



華潤電力控股有限公司
China Resources Power Holdings Company Limited
(Stock Code: 836)



Building Powerful Future

Interim Report

2011



**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.**

Major Events

3

China Resources Coal Holdings Co., Ltd. (“CR Coal Holdings”), a wholly-owned subsidiary of China Resources Power Holdings Co., Ltd. (“CR Power”), entered into an acquisition agreement with AACI SAADEC (BVI) Holdings Limited (“AACI (BVI)”) on **11 March 2011**, whereby CR Coal Holdings agreed to acquire 100% of the issued and outstanding share capital of AACI SAADEC (HK) Holdings Limited (“AACI (HK)”) from AACI (BVI) for a total consideration of US\$669 million. AACI (HK) holds 56% equity interest in Shanxi Asian American-Danang Energy Co., Ltd. which operates the Danang Coal Mine.

On **17 March 2011**, the first 600MW ultra super critical coal-fired generation unit of CR Heze Power Plant commenced commercial operation. CR Power wholly owns Heze Power Plant.





On **11 May 2011**, China Resources Power East Foundation Co., Ltd., a wholly owned subsidiary of CR Power completed an issuance of US\$750 million perpetual subordinated guaranteed capital securities. Proceeds is used to invest in power plant construction and expansion, acquisition of coal mine projects, repay debts and supplement general working capital.



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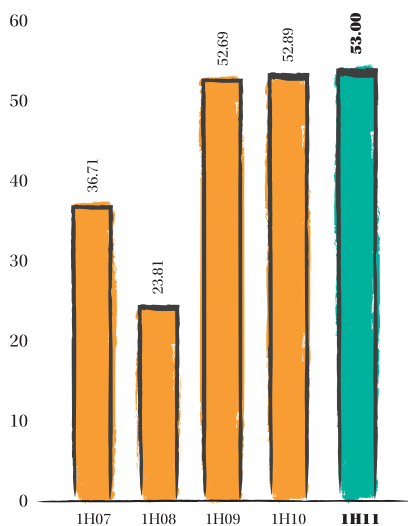


Performance Highlights

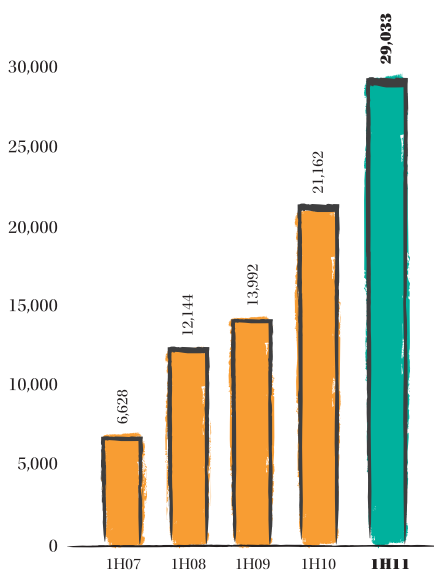
	1H2011	1H2010	1H2009	1H2008	1H2007
Earnings per share (HK cents)					
Basic	53.00	52.89	52.69	23.81	36.71
Diluted	52.47	52.03	51.41	23.28	35.10
Turnover (HK\$'000)	29,032,879	21,161,937	13,992,295	12,143,757	6,628,010
Profit attributable to owners of the Company (HK\$'000)	2,484,053	2,459,835	2,268,010	1,005,894	1,411,452
Generation volume of operating power plants (MWh)					
Total gross generation	82,055,142	70,223,751	49,870,688	52,507,535	37,585,705
Total net generation	76,989,669	65,681,662	46,605,132	49,111,384	35,218,775
	30/6/2011	30/6/2010	30/6/2009	30/6/2008	30/6/2007
Condensed consolidated statement of financial position (HK\$'000)					
Non-current assets	131,563,968	108,411,713	72,452,713	61,898,078	36,929,846
Current assets	28,962,652	23,452,236	14,843,059	12,862,129	6,561,684
Current liabilities	(41,819,856)	(34,412,280)	(24,764,292)	(20,345,896)	(10,723,976)
Non-current liabilities	(59,521,842)	(50,806,136)	(29,738,712)	(24,809,112)	(14,033,439)
Equity attributable to owners of the Company	44,561,132	38,992,797	29,241,365	26,650,838	16,761,955
Total assets	160,526,620	131,863,949	87,295,772	74,760,207	43,491,530
Bank balances and cash	7,304,739	6,639,656	5,779,062	5,238,644	2,893,094
Bank and other borrowings and corporate bonds	77,550,163	67,812,587	42,087,162	33,788,480	19,125,562
Key financial ratios					
Current ratio (times)	0.69	0.68	0.60	0.63	0.61
Quick ratio (times)	0.61	0.62	0.54	0.57	0.55
Net debt to shareholders' equity (%)	157.6%	156.9	124.2	107.1	96.8
EBITDA interest coverage (times)	5.27	4.31	5.44	3.87	5.21
Attributable operational generation capacity (MW)					
Eastern China	10,252	7,877	4,490	4,403	3,380
Southern China	3,749	4,004	3,201	3,096	1,863
Central China	3,695	3,695	3,277	2,995	2,961
Northern China	2,438	2,193	1,197	927	537
Northeastern China	925	1,125	1,525	1,509	—
Total	21,059	18,894	13,690	12,930	8,741

