is required to contribute a specified percentage of payroll costs to the schemes to fund the benefits. The only obligation of the Group with respect to these schemes is to make the specified contributions.

(ii) For the Pre-acquisition Employees, the Group is obligated to pay employee retirement benefits for retired employees and early retired employees (i.e. retired before their statutory retirement age) of Jinzhou and Tianneng who reach the statutory retirement age within 5 years, have been working for more than 30 years or in accordance with the respective subsidiary of the Company's early retirement policy. The retired and early retired employees are entitled to certain monthly benefits for their life time or upto their statutory retirement age, respectively.

The total costs charged to the consolidated income statement or capitalised in construction in progress in respect of the above-mentioned schemes in the PRC during each of the year are as follows:

	2009 HK$'000	2008 HK$'000
Amount contributed and charged to the consolidated income statement	**202,988**	196,796
Amount contributed and capitalised in the construction in progress	**20,807**	5,400

11. DIVIDENDS

	2009 **HK$'000**	2008 HK$'000
Dividend recognised as distribution during the year		
Interim dividend for 2009 of HK$0.06 (2008: HK$0.05) per share on 4,674,434,000 (2008: 4,186,794,000) shares	**280,466**	209,339
2008 final dividend of HK$0.08 (2008: for 2007 of HK$0.20) per share on 4,237,982,000 (2008: 4,154,641,000) shares	**339,039**	830,928
2007 final dividend and interim dividend of HK$0.20 and HK$0.05 respectively per share on 16,006,791 consideration shares issued	**—**	4,002
	619,505	1,044,269
Final dividend proposed of HK$0.32 (2008: HK$0.08) per share	**1,500,345**	338,167

The proposed final dividend for 2009 is based on 4,688,579,319 shares (2008: 4,227,084,969 shares) in issue at 21 March 2010 and to be approved by shareholders in general meeting.

12. EARNINGS PER SHARE

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

	2009 **HK$'000**	2008 HK$'000
Profit attributable to owners of the Company	**5,317,392**	1,717,448

	Number of ordinary shares	
	2009	2008
Weighted average number of ordinary shares excluding own shares held for share award scheme for the purposes of basic earnings per share	**4,454,782,698**	4,234,502,451
Effect of dilutive potential ordinary shares:		
– share options	**97,822,679**	153,518,708
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**4,552,605,377**	4,388,021,159

The number of shares for the purpose of calculating basic earnings per share for both years has been adjusted to reflect the rights issue of shares completed in July 2009.

	2009 **HK$**	2008 HK$
Basic earnings per share	**1.19**	0.41
Diluted earnings per share	**1.17**	0.39

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Power generating plant and equipment HK$'000	Mining structures HK$'000	Motor vehicles, furniture, fixtures, equipment and others HK$'000	Construction in progress HK$'000	Total HK$'000
THE GROUP						
COST						
At 1 January 2008	9,263,386	30,063,578	588,297	384,963	2,927,819	43,228,043
Currency realignment	607,168	1,974,381	37,519	28,340	195,001	2,842,409
Acquisition of subsidiaries	298,909	782,400	—	47,215	64,140	1,192,664
Additions	125,102	298,541	39,739	106,441	9,898,563	10,468,386
Transfer	372,092	1,346,077	18,278	33,762	(1,770,209)	—
Transfer to prepaid lease payments	—	—	—	—	(15,298)	(15,298)
Adjustments	(88,695)	11,659	—	313	—	(76,723)
Write off	—	(351,912)	—	—	—	(351,912)
Disposals	(14,202)	(71,350)	(20,120)	(26,701)	—	(132,373)
At 31 December 2008	10,563,760	34,053,374	663,713	574,333	11,300,016	57,155,196
Currency realignment	992	11,569	(94)	876	3,166	16,509
Acquisition of subsidiaries	870,854	4,105,348	—	150,475	7,260,413	12,387,090
Additions	107,749	1,624,831	—	271,983	10,179,086	12,183,649
Transfer	1,902,912	8,955,402	4,512	12,757	(10,875,583)	—
Transfer to prepaid lease payments	(31,325)	—	—	—	—	(31,325)
Adjustments	(63,491)	(68,379)	—	943	—	(130,927)
Disposals and write off (note)	(123,141)	(236,658)	(3,429)	(10,041)	—	(373,269)
At 31 December 2009	13,228,310	48,445,487	664,702	1,001,326	17,867,098	81,206,923

13. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Buildings HK$'000	Power generating plant and equipment HK$'000	Mining structures HK$'000	Motor vehicles, furniture, fixtures, equipment and others HK$'000	Construction in progress HK$'000	Total HK$'000
DEPRECIATION AND IMPAIRMENT						
At 1 January 2008	798,475	2,822,782	—	84,079	—	3,705,336
Currency realignment	58,209	208,376	549	8,134	—	275,268
Provided for the year	566,384	2,072,819	40,777	85,550	—	2,765,530
Adjustments	571	(3,478)	—	1,150	—	(1,757)
Elimination on disposals	(4,772)	(64,200)	(4,871)	(22,449)	—	(96,292)
Write off	—	(46,715)	—	—	—	(46,715)
Impairment loss (note)	84,298	150,855	—	78	—	235,231
At 31 December 2008	1,503,165	5,140,439	36,455	156,542	—	6,836,601
Currency realignment	358	2,526	495	1,634	—	5,013
Provided for the year	664,833	2,334,937	39,868	155,527	—	3,195,165
Adjustments	(5,278)	(5,376)	—	(430)	—	(11,084)
Transfer to prepaid lease payments	(5,482)	—	—	—	—	(5,482)
Elimination on disposals and write off (note)	(122,789)	(235,868)	(1,024)	(6,319)	—	(366,000)
At 31 December 2009	2,034,807	7,236,658	75,794	306,954	—	9,654,213
CARRYING VALUES						
At 31 December 2009	11,193,503	41,208,829	588,908	694,372	17,867,098	71,552,710
At 31 December 2008	9,060,595	28,912,935	627,258	417,791	11,300,016	50,318,595

Note: During the year ended 31 December 2008, the subsidiary of the Company signed an agreement with the government and agreed to close down certain of its smaller power generating plants and equipment, resulting in impairment loss of HK$235,231,000 being recognised and included in other operating expenses. The impairment loss recognised during the year ended 31 December 2008 was based on fair value less cost to sell with reference to valuation report performed by an independent third party (see Note 46 for further details of this transaction). During the year ended 31 December 2009, the cost of the relevant assets and their accumulated depreciation and impairment loss, amounting to HK$354,566,000, were written off.

13. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life as follows:

Buildings	18 to 20 years
Power generating plant and equipment	15 to 18 years
Mining structures	10 to 20 years
Motor vehicles, furniture, fixtures, equipment and others	3 to 10 years

The carrying value shown above related to buildings situated on land outside Hong Kong under medium term leases.

As at 31 December 2009, included in construction in progress is interest capitalised of HK$353,458,000 (2008: HK$151,665,000) not yet transferred to the appropriate categories of property, plant and equipment.

	Motor vehicles, furniture, fixtures, equipment and others HK$'000
THE COMPANY	
COST	
At 1 January 2008	6,030
Additions	9,544
At 31 December 2008	15,574
Additions	3,522
At 31 December 2009	19,096
DEPRECIATION	
At 1 January 2008	4,554
Provided for the year	1,472
At 31 December 2008	6,026
Provided for the year	2,760
At 31 December 2009	8,786
CARRYING VALUE	
At 31 December 2009	10,310
At 31 December 2008	9,548

Motor vehicles, furniture, fixtures, equipment and others are depreciated on a straight-line basis over the estimated useful life ranged from 3 to 10 years.

14. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments are situated in the PRC and held under medium term leases.

Analysed for reporting purposes as:

	2009	2008
	HK$'000	HK$'000
Current, including in trade receivables, other receivables and prepayments	**51,775**	48,627
Non-current	**1,486,211**	1,021,098
	1,537,986	1,069,725

The prepaid lease payments are amortised over the terms of the leases.

15. MINING RIGHTS

	THE GROUP
	HK$'000
COST	
At 1 January 2008	138,787
Currency realignment	8,851
Addition	58,901
At 31 December 2008	206,539
Currency realignment	(29)
Addition	422
At 31 December 2009	206,932
ACCUMULATED AMORTISATION	
At 1 January 2008	—
Currency realignment	126
Amortisation for the year	9,352
At 31 December 2008	9,478
Currency realignment	6
Amortisation for the year	9,235
At 31 December 2009	18,719
CARRYING VALUE	
At 31 December 2009	188,213
At 31 December 2008	197,061

Amortisation is provided to write off the cost of the mining rights using the units of production method based on the actual production volume for the year over the total estimated production volume within the contractual life of the mining right. The licence period of the mining rights held by the Group ranged from 5 to 10 years. In the opinion of the directors, the Group will be able to renew the mining rights with relevant government authorises continuously at minimal charges.

16. EXPLORATION AND RESOURCES RIGHTS

	THE GROUP
	HK$'000
CARRYING VALUE	
At 1 January 2008	—
Additions	37,356
Arising on acquisition of a subsidiary	202,633
At 31 December 2008	239,989
Currency realignment	63
Additions	115,416
At 31 December 2009	355,468

As at 31 December 2009, the exploration activities had not yet been commenced. The term of the certificates ranged from 2 to 10 years. In the opinion of the directors, the Group will be able to renew the above rights with relevant government authorities continuously at minimal charges.

17. INVESTMENTS IN/LOANS TO SUBSIDIARIES

	THE COMPANY	
	2009	2008
	HK$'000	HK$'000
Unlisted shares/capital contribution, at cost	**13,402,497**	9,439,686
Loans to subsidiaries (note)	**2,261,068**	2,246,069
	15,663,565	11,685,755

Note: The amounts are unsecured, bear interest at rate offered by the People's Bank of China and have no fixed terms of repayment. In the opinion of the directors, the Company will not demand for the repayment of the amounts within the twelve months from the end of the reporting period. Accordingly, the amounts are shown as non-current.

17. INVESTMENTS IN/LOANS TO SUBSIDIARIES *(continued)*

Details of the Company's principal subsidiaries are set out below:

Name of subsidiary	Place of incorporation/ registration and operations	Issued and fully paid share capital/ registered and paid-up capital 2009	2008	Proportion of nominal value of issued capital/registered capital held by the Company Directly 2009 %	Directly 2008 %	Indirectly 2009 %	Indirectly 2008 %	Principal activities
Leader Best Limited 豐能有限公司	Hong Kong	**Ordinary shares - HK$10,000 Non-voting deferred shares - HK$10,000***	Ordinary shares - HK$10,000 Non-voting deferred shares - HK$10,000*	**100**	100	**—**	—	Investment holding
Resources Shajiao C Investments Limited 香港潤朗沙角投資有限公司	Hong Kong	**Ordinary shares - HK$9,999 Special share - HK$1****	Ordinary shares - HK$9,999 Special share - HK$1**	**—**	—	**90**	90	Investment holding
China Resources Power (Jiangsu) Investment Company Limited ("Jiangsu Investment") # 華潤電力（江蘇）投資有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered and paid-up capital - RMB1,500,000,000**	—	**—**	—	**100**	—	Investment holding
Nanjing Chemical Industry Park Heat-Power Co., Ltd. ("Nanjing Chemical")## 南京化學工業園熱電有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - US$21,800,000**	—	**—**	—	**90**	—	Operation of a power station
Jiang Su Nanre Power Generation Co., Ltd. ("Jiang Su Nanre")### 江蘇南熱發電有限責任公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - US$100,000,000**	—	**—**	—	**100**	—	Operation and sale of coal
China Resources Power Dengfeng Co., Ltd. 華潤電力登封有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB630,000,000**	Registered and paid-up capital - RMB630,000,000	**—**	85	**85**	—	Operation of a power station
China Resources (Luoyang) Thermal Power Co., Ltd. 洛陽華潤熱電有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB80,000,000**	Registered and paid-up capital - RMB80,000,000	**—**	—	**51**	51	Operation of a power station
China Resources Power (Changshu) Co., Ltd. 華潤電力（常熱）有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered and paid-up capital - US$173,520,000**	Registered and paid-up capital - US$173,520,000	**—**	100	**100**	—	Operation of a power station

17. INVESTMENTS IN/LOANS TO SUBSIDIARIES *(continued)*

Name of subsidiary	Place of incorporation/ registration and operations	Issued and fully paid share capital/ registered and paid-up capital 2009	2008	Proportion of nominal value of issued capital/registered capital held by the Company Directly 2009 %	Directly 2008 %	Indirectly 2009 %	Indirectly 2008 %	Principal activities
China Resources Power Hunan Liyujiang Co., Ltd. 湖南華潤電力（鯉魚江）有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB573,660,000**	Registered and paid-up capital - RMB573,660,000	**—**	60	**60**	—	Operation of a power station
China Resources Power Hubei Co., Ltd. 華潤電力湖北有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered and paid-up capital - US$112,000,000**	Registered and paid-up capital - US$112,000,000	**—**	100	**100**	—	Operation of a power station
China Resources (Jiaozuo) Thermal Power Co., Ltd. 焦作華潤熱電有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered capital - RMB267,540,000 Paid-up capital - RMB194,748,500**	Registered capital - RMB267,540,000 Paid-up capital - RMB194,748,500	**—**	—	**60**	60	Operation of a power station
China Resources Power Performance Co., Ltd.	BVI	**Share - HK$0.01**	Share - HK$0.01	**100**	100	**—**	—	Investment holding
Tangshan China Resources Thermal Power Co., Ltd. 唐山華潤熱電有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB270,490,000**	Registered and paid-up capital - RMB270,490,000	**—**	—	**80**	80	Operation of a power station
China Resources Power Henan Shouyangshan Co., Ltd. 河南華潤電力首陽山有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB1,237,500,000**	Registered and paid-up capital - RMB1,237,500,000	**—**	—	**85**	85	Operation of a power station
Yixing China Resources Thermal Power Co., Ltd. 宜興華潤熱電有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered capital - RMB201,000,000 Paid-up capital - RMB144,425,000**	Registered capital - RMB201,000,000 Paid-up capital - RMB144,425,000	**—**	—	**55**	55	Operation of a power station
China Resources Power Hunan Co., Ltd. 華潤電力湖南有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered capital - RMB1,361,000,000 Paid-up capital - RMB1,358,545,665**	Registered capital - RMB1,361,000,000 Paid-up capital - RMB1,358,545,665	**—**	100	**100**	—	Operation of a power station

17. INVESTMENTS IN/LOANS TO SUBSIDIARIES *(continued)*

Name of subsidiary	Place of incorporation/ registration and operations	Issued and fully paid share capital/ registered and paid-up capital 2009	2008	Proportion of nominal value of issued capital/registered capital held by the Company Directly 2009 %	Directly 2008 %	Indirectly 2009 %	Indirectly 2008 %	Principal activities
Henan China Resources Power Gu Cheng Co., Ltd. 河南華潤電力古城有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered capital - RMB740,500,000 Paid-up capital - RMB737,718,067**	Registered capital - RMB740,500,000 Paid-up capital - RMB737,718,067	**100**	100	**—**	—	Operation of a power station
華潤電力（唐山曹妃甸）有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB38,000,000**	Registered and paid-up capital - RMB38,000,000	**—**	—	**90**	90	Operation of a power station
China Resources Power Project Service Co., Ltd. 華潤電力工程服務有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered and paid-up capital - HK$50,000,000**	Registered and paid-up capital - HK$50,000,000	**100**	100	**—**	—	Power station project consultancy services
CR Power Fuel (Henan) Co., Ltd. 華潤電力燃料（河南）有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered and paid-up capital - HK$35,000,000**	Registered and paid-up capital - HK$35,000,000	**—**	—	**100**	100	Sale of coal
湖南華潤煤業有限公司△ (Formerly known as 郴州華潤煤業有限公司) (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - US$29,990,000**	Registered and paid-up capital - US$29,990,000	**—**	—	**100**	84	Coal mining
Shantou Dan Nan Wind Power Co., Ltd. 汕頭丹南風能有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - US$10,000,000**	Registered and paid-up capital - US$10,000,000	**—**	—	**55**	55	Operation of a power station
Guangzhou China Resources Thermal Power Co. Ltd. 廣州華潤熱電有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB350,000,000**	Registered and paid-up capital - RMB350,000,000	**—**	—	**70**	70	Operation of a power station
China Resources Concord (Beijing) Thermal Power Co. Ltd. 華潤協鑫（北京）熱電有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB247,100,000**	Registered and paid-up capital - RMB247,100,000	**—**	—	**51**	51	Operation of a power station
Fuyang China Resources Power Co., Ltd. 阜陽華潤電力有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered capital - RMB1,259,000,000 Paid-up capital - RMB919,000,000**	Registered capital - RMB1,259,000,000 Paid-up capital - RMB919,000,000	**—**	—	**55**	55	Operation of a power station

17. INVESTMENTS IN/LOANS TO SUBSIDIARIES *(continued)*

Name of subsidiary	Place of incorporation/ registration and operations	Issued and fully paid share capital/ registered and paid-up capital 2009	2008	Proportion of nominal value of issued capital/registered capital held by the Company Directly 2009 %	Directly 2008 %	Indirectly 2009 %	Indirectly 2008 %	Principal activities
Yunnan China Resources Power (Honghe) Co., Ltd. 雲南華潤電力（紅河）有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB279,400,000**	Registered and paid-up capital - RMB279,400,000	**—**	—	**70**	70	Operation of a power station
偃師華潤運輸有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB11,000,000**	Registered and paid-up capital - RMB11,000,000	**—**	—	**64**	64	Provision of local logistic services
China Resources Power Maintenance Henan Co., Ltd. △△ 華潤電力檢修（河南）有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB5,000,000**	Registered and paid-up capital - RMB5,000,000	**—**	—	**100**	93	Power station maintenance service
攀枝花華潤水電開發有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered capital - RMB50,000,000 Paid-up capital - RMB30,000,000**	Registered capital - RMB50,000,000 Paid-up capital - RMB30,000,000	**—**	—	**70**	70	Development of a power station
深圳南國能源有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered and paid-up capital - RMB50,000,000**	Registered and paid-up capital -RMB50,000,000	**—**	—	**100**	100	Investment holding
China Resources Power Investment Co., Ltd. 華潤電力投資有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered capital - RMB11,400,000,000 Paid-up capital - RMB9,272,817,000**	Registered capital - USD300,000,000 Paid-up capital - USD45,000,000	**100**	100	**—**	—	Investment holding
China Resources Cangzhou Co-generation Co., Ltd. 滄州華潤熱電有限公司△△△ (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB550,000,000**	Registered capital - RMB550,000,000 Paid-up capital - RMB427,500,000	**95**	60	**—**	—	Operation of a power station
China Resources Power (Jinzhou) Co., Ltd. 華潤電力（錦州）有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered and paid-up capital - RMB764,922,500**	Registered and paid-up capital - RMB764,922,500	**—**	—	**100**	100	Operation of a power station

17. INVESTMENTS IN/LOANS TO SUBSIDIARIES *(continued)*

Name of subsidiary	Place of incorporation/ registration and operations	Issued and fully paid share capital/ registered and paid-up capital 2009	2008	Proportion of nominal value of issued capital/registered capital held by the Company Directly 2009 %	Directly 2008 %	Indirectly 2009 %	Indirectly 2008 %	Principal activities
Xuzhou Huaxin Power Generation Co., Ltd. 徐州華鑫發電有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB480,000,000**	Registered and paid-up capital - RMB480,000,000	**—**	—	**72**	72	Operation of a power station
China Resources (Xuzhou) Coal and Power Ltd. 華潤天能（徐州）煤電有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered and paid-up capital - RMB109,364,623**	Registered and paid-up capital - RMB109,364,623	**100**	100	**—**	—	Exploration and sale of coal and operation of a power station
China Resources Wind Power (Shantou) Co., Ltd. 華潤電力風能（汕頭）有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered and paid-up capital - RMB73,460,329**	Registered and paid-up capital - RMB73,430,000	**—**	—	**100**	100	Operation of a power station
China Resources Power Xingning Co., Ltd. 華潤電力興寧有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered and paid-up capital - RMB337,500,000**	Registered and paid-up capital - RMB337,500,000	**—**	—	**100**	100	Operation of a power station
China Resources Wind Power (Chengde) Co., Ltd. 華潤電力風能（承德）有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered capital - RMB176,320,000 Paid-up capital - RMB73,246,856**	Registered capital - RMB176,320,000 Paid-up capital - RMB73,246,858	**—**	—	**100**	100	Development of a power station
China Resources Power (Jining) Co., Ltd. 華潤電力（濟寧）有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB195,000,000**	Registered capital - RMB195,000,000 Paid-up capital - RMB179,325,960	**90**	90	**—**	—	Development of a power station
China Resources Power (Heze) Co., Ltd. 華潤電力（菏澤）有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered capital - USD29,000,000 Paid-up capital - USD28,977,000**	Registered capital - USD29,000,000 Paid-up capital - USD28,977,000	**100**	100	**—**	—	Development of a power station
China Resources Power (Lianyuan) Co., Ltd. 華潤電力（漣源）有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered and paid-up capital - USD29,800,000**	Registered and paid-up capital - USD29,800,000	**—**	—	**100**	100	Operation of a power station

17. INVESTMENTS IN/LOANS TO SUBSIDIARIES *(continued)*

Name of subsidiary	Place of incorporation/ registration and operations	Issued and fully paid share capital/ registered and paid-up capital 2009	2008	Proportion of nominal value of issued capital/registered capital held by the Company Directly 2009 %	Directly 2008 %	Indirectly 2009 %	Indirectly 2008 %	Principal activities
Shenyang Shenhai Thermal Power Co., Ltd. 瀋陽沈海熱電有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB566,380,000**	Registered and paid-up capital - RMB566,380,000	**—**	—	**54**	54	Operation of a power station
China Resources Jinniu Thermal Power Co., Ltd. 內蒙古華潤金牛熱電有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered capital - RMB 200,000,000 Paid-up capital - RMB149,515,842**	Registered capital - RMB 200,000,000 Paid-up capital - RMB149,515,842	**—**	100	**100**	—	Operation of a power station
China Resources Wind Power (Yantai) Co., Ltd. 華潤電力風能（烟台）有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered capital - RMB198,585,700 Paid-up capital - RMB165,420,124**	Registered capital - RMB198,585,700 Paid-up capital - RMB165,420,124	**—**	—	**95**	95	Operation of a power station
China Resources Wind Power (Shantouchaonan) Co., Ltd. 華潤電力風能（汕頭潮南）有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered capital - RMB295,460,000 Paid-up capital - RMB172,743,158**	Registered capital - RMB295,460,000 Paid-up capital - RMB172,743,158	**—**	—	**100**	100	Development of a power station
China Resources Power (Hezhou) Co., Ltd. 華潤電力（賀州）有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered and paid-up capital - USD 33,000,000**	Registered and paid-up capital - USD 33,000,000	**100**	100	**—**	—	Development of a power station
華潤電力（六枝）有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered capital - USD49,000,000 Paid-up capital - USD15,500,000**	Registered capital - USD49,000,000 Paid-up capital - USD7,500,000	**100**	100	**—**	—	Development of a power station
Henan Tianzhong Coal Mining Co., Ltd 河南天中煤業有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered capital - RMB200,000,000 Paid-up capital - RMB29,979,339**	Registered capital - RMB200,000,000 Paid-up capital - RMB29,979,339	**—**	—	**100**	100	Coal mining
China Resources Power (Wenzhou) Co., Ltd 華潤電力（溫州）有限公司 (Wholly Foreign Owned Enterprise)	PRC	**Registered capital - USD49,000,000 Paid-up capital - USD15,500,000**	Registered capital - USD49,000,000 Paid-up capital - USD7,500,000	**100**	100	**—**	—	Development of a power station

17. INVESTMENTS IN/LOANS TO SUBSIDIARIES *(continued)*

* The non-voting deferred shares are not entitled to receive notice of or attend or vote at any general meeting nor to any participation in the profits or surplus assets on winding up.

** The special share carries same rights as ordinary shares.

Newly acquired during the year ended 31 December 2009.

Nanjing Chemical was an associate of the Group as at 31 December 2008. Jiangsu Investment holds 65% interest in Nanjing Chemical. The Company held 90% interest indirectly in Nanjing Chemical upon acquisition of Jiangsu Investment during the year ended 31 December 2009.

The Group held 30% interest in Jiang Su Nanre as at 31 December 2008. Jiangsu Investment holds 70% interest in Jiang Su Nanre. The Company held 100% interest indirectly in Jiang Su Nanre upon acquisition of Jiangsu Investment during the year ended 31 December 2009.

△ The Group acquired 16% additional interest during the year ended 31 December 2009.

△△ The Group acquired 7% additional interest during the year ended 31 December 2009.

△△△ The Group acquired 12.73% additional interest and contributed 22.27% capital during the year ended 31 December 2009.

The above table lists the subsidiaries of the Company which in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year or at any time during the year.

18. INTERESTS IN ASSOCIATES

	THE GROUP	
	2009	2008
	HK$'000	HK$'000
Cost of investment in associates - unlisted	**6,696,400**	4,531,633
Share of post-acquisition profits and other comprehensive income and reserves, net of dividend received	**2,410,932**	1,849,483
	9,107,332	6,381,116

	THE COMPANY	
	2009	2008
	HK$'000	HK$'000
Cost of investment in associates - unlisted	**2,348,329**	2,418,416

Included in the Group's cost of investment in associates is goodwill of HK$910,790,000 (2008: HK$921,124,000) arising on acquisition of certain associates. The movement of goodwill is set out below:

	Goodwill
	HK$'000
COST	
At 1 January 2008 and 31 December 2008	921,124
Transfer to goodwill of subsidiaries	(10,334)
At 31 December 2009	910,790

18. INTERESTS IN ASSOCIATES *(continued)*

Details of the principal associates held by the Group are as follows:

Name of associate	Place of registration	Registered and paid-up capital 2009	Registered and paid-up capital 2008	Attributable equity interest held by the Group 2009 %	Attributable equity interest held by the Group 2008 %	Attributable equity interest held by the Company 2009 %	Attributable equity interest held by the Company 2008 %	Principal activities
Guangdong Guanghope Power Co., Ltd. ("Guangdong Guanghope") 廣東廣合電力有限公司* (Sino-Foreign Co-operative Joint Venture)	PRC	**Registered capital - US$391,600,000 Paid-up capital - US$241,600,000**	Registered capital - US$391,600,000 Paid-up capital - US$241,600,000	**36**	36	**—**	—	Operation of a power station
Hebei Harv Power Generation Company Limited 河北衡豐發電有限責任公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB777,000,000**	Registered and paid-up capital - RMB777,000,000	**25**	25	**—**	—	Operation of a power station
Zhejiang Wenzhou Telluride Power Generating Company Limited 浙江溫州特魯萊發電有限責任公司 (Sino-Foreign Co-operative Joint Venture)	PRC	**Registered and paid-up capital - RMB796,120,000**	Registered and paid-up capital - RMB796,120,000	**40**	40	**—**	—	Operation of a power station
China Resources (Xuzhou) Electric Power Company Limited 徐州華潤電力有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered capital - RMB1,058,310,000 Paid-up capital - RMB863,110,000**	Registered capital - RMB1,058,310,000 Paid-up capital - RMB863,110,000	**35**	35	**—**	—	Operation of a power station
Nanjing Chemical Industry Park Heat-Power Co., Ltd. 南京化工業園熱電有限公司# (Sino-Foreign Equity Joint Venture)	PRC	**Registered capital paid-up capital - US$21,800,000**	Registered and paid-up capital - US$21,800,000	**—**	25	**—**	—	Operation of a power station
Hengshui Hengxing Power Generation Company Limited 衡水恒興發電有限責任公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB475,000,000**	Registered and paid-up capital - RMB475,000,000	**25**	25	**25**	25	Operation of a power station
河南永華能源有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB300,000,000**	Registered and paid-up capital - RMB300,000,000	**49**	49	**—**	—	Exploration and sale of coal
鄭州華轅煤業有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB750,000,000**	Registered and paid-up capital - RMB750,000,000	**49**	49	**—**	—	Exploration and sale of coal

18. INTERESTS IN ASSOCIATES *(continued)*

Name of associate	Place of registration	Registered and paid-up capital 2009	Registered and paid-up capital 2008	Attributable equity interest held by the Group 2009 %	Attributable equity interest held by the Group 2008 %	Attributable equity interest held by the Company 2009 %	Attributable equity interest held by the Company 2008 %	Principal activities
Yangzhou No. 2 Power Generation LL Co. 楊州第二發電有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB1,692,000,000**	Registered and paid-up capital - RMB1,692,000,000	**45**	45	**45**	45	Operation of a power station
Jiang Su Nanre Power Generation Co. Ltd. 江蘇南熱發電有限責任公司 # (Sino-Foreign Equity Joint Venture)	PRC	**Registered and paid-up capital - RMB100,000,000**	Registered and paid-up capital - RMB100,000,000	**—**	30	**30**	30	Operation and sale of coal
Guizhou Hualong Coal Mining Co., Ltd. 貴州華隆煤業有限公司 (Sino-Foreign Equity Joint Venture)	PRC	**Registered capital - RMB175,000,000 Paid-up capital - RMB 100,000,000**	Registered capital - RMB175,000,000 Paid-up capital - RMB 100,000,000	**49**	49	**49**	49	Coal mining
Jiangsu Zhenjiang Generator Company Limited 江蘇鎮江發電有限公司 ##	PRC	**Registered and paid-up capital - RMB1,482,200,000**	—	**42.5**		**—**	—	Operation of a power station
Zhangjiagang Shazhou Power Corporation 張家港沙洲電力有限公司 ##	PRC	**Registered and paid-up capital - RMB1,000,000,000**	—	**20**	—	**—**	—	Operation of a power station
Guodian Changzhou Power Corporation 國電常州發電有限公司 ##	PRC	**Registered and paid-up capital - RMB1,000,000,000**	—	**25**	—	**—**	—	Operation of a power station

* One of the Company's subsidiaries entered into a joint venture contract and supplemental agreements with Guangdong Province Shajiao (Plant-C) Power Generation Corporation for the construction, operation and management of the Guangdong Province Shajiao C Power Station in Guangdong Province of the PRC, which are undertaken by Guangdong Guanghope, a co-operative joint venture company established in the PRC. The co-operation period which commenced on 15 June 1992 and will expire in June 2016 which is 20 years after the contract completion date of construction of the power station in June 1996. Upon expiry of the co-operation period, all the remaining assets of Guangdong Guanghope will revert to the PRC partner without compensation.

\# The Group acquired additional interest in the associate and obtained controls during year ended 31 December 2009.

\## The associate is an associate of Jiangsu Investment. The Group acquired Jiangsu Investment during year ended 31 December 2009 (Note 42).

18. INTERESTS IN ASSOCIATES *(continued)*

The above table lists the associates of the Group which in the opinion of the directors of the Company, principally affected the results of the year or form a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors of the Company, result in particulars of excessive length.

The summarised financial information in respect of the Group's associates is set out below:

	2009 **HK$'000**	2008 HK$'000
Total assets	**36,594,739**	30,207,296
Total liabilities	**17,300,417**	15,034,421
Net assets	**19,294,322**	15,172,875
Group's share of net assets of associates	**8,196,542**	5,459,992
Turnover	**13,897,138**	13,385,731
Profit for the year	**2,184,464**	1,141,490
Other comprehensive (expense) income	**(15,416)**	1,033,273
	HK$'000	HK$'000
Group's share of profits of associates for the year	**889,912**	396,901
Group's share of other comprehensive (expense) income of associates for the year	**(5,087)**	337,239

19. GOODWILL

	THE GROUP
	HK$'000
COST	
At 1 January 2008	2,319,555
Arising on acquisition of subsidiaries	754,081
Arising on acquisition of additional interest in a subsidiary	133,804
At 31 December 2008	3,207,440
Transfer from interests in associates	10,334
Arising on acquisition of subsidiaries	539,061
At 31 December 2009	3,756,835

For the purpose of impairment review, goodwill set out above is allocated to the cash generating units ("CGUs"), the subsidiaries operating power plants in different provinces in the PRC.

The recoverable amounts of each of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

During the year, the Group performed impairment review for goodwill based on cash flow forecasts covering a shorter period of the useful life of the property, plant and equipment and operation period of the CGU. The first 5 years derived from the most recent financial budgets approved by management using discount rate of 11% (2008: 11%) for CGU engaged in operating of power station, while the forecast beyond 5 years is based on the financial budget which assumes no growth. The value in use calculated by using the discount rate is higher than the carrying amount of the goodwill allocated to the CGUs and accordingly, no impairment loss was considered necessary.

The carrying amounts of significant portion of goodwill allocated to individual CGU is as follows:

	2009	2008
	HK$'000	HK$'000
Jinzhou	**1,438,876**	1,438,876

Pre-tax discount rates used for value in use calculation is 11%. In the opinion of directors, any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Jinzhou and Jiangsu Investment to exceed the aggregate recoverable amount of Jinzhou.

20. INVESTMENTS IN INVESTEE COMPANIES

The Group's investments in investee companies represent investment in unlisted equity securities issued by four (2008: two) limited liability entities registered in the PRC. They are measured at cost less impairment at the end of the reporting periods as the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

At the end of the reporting period, the investments in investee companies are stated at cost.

21. DEPOSITS PAID FOR ACQUISITION OF MINING/EXPLORATION RIGHTS

During year ended 31 December 2009, the Group entered into several agreements with independent parties to acquire the mining right to an aggregate area of 10,580 hectares of a coal mine located in Shanxi province. Up to 31 December 2009, consideration amounted to RMB6,550,632,000 (equivalent to HK$7,439,815,000) had been paid by the Group, with outstanding consideration amounted to approximately RMB6,550,632,000 (equivalent to HK$7,439,815,000).

In January 2008, the Group entered into an agreement with an independent third party to acquire the exploration and resources right to an area of 21,000 hectares of a coal mine located in Inner Mongolia province with consideration amounted to RMB6,900,000,000 (equivalents to HK$7,836,606,000). Up to 31 December 2009, consideration amounted to RMB950,000,000 (equivalent to HK$1,078,953,000) (2008: RMB950,000,000 (equivalent to HK$1,079,105,000)) had been paid by the Group, with outstanding consideration amounted to RMB5,950,000,000 (equivalent to HK$6,757,653,000) (2008: RMB5,950,000,000 (equivalent to HK$6,758,605,000)).

In June 2008, the Group entered into an agreement with an independent third party to acquire the mining right to an area of 1,590 hectares of a coal mine located in Hunan province with consideration amounted to RMB276,213,000 (equivalents to HK$313,706,000). Up to 31 December 2009, consideration amounted to RMB80,000,000 (equivalent to HK$90,859,000) (2008: RMB80,000,000 (equivalent to HK$90,872,000)) had been paid by the Group, with outstanding consideration amounted to RMB196,213,000 (equivalent to HK$222,847,000) (2008: RMB196,213,000 (equivalent to HK$222,878,000)).

In June 2008, the Group entered into an agreement with an independent third party to acquire the exploration and resources right to an area of 36,100 hectares of a coal mine located in Inner Mongolia province with consideration amounted to RMB1,851,559,000 (equivalents to HK$2,102,890,000). Up to 31 December 2009, consideration amounted to RMB1,145,285,000 (equivalent to HK$1,300,746,000) (2008: RMB1,145,285,000 (equivalent to HK$1,300,929,000))had been paid by the Group, with outstanding consideration amounted to RMB706,274,000 (equivalent to HK$802,144,000) (2008: RMB706,274,000 (equivalent to HK$802,257,000)). In December 2009, the Group brought a lawsuit against the counter party (Note 22).

In September 2008, the Group entered into an agreement with an independent third party to acquire the exploration and resources right to an area of 9,310 hectares of a coal mine located in Inner Mongolia province with consideration amounted to RMB1,369,000,000 (equivalent to HK$1,554,828,000). Up to 31 December 2009, consideration amounted to RMB100,000,000 (equivalent to HK$113,574,000) (2008: RMB100,000,000 (equivalent to HK$113,590,000)) had been paid by the Group, with outstanding consideration amounted to RMB1,269,000,000 (equivalent to HK$1,441,254,000) (2008: RMB1,269,000,000 (equivalent to HK$1,441,457,000)).

The counterparties are either local provincial government or companies with strong financial background. In the opinion of the directors of the Company, the deposit paid for acquisition of mining/exploration rights are of good credit quality.

22. RESTRICTED BANK BALANCES/PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Restricted bank balances

The restricted bank balances at 31 December 2009 represented the bank balances of the Company's subsidiaries, Tianneng and China Resources Power Investment Company Limited ("CR Investment"), amounting to RMB80,609,000 (equivalent to HK$91,550,000) and RMB1,242,959,000 (equivalent to HK$1,411,679,000), respectively. The restricted bank balances at 31 December 2008 represented the bank balances of Tianneng amounting to RMB80,609,000 (equivalent to HK$91,564,000).

Tianneng was acquired by the Company from the Xuzhou provincial government during the year ended 31 December 2007. In May 2008, Tianneng was involved in a lawsuit in connection with coal mining overstep the boundary prior to the acquisition by the Company, with bank balances amounted to RMB80,609,000 (equivalent to HK$91,550,000) being frozen at the order of the civil court. Pursuant to the State Owned Asset Transfer Agreement entered between the Xuzhou provincial government and the Company in connection for the acquisition of Tianneng , the Xuzhou provincial government will compensate the Company for any loss arising from litigation or event occurred prior to the acquisition. In the opinion of the directors, the aforementioned lawsuit will not have material adverse effect on the financial position of the Group.

In June 2008, CR Investment entered into an agreement with an independent third party ("Party A") to acquire the exploration and resources right to an area of 36,100 hectares of a coal mine located in Inner Mongolia province with consideration amounted to RMB 1,851,559,000 (equivalents to HK$2,102,890,000). Up to 31 December 2009, consideration amounted to RMB1,145,285,000 (equivalent to HK$1,300,746,000) (2008: RMB1,145,285,000 (equivalent to HK$1,300,929,000)) had been paid by the Group, with outstanding consideration amounted to RMB706,274,000 (equivalent to HK$802,144,000) (2008: RMB706,274,000 (equivalent to HK$802,257,000)). In December 2009, CR Investment brought a lawsuit against Party A on the ground that Party A breached the agreement. CR Investment requested to terminate the agreement and to refund of the deposit paid. For the purpose of freezing certain assets of Party A, CR Investment placed the same amount restricted deposit of RMB1,242,959,000 (equivalent to HK$1,411,679,000) in Agricultural Bank of China and applied for a guarantee letter to be issued by the bank to the civil court. The guarantee letter was issued on 25 December 2009. Subsequent to the end of the reporting period, this restricted bank deposit was released by the bank.

Pledged bank deposits

The Group's pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group. Deposits amounting to HK$407,306,000 (2008: HK$44,641,000) have been pledged to secure short-term bank loans and are therefore classified as current assets. The remaining deposits amounting to HK$37,218,000 (2008: HK$37,201,000) have been pledged to secure long-term bank borrowings of an associate. The pledged bank deposits will be released upon the repayment of the relevant bank borrowings.

Bank balances and cash

The bank balances and bank deposits of the Group and the Company carried interest at rates ranging from 0.36% to 1.71% per annum (2008: 0.01% to 1.75% per annum).

23. INVENTORIES

THE GROUP

	2009 HK$'000	2008 HK$'000
Coal	**907,742**	1,455,614
Fuel oil	**204,860**	61,370
Spare parts and consumables	**319,353**	340,611
	1,431,955	1,857,595

At the end of the reporting period, all inventories were stated at cost.

24. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

THE GROUP

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

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

	2009 HK$'000	2008 HK$'000
0 - 30 days	**5,010,516**	3,102,624
31 - 60 days	**90,186**	402,209
Over 60 days	**86,344**	29,635
	5,187,046	3,534,468

Included in the Group's trade receivables, other receivables and prepayments are prepayments for purchase of coal and fuel amounted to HK$736,588,000 (2008: HK$151,983,000). In addition, other receivables, prepayments included an amount of VAT receivable of HK$1,066,270,000 (2008: HK$105,032,000), insurance receivable of HK$881,000 (2008: HK$101,459,000) and advances to power grid companies of HK$522,860,000 (2008: nil). At 31 December 2008, amount included HK$105,702,000 receivable from the provincial government in Xuzhou City.

Included in the Group's trade receivable balance are debts with aggregate carrying amount of HK$86,344,000 (2008: HK$29,635,000) which are past due over 60 days at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 30 days (2008: 60 days).

The Group does not provide any allowance for all receivables because historical experience is such that receivables are generally recoverable. Management closely monitors the credit quality of trade and other receivables and considers the trade and other receivables that are neither past due nor impaired to be of a good credit quality.

25. AMOUNTS DUE FROM MINORITY SHAREHOLDERS OF SUBSIDIARIES

THE GROUP

	2009 HK$'000	2008 HK$'000
Loans to minority shareholders of subsidiaries	**1,136**	2,498
Amounts due from minority shareholders of subsidiaries	**1,887**	147,881
	3,023	150,379

As at 31 December 2009, the loans to minority shareholders of subsidiaries are unsecured, carry interest at LIBOR plus 0.8878% (2008: LIBOR plus 0.8878%) and are repayable on demand.

As at 31 December 2009, the amounts due from minority shareholders of subsidiaries are unsecured, non-interest bearing and repayable on demand. At 31 December 2008, in the Group's amounts due from minority shareholders of subsidiaries were trade receivables from a minority shareholder of a subsidiary amounted to HK$135,400,000 with amount of HK$121,825,000 and HK$13,575,000 fell in age of 0 to 30 days and 31 to 60 days, respectively. Trade receivable were due within 60 days from the date of billing which were neither past due nor impaired at the end of the reporting period. The Group did not hold any collateral over these balances.

26. AMOUNTS DUE FROM ASSOCIATES

THE GROUP

	2009 HK$'000	2008 HK$'000
Loans to associates (note a)	**—**	579,309
Dividend receivable from associates (note b)	**30,378**	20,461
Amounts due from associates (note b)	**901,243**	692,989
	931,621	1,292,759

Notes:

(a) At 31 December 2008, loans to associates represented amounts of HK$283,975,000, HK$113,590,000 and HK$181,744,000. They were unsecured, carried interest at the fixed rate of 7.47%, 7.87% and the rate set by the People's Bank of China for loan of the same maturity minus 1% per annum, respectively, and repayable within one year. The loans were settled during the year ended 31 December 2009.

(b) The dividend receivable from associates and amounts due from associates are unsecured, non-interest bearing and repayable on demand. In the opinion of directors, the amounts will be repayable within one year.

The Group does not provide any allowance for amounts due from associates because historical experience is such that amounts due from associates are generally recoverable. Management closely monitors the credit quality of loans to associates and amounts due from associates and considers the amounts are neither past due nor impaired to be a good credit quality. The Group does not hold any collateral over these balances.

26. AMOUNTS DUE FROM ASSOCIATES *(continued)*

THE COMPANY

	2009 HK$'000	2008 HK$'000
Amount due from an associate	**837,338**	592,755

The amount due from an associate at 31 December 2009 and 31 December 2008 is unsecured, non-interest bearing and repayable on demand.

The Company does not provide any allowance for amounts due from associates because historical experience is such that amounts due from associates are generally recoverable. Management closely monitors the credit quality of amounts due from associates and considers the amounts are neither past due nor impaired to be a good credit quality. The Company does not hold any collateral over these balances.

27. AMOUNTS DUE FROM GROUP COMPANIES

THE GROUP

	2009 HK$'000	2008 HK$'000
Loan to a fellow subsidiary (note a)	**59,626**	59,635
Amounts due from fellow subsidiaries (note b)	**105,164**	85,288
	164,790	144,923

Notes:

(a) Loan to a fellow subsidiary is unsecured, carries interest at a fixed rate of 4.43% (2008: 6.23%) per annum and repayable within one year.

(b) The amounts due from fellow subsidiaries are unsecured, non-interest bearing and repayable on demand. In the opinion of directors, the amounts will be repayable within one year.

27. AMOUNTS DUE FROM GROUP COMPANIES *(continued)*

The Group does not provide any allowance for amounts due from group companies because historical experience is such that amounts due from group companies are generally recoverable. Management closely monitors the credit quality of amounts due from group companies and considers the amounts are neither past due nor impaired to be a good credit quality. The Group does not hold any collateral over these balances.

	THE COMPANY	
	2009	2008
	HK$'000	HK$'000
Amounts due from fellow subsidiaries	**15,777**	7,933
Amounts due from subsidiaries	**18,430,892**	16,538,711
	18,446,669	16,546,644

The amounts due from group companies are unsecured, non-interest bearing and repayable on demand.

The Company does not provide any allowance for amounts due from group companies because historical experience is such that amounts due from group companies are generally recoverable. Management closely monitors the credit quality of amounts due from group companies and considers the amounts are neither past due nor impaired to be a good credit quality. The Company does not hold any collateral over these balances.

28. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	THE GROUP	
	2009	2008
	HK$'000	HK$'000
Financial assets at fair value through profit or loss held for trading are analysed below:		
Listed equity securities in PRC	**5,844**	2,962

The classification of the measure of the financial assets at fair value through profit or loss at 31 December 2009 and 2008 using the fair value hierarchy of Level 1. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets.

29. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

THE GROUP

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

	2009 **HK$'000**	2008 HK$'000
0 - 30 days	**1,674,656**	1,518,018
31 - 90 days	**584,550**	232,788
Over 90 days	**259,613**	245,439
	2,518,819	1,996,245

The other payables and accruals include:

	2009 **HK$'000**	2008 HK$'000
Accrued purchases of coal and fuel	**409,247**	355,065
Payables in respect of purchase of property, plant and equipment and construction	**6,695,962**	3,004,758
Accrued wages	**550,004**	453,998
Payable in respect of employee settlement cost	**482,004**	485,660
Other tax payables	**274,934**	287,620
Provision for restoration, rehabilitation and environmental expenditure	**38,643**	173,652
Other payables and accruals	**1,793,617**	1,219,706
	10,244,411	5,980,459

As at 31 December 2009, the classification of the accrued retirement benefit cost in 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 consolidated statement of financial position both at 31 December 2009 and 31 December 2008 for consistent presentation.

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

Other payables are unsecured, interest free and repayable on demand.

30. AMOUNTS DUE TO ASSOCIATES

THE GROUP

	2009 HK$'000	2008 HK$'000
Loan from an associate (note a)	**397,509**	468,559
Amounts due to associates (note b)	**2,851,788**	491,705
	3,249,297	960,264

Notes:

(a) The loan from an associate is unsecured, carries interest at the rate set by People's Bank of China for loan of the same maturity minus 1% (2008: the rate set by People's Bank of China for loan of the same maturity minus 1%) per annum, and repayable within one year. The range of effective interest rates (which is also equal to contracted interest rates) on the loan from an associate was from 3.72% to 4.37% (2008: 3.86% to 4.31%) per annum.

(b) The amounts due to associates are unsecured, non-interest bearing and repayable on demand.

THE COMPANY

	2009 HK$'000	2008 HK$'000
Amount due to an associate	**1,324**	1,324

The amount due to an associate at 31 December 2009 and 31 December 2008 is unsecured, non-interest bearing and repayable on demand.

31. AMOUNTS DUE TO GROUP COMPANIES

	2009 HK$'000	2008 HK$'000
THE GROUP		
Amounts due to fellow subsidiaries	**1,621**	1,236,955
Amount due to immediate holding company	**381**	349
Amount due to intermediate holding company	**—**	74,971
Amount due to ultimate holding company	**—**	295,516
	2,002	1,607,791
THE COMPANY		
Amounts due to fellow subsidiaries	**1,547**	1,650
Amount due to immediate holding company	**381**	15
	1,928	1,665

The amounts are unsecured, non-interest bearing and repayable on demand.

32. AMOUNTS DUE TO MINORITY SHAREHOLDERS OF SUBSIDIARIES

The Group's amounts due to minority shareholders of subsidiaries are unsecured, non-interest bearing and repayable on demand.

33. BANK AND OTHER BORROWINGS

THE GROUP

	2009 HK$'000	2008 HK$'000
Secured bank loans	**6,159,953**	3,933,775
Unsecured bank loans	**49,863,124**	28,203,663
Other loans	**461,390**	5,534,005
	56,484,467	37,671,443
Carrying amount repayable:		
Within 1 year	**23,494,165**	9,484,736
More than 1 year, but not exceeding 2 years	**9,578,244**	3,753,912
More than 2 years, but not exceeding 5 years	**17,163,792**	12,063,789
More than 5 years	**6,248,266**	12,369,006
	56,484,467	37,671,443
Less: Amount due within 1 year shown under current liabilities	**(23,494,165)**	(9,484,736)
Amount due after 1 year	**32,990,302**	28,186,707
The above secured bank loans are secured by:		
Pledge of assets (note)	**10,367,797**	5,472,162

Note: Certain bank loans are secured by the Group's land use rights, buildings, power generating plant and equipment and note receivables with carrying values of HK$32,628,000 (2008: HK$93,400,000), HK$915,983,000 (2008: HK$740,950,000), HK$9,130,402,000 (2008: HK$4,637,812,000) and HK$288,784,000 (2008: nil), respectively.

As at 31 December 2009, included in bank borrowings are amounts of HK$1,000,000,000 and HK$9,287,019,000, which bear interest at HIBOR plus 0.39% per annum and at a range from HIBOR plus 0.30% per annum to HIBOR plus 1.20% per annum, respectively. The bank borrowings are unsecured and repayable in 2010 and 2013, respectively.

As at 31 December 2008, included in bank borrowings were amounts of HK$200,000,000 and HK$8,837,019,000, which bore interest at HIBOR plus 0.70% per annum and at a range from HIBOR plus 0.30% per annum to HIBOR plus 1.20% per annum, respectively. The bank borrowings were unsecured and repayable in 2009 and 2012, respectively.

The remaining bank borrowings carry interest at fixed rates ranging from 1.79% to 7.60% (2008: 3.09% to 7.83%) per annum.

33. BANK AND OTHER BORROWINGS *(continued)*

As at 31 December 2009, included in other loans are amounts of HK$113,574,000 and HK$340,722,000 lent by Anhui Province Wenergy Company Limited（安徽省皖能股份有限公司）(" Wenergy") , a minority shareholder of Fuyang China Resources Power Co., Ltd., and Anhui Province Energy Group Co., Ltd（安徽省能源集團有限公司）, the holding company of Wenergy, respectively through a bank in the PRC which bear interest at 4.5131% and 4.5135% per annum, respectively and are repayable in 2010. During the year ended 31 December 2009, total effective interest expenses incurred is HK$11,168,000.

As at 31 December 2008, included in other loans were amounts of HK$3,382,837,000 and HK$2,144,490,000 lent by CRNC through a bank in the PRC which carried interest at 5.09% and 4.05% per annum, and were repayable in 2015 and 2021, respectively. The Group settled such loans by using the proceeds from the Rights Issue (Note 36) during the year ended 31 December 2009. During the year ended 31 December 2009, total effective interest expenses incurred was HK$154,575,000 (2008: HK$265,503,000).

THE COMPANY

	2009 **HK$'000**	2008 HK$'000
Unsecured bank loans	**10,287,019**	9,037,019
Carrying amount repayable:		
Within 1 year	**1,000,000**	200,000
More than 1 year, but not exceeding 2 years	**1,000,000**	1,000,000
More than 2 years, but not exceeding 5 years	**7,837,019**	7,837,019
More than 5 years	**450,000**	—
	10,287,019	9,037,019
Less: Amount due within 1 year shown under current liabilities	**(1,000,000)**	(200,000)
Amount due after 1 year	**9,287,019**	8,837,019

As at 31 December 2009, included in bank borrowings are amounts of HK$1,000,000,000 and HK$9,287,019,000, which bear interest at HIBOR plus 0.39% per annum and at a range from HIBOR plus 0.30% per annum to HIBOR plus 1.20% per annum, respectively. The bank borrowings are unsecured and repayable in 2010 and 2013, respectively.

As at 31 December 2008, included in bank borrowings were amounts of HK$200,000,000 and HK$8,837,019,000, which bore interest at HIBOR plus 0.70% per annum and at a range from HIBOR plus 0.30% per annum to HIBOR plus 1.20% per annum, respectively. The bank borrowings were unsecured and repayable in 2009 and 2012, respectively.

33. BANK AND OTHER BORROWINGS *(continued)*

The Group and the Company's borrowings that are denominated in currencies other than the functional currency, Renminbi, of the relevant entities are set out below:

	THE GROUP		THE COMPANY	
Currency	**2009 HK$'000**	2008 HK$'000	**2009 HK$'000**	2008 HK$'000
US dollars	**3,129,233**	2,124,073	**3,098,019**	2,088,361
Hong Kong dollars	**7,190,062**	6,948,658	**7,190,062**	6,948,658

At 31 December 2009, the interest rate risk of the Group and the Company's borrowings of HK$4,935,000,000 (2008: HK$4,935,000,000) was hedged using interest rate swaps (floating to fixed interest swaps) (see note 34 for details).

34. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives under hedge accounting

	THE GROUP AND THE COMPANY	
	2009 HK$'000	2008 HK$'000
Cash flow hedges - Interest rate swaps	**333,550**	387,265
Analysed for reporting purposes:		
Current	**17,467**	—
Non-current	**316,083**	387,265
	333,550	387,265

34. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

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 at 31 December 2009 and 31 December 2008 are set out below:

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 31 December 2009, the fair value gain during the year from the interest rate swaps under cash flow hedge amounted to HK$60,223,000 (2008: fair value loss of HK$267,554,000) has been deferred in equity and are expected to be released to the 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$6,508,000 (2008: HK$17,531,000), were recognised in profit or loss in the current year.

The classification of the measure of the derivative financial instruments at 31 December 2009 and 2008 using the fair vale hierarchy is Level 2. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

35. DEFERRED TAXATION

THE GROUP

The following are the major deferred tax (liabilities) assets recognised and movements thereon during the current and prior reporting periods:

	Accelerated tax depreciation HK$'000	Fair value of mining rights HK$'000	Fair value of prepaid lease payments HK$'000	Fair value of property, plant and equipment HK$'000	Distributable profits of PRC subsidiaries and associates HK$'000	Retirement benefit obligations HK$'000	Allowance for trade and other receivables HK$'000	Others HK$'000	Total HK$'000
At 1 January 2008	(63,061)	(28,290)	(48,360)	79,316	—	58,542	27,305	9,548	35,000
Exchange realignment	(4,203)	(1,778)	(3,071)	5,010	—	4,207	1,513	56	1,734
(Charge) credit to profit or loss for the year	(13,513)	1,952	1,049	(3,572)	(25,512)	8,704	(16,991)	(5,917)	(53,800)
Acquisition of subsidiaries	—	—	—	—	—	5,554	—	—	5,554
At 31 December 2008	(80,777)	(28,116)	(50,382)	80,754	(25,512)	77,007	11,827	3,687	(11,512)
Exchange realignment	20	7	8	(7)	—	6	1	9	44
(Charge) credit to profit or loss for the year	(38,400)	2,308	1,637	10,358	(76,584)	(2,466)	(6,635)	36,207	(73,575)
Acquisition of subsidiaries	—	—	(20,695)	(205,282)	—	—	8,123	—	(217,854)
At 31 December 2009	(119,157)	(25,801)	(69,432)	(114,177)	(102,096)	74,547	13,316	39,903	(302,897)

The following is the analysis of the deferred taxation balances for financial reporting purposes:

	2009 HK$'000	2008 HK$'000
Deferred tax assets	**111,086**	94,777
Deferred tax liabilities	**(413,983)**	(106,289)
	(302,897)	(11,512)

At 31 December 2009, the Group had unused tax losses of HK$594,262,000 (2008: HK$409,337,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses at 31 December 2009 are losses of approximately HK$456,275,000 (2008: HK$267,331,000) that will expire within 5 years from the year of originating, in or before 2014. Other losses may be carried forward indefinitely.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK$5,742,600,000 (2008: HK$1,837,246,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

35. DEFERRED TAXATION *(continued)*

THE COMPANY

At 31 December 2009, the Company had unused tax losses of HK$173,089,000 (2008: HK$109,713,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. These tax losses may be carried forward indefinitely.

36. SHARE CAPITAL

	Number of shares		Amount	
	2009	2008	**2009**	2008
	'000	'000	**HK$'000**	HK$'000
Ordinary share of HK$1 each				
Authorised:				
Balance at 1 January and 31 December	**10,000,000**	10,000,000	**10,000,000**	10,000,000
Issued and fully paid:				
Balance at 1 January	**4,212,797**	4,140,317	**4,212,797**	4,140,317
Issue of shares:				
– rights issue of shares at a price of HK$14 per rights share (note i)	**424,337**	—	**424,337**	—
– upon exercise of share options	**46,297**	56,473	**46,297**	56,473
– in consideration of acquisition of a subsidiary (note ii)	**—**	16,007	**—**	16,007
Balance at 31 December	**4,683,431**	4,212,797	**4,683,431**	4,212,797

Notes:

(i) 424,337,196 rights shares of HK$1 each were allotted in July 2009 at a subscription price of HK$14 per rights share to the shareholders of the Company in the proportion of one rights share for every ten shares held (the "Rights Issue"). The Company raised approximately HK$5,941 million. The subscription money for the Rights Issue payable by China Resources (Holdings) Company Limited ("CRH") of approximately HK$3,850,000,000 was set off against debt owing by the Group to CRNC with a principal amount of approximately HK$3,850,000,000 and carrying amount at amortised cost of approximately HK$3,732,981,000 (the difference between the principal amount and the carrying amount of the debt of approximately HK$117,019,000 represents transaction costs incurred upon initial recognition which was refunded from CRNC following the Rights Issue).

All shares issued rank pari passu with the then existing shares in issue in all respects.

(ii) Pursuant to the sales and purchase agreement entered on 3 July 2007, the Group acquired 55% equity interest in Jinzhou from a third party at an aggregate consideration of approximately HK$1,634,856,000. The consideration of the acquisition of Jinzhou was satisfied by RMB521.5 million (equivalent to HK$535.7 million) in cash and RMB1,070.0 million (equivalent to HK$1,099.1 million) by the allotment and issuance of 53,356,000 consideration shares.

As part of the consideration for the acquisition of Jinzhou, 37,349,000 ordinary shares of the Company with par value of HK$1 each were issued during the year ended 31 December 2007. The remaining consideration amounted to HK$329,740,000, which represent the remaining 16,007,000 consideration shares, was deferred and was settled in 2008.

All the shares which were issued during the year rank pari passu with the existing shares in all respects.

37. SHARE OPTION

Pursuant to a resolution in writing passed on 6 October 2003 by the shareholders of the Company, a Pre-IPO Share Option Scheme and a Share Option Scheme have been adopted by the Company.

(a) Pre-IPO Share Option Scheme

On 6 October 2003, the Company granted options to the grantees to subscribe for 167,395,000 shares in the Company at an exercise price of HK$2.80 per share, upon payment of HK$1 per grant. 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.

Movement of options under Pre-IPO Share Option Scheme during the years ended 31 December 2008 and 2009 is as follows:

		Number of options							
	Exercise price HK$	Outstanding at 1.1.2008	Reclassification during the year ended 31.12.2008	Lapsed during the year ended 31.12.2008	Exercised during the year ended 31.12.2008	Outstanding at 31.12.2008	Adjustments during the year ended 31.12.2009*	Exercised during the year ended 31.12.2009	Outstanding at 31.12.2009
Directors of the Company	2.80	4,460,000	—	—	(1,400,000)	3,060,000	(2,460,000)	(600,000)	—
	2.75	—	—	—	—	—	2,504,280	(400,000)	2,104,280
Directors of CRH	2.80	2,040,000	(240,000)	—	(1,320,000)	480,000	(240,000)	(240,000)	—
	2.75	—	—	—	—	—	244,320	—	244,320
Employees of the Group	2.80	43,385,000	—	—	(21,705,000)	21,680,000	(12,231,000)	(9,449,000)	—
	2.75	—	—	—	—	—	12,451,194	(1,985,118)	10,466,076
Employees of CRH and its subsidiaries,	2.80	25,974,000	240,000	(374,000)	(4,962,000)	20,878,000	(19,526,000)	(1,352,000)	—
other than the Group	2.75	—	—	—	—	—	19,877,468	(1,930,128)	17,947,340
		75,859,000	—	(374,000)	(29,387,000)	46,098,000	620,262	(15,956,246)	30,762,016
Exercisable at the end of the year						46,098,000			30,762,016
Weighted average exercise price		2.80	N/A	2.80	2.80	2.80	N/A	2.79	2.75

* The number of share options and the corresponding exercise price had been adjusted as a result of the RIghts Issue.

The purpose of the Pre-IPO Share Option Scheme is to, amongst others, give the participants an opportunity to have a personal stake in the Company and help to motivate the participants to optimise their performance and efficiency and retain participants whose contributions are important to the long-term growth and profitability of the Group.

37. SHARE OPTION *(continued)*

(b) Share Option Scheme

Pursuant to the Share Option Scheme approved by a resolution of the shareholders of the Company dated 6 October 2003, the Board may, at its absolute discretion, offer any employee, director, consultant or advisor of (i) CRH and its subsidiaries; and (ii) the Company, its subsidiaries and associated companies, option to subscribe for the Company's shares, for the promotion of success of the business of the Group. The exercise price of the share option will be determined at the highest of (1) the closing price of the Company's shares on the Stock Exchange on the date of grant of the option; (2) the average closing price of the Company's shares on the Stock Exchange on the five trading days immediately preceding the date of grant; and (3) the nominal value of the shares.

Options granted are exercisable during the period from the vesting date to the last day of the ten-year period after grant date. The share options have vesting periods from one to five years and every 20% will be vested each year.

37. SHARE OPTION *(continued)*

(b) Share Option Scheme *(continued)*

Movement of options granted under the Share Option Scheme in 2008 and 2009 is as follows:

			Number of options								
	Exercise price HK$	Date of grant	Outstanding at 1.1.2008	Reclassification during the year ended 31.12.2008	Lapsed during the year ended 31.12.2008	Exercised during the year ended 31.12.2008	Outstanding at 31.12.2008	Adjustments during the year ended 31.12.2009*	Reclassification during the year ended 31.12.2009	Exercised during the year ended 31.12.2009	Outstanding at 31.12.2009
Directors of CRH and	3.990	18.3.2005	2,380,000	(440,000)	—	(320,000)	1,620,000	(1,320,000)	—	(300,000)	—
its subsidiaries	3.919	18.3.2005	—	—	—	—	—	1,343,760	—	—	1,343,760
Directors of the Company	3.990	18.3.2005	3,000,000	—	—	(600,000)	2,400,000	(2,160,000)	—	(240,000)	—
	3.919	18.3.2005	—	—	—	—	—	2,198,880	—	—	2,198,880
	4.725	18.11.2005	400,000	—	—	—	400,000	(400,000)	—	—	—
	4.641	18.11.2005	—	—	—	—	—	407,200	—	—	407,200
	12.430	30.3.2007	400,000	—	—	—	400,000	(400,000)	—	—	—
	12.210	30.3.2007	—	—	—	—	—	407,200	—	—	407,200
Employees of CRH and	4.250	1.9.2004	4,300,000	—	—	—	4,300,000	—	(4,300,000)	—	—
its subsidiaries,	4.175	1.9.2004	—	—	—	—	—	—	—	—	—
other than the Group	3.990	18.3.2005	4,220,000	440,000	—	(320,000)	4,340,000	(3,920,000)	—	(420,000)	—
	3.919	18.3.2005	—	—	—	—	—	3,990,560	—	(244,320)	3,746,240
	4.725	18.11.2005	9,750,000	—	—	—	9,750,000	—	(9,750,000)	—	—
	4.641	18.11.2005	—	—	—	—	—	—	—	—	—
Employees of the Group	4.250	1.9.2004	16,810,000	—	(80,000)	(7,960,000)	8,770,000	(9,130,000)	4,300,000	(3,940,000)	—
	4.175	1.9.2004	—	—	—	—	—	9,294,340	—	(2,114,560)	7,179,780
	3.990	18.3.2005	17,222,000	—	—	(3,422,000)	13,800,000	(11,040,000)	—	(2,760,000)	—
	3,919	18.3.2005	—	—	—	—	—	11,238,720	—	(2,004,120)	9,234,600
	4.725	18.11.2005	48,930,000	—	—	(10,890,000)	38,040,000	(38,810,000)	9,750,000	(8,980,000)	—
	4.641	18.11.2005	—	—	—	—	—	39,508,580	—	(4,534,020)	34,974,560
	7.050	5.9.2006	26,130,000	—	—	(3,010,000)	23,120,000	(21,480,000)	—	(1,640,000)	—
	6.925	5.9.2006	—	—	—	—	—	21,866,640	—	(2,191,680)	19,674,960
	12.430	30.3.2007	24,800,000	—	—	(564,000)	24,236,000	(23,580,000)	—	(656,000)	—
	12.210	30.3.2007	—	—	—	—	—	24,004,440	—	(316,160)	23,688,280
			158,342,000	—	(80,000)	(27,086,000)	131,176,000	2,020,320	—	(30,340,860)	102,855,460
Exercisable at the end of the year							52,164,000				57,965,460
Weighted average exercise price			4.96	N/A	4.25	4.88	6.41	N/A	N/A	6.26	5.97

* The number of share options and the corresponding exercise price had been adjusted as a result of the Rights Issue.

37. SHARE OPTION *(continued)*

(b) Share Option Scheme *(continued)*

In the current year, an amount of share option expense of HK$53,587,000 (2008: HK$91,337,000) has been recognised in the consolidated income statement, with a corresponding adjustment made in the Group's share option reserve.

The weighted average closing price of the Company's shares at dates on which the options were exercised during the year was HK$16.59 (2008: HK$17.52).

The fair value of the options was determined at the date of grant using the Black-Scholes option pricing model, taken into account the terms and conditions upon which the share options were granted.

38. RESERVES

THE GROUP

Details of changes in reserves of the Group are set out in the consolidated statement of changes in equity on page 8.

General reserve is part of the shareholders' funds and comprises statutory surplus reserve, enterprise expansion fund and reserve fund of subsidiaries and associates in the PRC. Pursuant to the Articles of Associates, certain of the Company's subsidiaries established in the PRC shall make allocation from their profit after tax to the general reserve. The general reserve shall be used for making up losses, capitalisation into capital and expansion of the operations and production of the respective subsidiaries and associates.

The special reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the share capital of subsidiaries acquired pursuant to a group reorganisation for the purpose of the preparation of the Company's share listing on the Stock Exchange.

38. RESERVES *(continued)*

	Share premium HK$'000	Merger reserve HK$'000	Hedging reserve HK$'000	Share option reserve HK$'000	Shares held for share award scheme HK$'000	Retained profits HK$'000	Total HK$'000
THE COMPANY							
At 1 January 2008	10,157,159	82,309	(102,180)	367,058	—	7,870,367	18,374,713
Fair value change on cash flow hedges	—	—	(267,554)	—	—	—	(267,554)
Profit for the year	—	—	—	—	—	1,172,419	1,172,419
Total comprehensive income for the year	—	—	(267,554)	—	—	1,172,419	904,865
Shares issued upon exercise of options	157,675	—	—	—	—	—	157,675
Recognition of equity settled share based payments	—	—	—	91,337	—	—	91,337
Issue of shares in consideration of acquisition of a subsidiary	313,733	—	—	—	—	—	313,733
Transfer of share option reserve on exercise of share options	103,182	—	—	(103,182)	—	—	—
Purchase of shares for shares under share award scheme	—	—	—	—	(155,340)	—	(155,340)
Dividends paid	—	—	—	—	—	(1,044,269)	(1,044,269)
At 31 December 2008	10,731,749	82,309	(369,734)	355,213	(155,340)	7,998,517	18,642,714
Fair value change on cash flow hedges		—	60,223	—	—	—	60,223
Loss for the year	—	—	—	—	—	(378,529)	(378,529)
Total comprehensive income for the year	—	—	60,223	—	—	(378,529)	(318,306)
Rights issue of shares of a price of HK$14 per rights share (note 36)	5,516,384	—	—	—	—	—	5,516,384
Shares issued upon exercise of options	149,342	—	—	—	—	—	149,342
Recognition of equity settled share based payments	—	—	—	53,587	—	—	53,587
Transfer of share option reserve on exercise of share options	89,673	—	—	(89,673)	—	—	—
Purchase of shares for shares under share award scheme	—	—	—	—	(526,160)	—	(526,160)
Dividends paid	—	—	—	—	—	(619,505)	(619,505)
At 31 December 2009	16,487,148	82,309	(309,511)	319,127	(681,500)	7,000,483	22,898,056

The merger reserve of the Company represents the difference between the aggregate net assets of the subsidiaries acquired by the Company under the Group Reorganisation and the nominal amount of the Company's shares issued for the acquisition.

In accordance with the Company's Articles of Association, dividends can only be distributed out of the retained profits of the Company amounted to HK$7,000,483,000 as at 31 December 2009 (2008: HK$7,998,517,000).

39. SHARES HELD FOR SHARE AWARD SCHEME

On 25 April 2008 (the "Adoption Date"), a Restricted Share Award Scheme (the "Scheme") was adopted by the Company. The Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date. Pursuant to the rules of the Scheme, the Company has set up a trust and appointed , BOCI - Prudential Trustee Limited as trustee, for the purpose of administering the Scheme and holding the shares.

The Group purchased issued shares from market at cost shown under shares held for share award scheme in the equity during the year. No shares reward are being granted to employees or any other eligible participants up to year end date.

Movement of issued shares purchased is as follows:

	Number of shares purchased '000	Cost of purchase HK$'000
At 1 January 2008	—	—
Purchase during the year	10,580	155,340
At 31 December 2008	10,580	155,340
Purchase during the year	30,650	526,160
At 31 December 2009	41,230	681,500

40. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debts, which includes long-term bank borrowings, short-term bank borrowings and other loans as disclosed in note 33, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits. The capital structure of the Company consists of net debts, which includes the long-term bank borrowings as disclosed in note 33, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure on a periodic basis. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of 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 debt or the redemption of existing debt.

41. FINANCIAL INSTRUMENTS

Categories of financial instruments

THE GROUP

	2009 HK$'000	2008 HK$'000
Financial assets		
Fair value through profit or loss		
Held for trading	**5,844**	2,962
Loans and receivables (including cash and cash equivalents)	**15,600,507**	11,646,037
Available-for-sale financial assets	**201,053**	128,416
Financial liabilities		
Derivative instruments in designated hedge accounting relationships	**(333,550)**	(387,265)
Amortised cost	**(70,986,326)**	(46,880,534)

THE COMPANY

	2009 HK$'000	2008 HK$'000
Financial assets		
Loans and receivable (including cash and cash equivalents)	**22,461,375**	20,333,300
Financial liabilities		
Derivative instruments in designated hedge accounting relationships	**(333,550)**	(387,265)
Amortised cost	**(10,292,633)**	(9,060,262)

41. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies

The Group's major financial instruments include investment in investee companies, restricted bank balances, pledged bank deposits, bank balances and cash, trade and other receivables, trade and other payables, amounts due from associates, amounts due from minority shareholders of subsidiaries, amounts due to group companies, minority shareholders of subsidiaries and associates, bank and other borrowings and derivative financial instruments. The Company's major financial instruments comprise loans to subsidiaries, other receivables, amounts due from associates and group companies, bank balances and cash, other payable, amounts due to group companies, bank and other borrowings and derivative financial instruments. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

The Group's and the Company's fair value interest rate risk is the risk that the fair value of a fixed rate financial instruments will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Except for HK$10,287 million (2008: HK$9,037 million) of bank borrowings at floating rates, all remaining bank borrowings and other borrowings are at fixed rate. In order to keep borrowings at fixed rate and to minimise the cash flow interest rate risk, the Group and the Company uses floating to fixed interest rate swaps to manage the cash flow interest rate risk exposure associated with the borrowings at floating interest rates amounting to HK$4,935 million (2008: HK$4,935 million) (see note 34 for details). Interest rate swaps, fixed rate bank and other borrowings expose the Group and the Company to fair value interest rate risk. At 31 December 2009, bank borrowings and other borrowings of approximately HK$45,913 million (2008: HK$28,634 million) were at fixed rates.

The interest income is derived from the Group's current and fixed deposits that carry interest at the respective banking deposit rate of the banks located in Hong Kong and the PRC. The Group's bank deposits (set out in note 22) carried at prevailing market rates. The Group's bank deposits are short-term in nature and the exposure of cash flow interest rate risk is minimal and no sensitivity to interest rate risk is presented.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments. The analysis is prepared assuming the financial instruments outstanding at the end of the period were outstanding for the whole year. A 100 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's and the Company's post-tax profit for the year ended 31 December 2009 would decrease/increase by HK$77,296,000 (2008: HK$41,020,000). This is mainly attributable to the Group's and the Company's exposure to interest rates on its variable-rate bank borrowings.

41. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk *(continued)*

Currency risk

The Group and the Company does not have significant exposure to foreign currency risk as majority of the Group's operations are in the PRC and transactions are denominated in Renminbi which is the functional currency of the Group and the respective group entity except for certain bank balances and borrowings which are denominated in HK$ and US$.

The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

THE GROUP

	Currency	Assets		Liabilities	
		2009	2008	**2009**	2008
		HK$'000	HK$'000	**HK$'000**	HK$'000
US dollars	US$	**251,313**	353,545	**3,129,233**	2,124,073
Hong Kong dollars	HK$	**322,177**	411,882	**7,190,062**	6,948,658

THE COMPANY

	Currency	Assets		Liabilities	
		2009	2008	**2009**	2008
		HK$'000	HK$'000	**HK$'000**	HK$'000
US dollars	US$	**58,909**	264,726	**3,098,019**	2,088,361
Hong Kong dollars	HK$	**321,621**	411,335	**7,190,062**	6,948,658

The following table details the sensitivity to a 5% increase in Renminbi against the relevant foreign currency. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. The analysis illustrates the impact for a 5% strengthening of Renminbi against the relevant currency, a positive number represent increase in profit for the year and a negative represent decrease in profit for the year. For a 5% weakening of Renminbi against the relevant currency, there would be an equal and opposite impact on the profit.

41. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk *(continued)*

Currency risk (continued)

THE GROUP

	U.S. dollars impact		Hong Kong dollar impact	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Increase in profit for the year	**143,896**	88,526	**343,394**	326,839

THE COMPANY

	U.S. dollars impact		Hong Kong dollar impact	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Increase in profit for the year	**151,956**	91,182	**343,422**	326,866

Other price risk

The Group is exposed to equity price risk through its investment in investee companies. The Group's equity price risk is mainly concentrated on equity instruments operating in power plant. The investment is carried at cost less any impairment loss since the directors of the Company are of opinion that the fair value of the investment cannot be determined reliably, accordingly, no sensitivity analysis is presented.

41. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Credit risk

THE GROUP

The Group's credit risk is primarily attributable to trade and other receivables, amounts due from minority shareholders of subsidiaries, amounts due from associates and amounts due from group companies. The maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2009 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the management of the Group has reviewed the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Credit risk for power plants in the PRC power industry and associates are concentrated on a limited number of power grids. However, the management, having considered the strong financial background and good creditability of the power grids and associates, believes there is no significant credit risk.

Credit risk on liquid funds is limited because the counterparties are banks with good reputation.

With respect to credit risk arising from the other financial assets of the Group which mainly comprise of other receivables, the Group's exposure to credit risk arising from default of counter parties is limited as the counter parties have good credit standing and the Group does not expect any significant loss for uncollected advances from these entities.

THE COMPANY

The Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Company arising from:

- the carrying amount of the respective recognised financial assets as stated in the statement of financial position; and
- the amount disclosed in note 45 - Contingent liabilities.

Credit risk on liquid funds is limited because the counterparties are banks with good reputation.

Substantially all the loans and receivables are not yet due as at the end of the reporting period. The Company does not hold any collateral over these balances.

The credit risk is limited because the counterparties are subsidiaries with strong financial position and cash flow position.

41. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including raising of loans to cover expected cash demands, subject to certain internal control measures of the Group. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The Group has net current liabilities at 31 December 2009, which exposed the Group to liquidity risk. In order to mitigate the liquidity risk, the management obtained sufficient long-term bank facilities at the end of the reporting period. In addition, the power plants in the PRC have strong operating cash inflow. In this regard, the directors of the Company consider that the Group's liquidity risk is significantly reduced and are satisfied that the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the current interest rates at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments is prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

41. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Liquidity risk *(continued)*

Liquidity and interest risk tables

THE GROUP

	Weighted average interest rate %	On demand HK$$'000	Less than 1 year HK$'000	1 - 5 years HK$'000	5 + years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 December 2009							
Non-derivative financial liabilities							
Non-interest bearing	**N/A**	**14,501,859**	**—**	**—**	**—**	**14,501,859**	**14,501,859**
Fixed interest rate instruments	**6.345**	**—**	**24,430,855**	**21,173,736**	**9,396,827**	**55,001,418**	**46,197,448**
Variable interest rate instruments*	**1.587**	**—**	**1,108,610**	**9,419,005**	**—**	**10,527,615**	**10,287,019**
		14,501,859	**25,539,465**	**30,592,741**	**9,396,827**	**80,030,892**	**70,986,326**
Derivatives - net settlement							
Interest rate swaps		**—**	**164,049**	**293,858**	**—**	**457,907**	**333,550**
At 31 December 2008							
Non-derivative financial liabilities							
Non-interest bearing	N/A	9,209,091	—	—	—	9,209,091	9,209,091
Fixed interest rate instruments	6.181	—	10,762,195	10,839,563	16,334,218	37,935,976	28,634,424
Variable interest rate instruments*	1.511	—	334,785	9,117,997	—	9,452,782	9,037,019
		9,209,091	11,096,980	19,957,560	16,334,218	56,597,849	46,880,534
Derivatives - net settlement							
Interest rate swaps		—	157,934	400,469	—	558,403	387,265

41. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Liquidity risk *(continued)*

Liquidity and interest risk tables (continued)

THE COMPANY

	Weighted average interest rate %	On demand HK$$'000	Less than 1 year HK$'000	1 - 5 years HK$'000	5 + years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 December 2009							
Non-derivative financial liabilities							
Non-interest bearing	**N/A**	**5,614**	**—**	**—**	**—**	**5,614**	**5,614**
Variable interest rate instruments *	**1.587**	**—**	**1,108,610**	**9,419,005**	**—**	**10,528,677**	**10,287,019**
		5,614	**1,108,610**	**9,419,005**	**—**	**10,533,229**	**10,292,633**
Derivatives - net settlement							
Interest rate swaps		**—**	**164,049**	**293,858**	**—**	**457,907**	**333,550**
At 31 December 2008							
Non-derivative financial liabilities							
Non-interest bearing	N/A	3,602	—	—	—	3,602	3,602
Variable interest rate instruments *	1.511	—	334,785	9,117,997	—	9,452,782	9,037,019
Financial guarantee contracts	N/A	19,641	—	—	—	19,641	19,641
		23,243	334,785	9,117,997	—	9,476,025	9,060,262
Derivatives - net settlement							
Interest rate swaps		—	157,934	400,469	—	558,403	387,265

* The interest rates applied to projected variable interest rate instrument's undiscounted future cash flows are the interest rates at the end of the reporting period. The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

41. FINANCIAL INSTRUMENTS *(continued)*

Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices; and

- the fair value of derivative financial instruments is calculated using discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives.

The financial assets and liabilities carried at amortised cost approximate their respective fair values except for bank and other borrowings carried at fixed interest. The fair value calculated by discounting the future cash flows at the prevailing market borrowing interest rate amounting to approximately HK$47,026,157,000 (2008: HK$28,976,896,000).

42. ACQUISITIONS OF SUBSIDIARIES

A. The following are the details of business acquired in 2009:

(a) In August 2009, the Group acquired the 60% and 40% equity interest in China Resources Power (Jiangsu) Investment Company Limited 華潤電力（江蘇）投資有限公司 ("Jiangsu Investments") which is engaged in operation of a power stations from a intermediate holding company, China Resources Co., Ltd. ("CRL") and a third party, respectively, at a cash consideration of RMB2,513,380,000 (equivalent to approximately HK$2,968,800,000) in aggregate. Upon the completion of the acquisition of Jiangsu Investments, Nanjing Chemical and Jiang Su Nanre, associates of the Group becomes a 90% and 100% owned subsidiaries of the Company respectively. The transactions have been accounted for using the purchase method of accounting.

42. ACQUISITIONS OF SUBSIDIARIES *(continued)*

A. The following are the details of business acquired in 2009: *(continued)*

The consolidated net assets acquired in the transaction and the goodwill arising are as follows:

	Acquirees' carrying amounts before combination HK$'000	Fair value adjustments HK$'000	Fair value HK$'000
Net assets acquired:			
Property, plant and equipment	6,299,813	821,127	7,120,940
Prepaid lease payments	173,795	82,781	256,576
Interests in associates	2,202,683	46,148	2,248,831
Deferred tax assets	8,123	—	8,123
Inventories	131,974	—	131,974
Trade and other receivables	1,876,102	—	1,876,102
Amounts due from group companies	1,835,453	—	1,835,453
Bank balances and cash	774,317	—	774,317
Trade and other payables	(2,959,107)	—	(2,959,107)
Tax payable	(2,095)	—	(2,095)
Deferred tax liabilities	—	(225,977)	(225,977)
Bank borrowings	(7,874,402)	—	(7,874,402)
	2,466,656	724,079	3,190,735
Less: Minority interests			(641,483)
			2,549,252
Transfer from interests in associates			(117,289)
Goodwill			536,837
Total consideration, satisfied by cash			2,968,800
Net cash outflow arising on acquisition:			
Cash consideration paid			2,968,800
Cash and cash equivalents acquired			(774,317)
			2,194,483

42. ACQUISITIONS OF SUBSIDIARIES *(continued)*

A. The following are the details of business acquired in 2009: *(continued)*

The goodwill arising on the acquisition of the subsidiaries is attributable to the high profitability of the acquired business and the anticipated future operating synergies from the combination.

These acquirees contributed approximately HK$1,537,546,000 to the Group's turnover and HK$196,514,000 to the Group's profit for the period between the date of acquisition and 31 December 2009.

Had the acquisition been completed on 1 January 2009, the total group revenue for the year would have been HK$36,600,517,000 and profit for the year would have been HK$6,517,424,000. The proforma information is for illustrative purpose only and is not necessarily an indicative revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2009, nor is it intended to be a projection of future results.

42. ACQUISITIONS OF SUBSIDIARIES *(continued)*

A. The following are the details of business acquired in 2009: *(continued)*

(b) In December 2009, the Group acquired 24.5% and 30% equity interest in 銅山華潤電力有限公司 which is principally engaged in the operation of power stations from 深圳華潤電力環保工程有限公司 which is a wholly owned subsidiary of China Resources (XuZhou) Electric Power Company Limited, an associate of the Group and a third party, respectively, at a cash consideration of RMB817,500,000 (equivalent to approximately HK$928,467,000). The transaction has been accounted for using the purchase method of accounting.

The net assets of the subsidiary acquired in the transaction, which approximate their fair values at the date of acquisition, are as follows:

	Acquirees' carrying amounts before combination HK$'000	Fair value HK$'000
Net assets acquired:		
Property, plant and equipment	5,266,150	5,266,150
Prepaid lease payments	33,195	33,195
Deposits paid for acquisition of property, plant and equipment	44,208	44,208
Trade and other receivables	347,094	347,094
Pledged bank deposits	370,374	370,374
Bank balances and cash	191,717	191,717
Amount due to an associate	(2,695,679)	(2,695,679)
Trade and other payables	(599,057)	(599,057)
Amounts due to minority shareholders of subsidiaries	(79,502)	(79,502)
Bank borrowings	(1,182,305)	(1,182,305)
	1,696,195	1,696,195
Less: Minority interests		(771,769)
		924,426
Transfer from interests in associates		1,817
Goodwill		2,224
Total consideration, satisfied by cash		928,467
Net cash outflow arising on acquisition:		
Cash consideration paid		928,467
Cash and cash equivalents acquired		(562,091)
		366,376

42. ACQUISITIONS OF SUBSIDIARIES *(continued)*

A. The following are the details of business acquired in 2009: *(continued)*

The goodwill arising on the acquisition of the subsidiaries is attributable to the high profitability of the acquired business and the anticipated future operating synergies from the combination.

The acquiree has contributed insignificant turnover or profit to the Group for the period between the date of acquisition and the reporting date as the acquiree has not yet fully commenced the operation.

If the acquisition had been completed on 1 January 2009, effect to total group revenue and profit for the year would be insignificant.

42. ACQUISITIONS OF SUBSIDIARIES *(continued)*

B. The following are the details of business acquired in 2008:

(a) In April 2008, the Group acquired 51.5% and 2.615% equity interest in Shenyang Shenhai which is engaged in operation of a power station from CRH and a third party, respectively, at cash consideration of approximately HK$937,817,000. The transaction had been accounted for using the purchase method of accounting.

The consolidated net assets of the subsidiary acquired in the transaction, which approximated their fair values, determined by an independent valuer at the date of acquisition, and the goodwill arising there from, were as follows:

	Acquirees' carrying amounts before combination HK$'000	**Fair value** HK$'000
Net assets acquired:		
Property, plant and equipment	1,180,068	1,180,068
Deferred tax assets	5,554	5,554
Trade and other receivables	255,096	255,096
Inventories	19,478	19,478
Bank balances and cash	54,838	54,838
Trade and other payables	(298,509)	(298,509)
Tax payable	(5,134)	(5,134)
Amounts due to shareholders	(54,797)	(54,797)
Bank borrowings	(587,290)	(587,290)
	569,304	569,304
Less: Minority interests		(385,568)
		183,736
Goodwill		754,081
Total consideration, satisfied by cash		937,817
Net cash outflow arising on acquisition:		
Cash consideration paid		937,817
Cash and cash equivalents acquired		(54,838)
		882,979

42. ACQUISITIONS OF SUBSIDIARIES *(continued)*

B. The following are the details of business acquired in 2008: *(continued)*

The goodwill arising on the acquisition of the subsidiaries was attributable to the high profitability of the acquired business and the anticipated future operating synergies from the combination.

These acquirees contributed approximately HK$847,675,000 to the Group's turnover and HK$55,433,000 to the Group's profit for the period between the date of acquisition and 31 December 2008.

Had the acquisition been completed on 1 January 2008, the total group revenue for the year would have been HK$28,223,844,000 and profit for the year would have been HK$2,019,564,000. The proforma information was for illustrative purpose only and was not necessarily an indicative revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2008, nor was it intended to be a projection of future results.

42. ACQUISITIONS OF SUBSIDIARIES *(continued)*

B. The following are the details of business acquired in 2008: *(continued)*

(b) In June 2008, the Group acquired a further 45% equity interest in 貴州天能礦業有限責任公司（「貴州天能」）which held exploration and resources rights from the joint-venture partner at an aggregate cash consideration of approximately HK$117,742,000. Upon the completion of the acquisition of the further 45% equity interest in 貴州天能，貴州天能 had become a 65% owned subsidiary of the Company. The transactions had been accounted for using the purchase method of accounting.

The net assets of the subsidiary acquired in the transaction, which approximated their fair values, determined by an independent valuer, at the date of acquisition, were as follows:

	Acquirees' carrying amounts before combination HK$'000	Fair value HK$'000
Net assets acquired:		
Property, plant and equipment	12,596	12,596
Exploration and resources rights	202,633	202,633
Trade and other receivables	1,244	1,244
Bank balances and cash	855	855
Trade and other payables	(1,184)	(1,184)
	216,144	216,144
Less: Minority interests		(75,650)
		140,494
Transfer from interests in associates		(22,752)
Total consideration, satisfied by cash		117,742
Net cash outflow arising on acquisition:		
Cash consideration paid		117,742
Cash and cash equivalents acquired		(855)
		116,887

If the acquisition had been completed on 1 January 2008, effect to total group revenue and profit for the year would be insignificant.

43. OPERATING LEASE COMMITMENTS

THE GROUP AND THE COMPANY AS LESSEE

At the end of the reporting period, the Group and the Company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2009		2008	
	Land and buildings HK$'000	**Other assets HK$'000**	Land and buildings HK$'000	Other assets HK$'000
THE GROUP				
Within one year	**27,090**	**5,990**	24,079	610
In the second to fifth year inclusive	**36,460**	**3,061**	55,642	2,440
Over five years	**10,103**	**3,933**	8,966	7,377
	73,653	**12,984**	88,687	10,427

Operating lease payments represent rentals payable by the Group for its office premises and other assets which represented motor vehicles, railway and related facilities. Leases are negotiated for lease terms of 2 to 25 years and rentals are fixed.

	Land and buildings	
	2009 HK$'000	2008 HK$'000
THE COMPANY		
Within one year	**2,755**	4,011
In the second to fifth year inclusive	**—**	2,755
	2,755	6,766

Operating lease payments represent rentals payable by the Company for its office premises. Leases are negotiated and rentals are fixed for original lease term of 5 years.

44. CAPITAL COMMITMENTS

	2009 HK$'000	2008 HK$'000
THE GROUP		
Contracted for but not provided in the financial statements		
– Capital expenditure in respect of the additions of property, plant and equipment	**16,532,701**	13,719,937
– Capital expenditure in respect of the acquisition of mining/exploration rights	**9,811,522**	9,225,197
– Capital expenditure in respect of the acquisition of prepaid lease payments	**11,357**	19,109
– Capital expenditure in respect of the acquisition of subsidiaries (Note)	**121,059**	2,772,142
– Capital expenditure in respect of the acquisition of investment in an associate	**601,942**	602,027
	27,078,581	26,338,412
THE COMPANY		
Unpaid capital contribution to subsidiaries	**2,997,454**	573,673

Note:

On 19 December 2009, a subsidiary of the Company entered into an agreement with 唐煤公司工會, an independent third party, to acquire 77.7267% equity interest in 湖南省煤業集團唐洞煤炭有限公司（「唐洞煤炭」）for consideration of RMB116,590,000 (equivalent to approximately HK$132,416,000). As at 31 December 2009, consideration amounted to RMB10,000,000 (equivalent to approximately HK$11,357,000) had been paid by the Group, with outstanding consideration amounted to RMB106,590,000 (equivalent to approximately HK$121,059,000). The acquisition was completed in January 2010 (note 48).

On 21 August 2008, a subsidiary of the Company entered into an agreement with Suiyuan Group Co., Ltd., an independent third party, to acquire 100% equity interest in Shenzhen Yihe Property Company Limited ("Shenzhen Yihe")and 100% equity interest in Jiangsu Kunlun Investments Company Limited ("Jiangshu Kunlun")for consideration of RMB241,090,000 (equivalent to approximately HK$273,816,000) and RMB743,662,000 (equivalent to approximately HK$844,607,000), respectively. The consideration was fully paid up during the year ended 31 December 2009 and the acquisitions were completed subsequent to reporting date (note 48).

On 18 November 2009, a subsidiary of the Company entered into an agreement with CRL, an intermediate holding company , to acquire 51% equity interest in Xuzhou Huaxing Investment Co., Ltd. ("Xuzhou Huaxing"). As at 31 December 2009, consideration amounted to RMB465,000,000 (equivalent to approximately HK$528,119,000) had been paid by the Group. The acquisition was completed subsequent to reporting date (note 48).

45. CONTINGENT LIABILITIES

	2009 **HK$'000**	2008 HK$'000
THE COMPANY		
Guarantees given to banks for credit facilities granted to subsidiaries (to the extent of facilities utilised)	—	19,641

No financial guarantees have been recognised in the Company's financial statements during the year as the fair value of the guarantees given by the Company to its subsidiaries at the date of inception is insignificant.

46. MAJOR NON-CASH TRANSACTION

On 27 June 2008, a subsidiary of the Company entered into an agreement with the government, which through a subsidiary holds 10% equity interest in one of the Company's non-wholly owned subsidiaries. Pursuant to the terms of the agreement:

(1) the government would transfer its 10% equity interest in the relevant subsidiary (the then carrying amount of the interest attributable to the 10% equity interest amounted to approximately HK$76,029,000) to the Group at an agreed consideration of RMB173,000,000 (equivalent to HK$196,511,000); and

(2) the Group would close down certain of its smaller power generating plants and equipment (with a carrying amount of HK$267,591,000) for an agreed consideration of RMB210,000,000 (equivalent to HK$238,539,000), of which RMB37,000,000 (equivalent to approximately HK$42,028,000) was payable in cash to the Group and the remaining RMB173,000,000 would be settled by the government transferring the 10% equity interest as stated in (1) above.

As a result of such arrangement:

- the relevant subsidiary became a wholly owned subsidiary of the Company, resulting in goodwill of HK$120,482,000 arising from acquisition of additional interest; and

- the Group closed down the relevant assets relating to the smaller power generating plants and equipment with impairment of HK$235,231,000 being recognised and recorded a gain on closure of such plants and equipment of HK$3,308,000.

47. RELATED PARTY TRANSACTIONS

The Company entered into two trademark licence agreements dated 17 October 2003 with CRNC and CRH, respectively, under which the Company was granted irrevocable, royalty free and non-exclusive licences to use certain trade marks and the rights to sub-license the same to any member of the Group in consideration of a nominal amount of HK$1 each.

A deed of option dated 17 October 2003 was executed by CRH in favour of the Company, under which the Company was granted options, in consideration of a nominal amount of HK$1, to acquire from CRH its entire 48% interest in Dongguan Houjie Power Company Limited. The Company may exercise its rights to acquire the power plant within 10 years from the date of the deed of option. The exercise price would be an amount equal to the net book value of the power plant which will be shown in the financial statements of CRH or a price as determined by an independent valuer as agreed by the parties to the deed of option with reference to the market value as at the date on which the option is exercised.

(a) The Group entered into the following significant transactions with related parties during the year:

Name of related company	Relationship	Nature of transactions	2009 HK$'000	2008 HK$'000
China Resources Property Management Co., Ltd.	Fellow subsidiary	Rental expenses paid	**3,817**	4,151
China Resources (Shenzhen) Co., Ltd.	Fellow subsidiary	Rental expenses paid	**7,041**	5,294
Xuzhou Huaxing	Fellow subsidiary	Interest expense paid	**4,780**	—
China Resources (XuZhou) Electric Power Company Limited	Associate	Interest income received	**—**	4,129
		Consideration paid for acquisition of a subsidiary	**417,384**	—
		Purchase of electricity	**38,254**	—
Shanxi Jiurun Co. Ltd.	Associate	Interest expense paid	**31,918**	6,796
Certain subsidiaries of China Resources Cements Holdings Limited	Fellow subsidiary	Sale of de-sulphur gypsum	**207**	—
		Purchase of limestone powder	**577**	—
河南永華能源有限公司	Associate	Purchase of fuel and coal	**244,190**	135,721
CRH	Intermediate holding company	Consideration paid for acquisition of interest in subsidiaries	**—**	937,817
		Finance cost paid by the Group	**—**	2,824
CRL	Intermediate holding company	Consideration paid for acquisition of interest in a subsidiary	**1,781,280**	—
CRNC	Ultimate holding company	Interest expense paid in respect of loans	**142,244**	294,964

47. RELATED PARTY TRANSACTIONS *(continued)*

The key management personnel are the directors of the Company. The details of the remuneration paid to them are set out in note 9.

The Group also had balances with related parties at the end of the reporting period which are set out in notes 25, 26, 27, 30, 31 and 32.

The Company had balances with related parties at the end of the reporting period which are set out in notes 26, 27, 30 and 31.

(b) The Group has early adopted the partial exemptions set out in paragraphs 25 to 27 of HKAS 24 (Revised) "Related Party Disclosures" in advance of its effective date, with effect from 1 January 2009. The Company is ultimately controlled by the PRC government and the Group operates in an economic environment currently predominated by entities controlled by the PRC government.

In addition, the Group itself is part of a larger group of companies under CRNC (CRNC and its subsidiaries are referred to as the "CRNC Group") which is controlled by the PRC government. Apart from the transactions and balances with the CRNC Group as disclosed in note 47(a), the Group also conducts businesses with entities directly or indirectly owned or controlled by the PRC Government in the ordinary course of business, including sale of electricity and purchase of coal.

48. EVENTS AFTER THE REPORTING PERIOD

(a) Acquisition of subsidiaries

(i) In August 2008, the Group entered into a sales and purchase agreement to acquire entire equity interest in Shenzhen Yihe, for a total consideration of RMB241,090,000 (equivalent to approximately HK$273,816,000). Shenzhen Yihe is principally an investment holding company which holds equity interests in various coal-fired power plants in the PRC. Subsequent to the reporting date, the acquisition of the entire equity interest in Shenzhen Yihe is completed in February 2010.

(ii) In August 2008, the Group entered into a sales and purchase agreement to acquire entire equity interest in Jiangsu Kunlun, for a total consideration of RMB743,662,000 (equivalent to approximately HK$844,607,000). Jiangsu Kunlun is principally an investment holding company which holds equity interests in various coal-fired power plants in the PRC. Subsequent to the reporting date, the acquisition of the entire equity interest in Jiangsu Kunlun is completed in January 2010.

(iii) In November 2009, the Group entered into a sales and purchase agreement to acquire 51% equity interest in Xuzhou Huaxing, for a total consideration of RMB465,000,000 (equivalent to approximately HK$528,119,000). The main asset held by Xuzhou Huaxing is 15% equity interest in China Resources (Xuzhou) Electric Power Co. Ltd, a company principally engaged in the operation of power plants in Juangsu Province, PRC. Subsequent to the reporting date, the acquisition of 51% equity interest in Xuzhou Huaxing is completed in January 2010.

(iv) In December 2009, the Group entered into a sales and purchase agreement to acquire 77.7267% equity interest in唐洞煤炭, for a total consideration of RMB116,590,000 (equivalent to approximately HK$132,416,000). 唐洞煤炭principally engaged in the operation of coal mining in Hunan Province, PRC. Subsequent to the reporting date, the acquisition of 77.7267% equity interest in 唐洞煤炭 is completed in January 2010.

The Group is in the process of assessing the fair values of the identified assets and liabilities of the above acquirees, therefore the financial effects of the acquisitions are not presented.

48. EVENTS AFTER THE REPORTING PERIOD *(continued)*

(b) In January 2010, CR Investment, a wholly owned subsidiary of the Company, issued corporate bonds ("Corporate Bonds") in aggregate amount of RMB3,800,000,000 (equivalent to HK$4,315,812,000). The Corporate Bonds carry coupon rate ranging from Shanghai interbank offering rate ("SHIBOR") plus 2.09% to SHIBOR plus 3.49%. The maturity of the Corporate Bonds is 10 years from the date of issue, subject to the right of sale-back described below.

At the end of the third year from the issue of the Corporate Bonds, eligible investors have the right to sell the Corporate Bonds held by them, in whole or in part, to CR Investment at a total consideration equivalent to the total face value of the corresponding Corporate Bonds to be sold.

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
Lega l 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. Our stock code is 836.

FINANCIAL DIARY

Financial year end	31 December 2009
Announcement of final results	22 March 2010
Last day to register for final dividend	1 June 2010
Book close	2 June 2010 to 8 June 2010
Payment of final dividend	21 June 2010

SHAREHOLDER ENQUIRIES

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

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