Performance Highlights

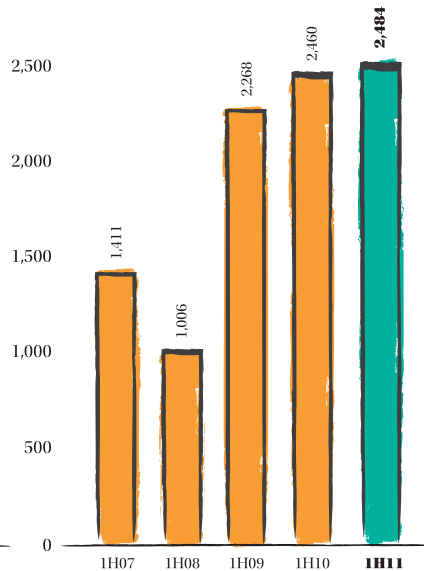
Basic earnings per share
(HK cents)



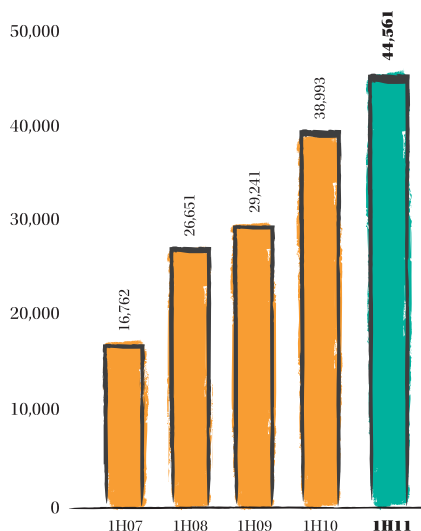
Turnover
(HK\$ million)



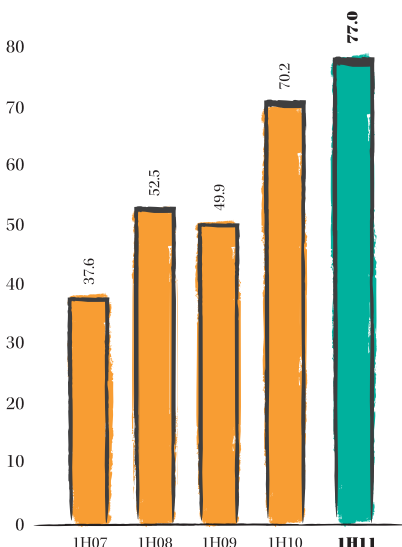
Profit attributable to owners of the Company
(HK\$ million)



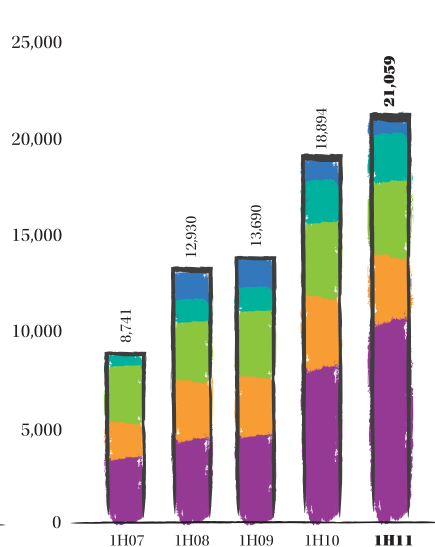
Equity attributable to owners of the Company
(HK\$ million)



Net generation volume of operating power plants
(million MWh)



Attributable operational generation capacity
(MW)



Service Areas

53

power plants in commercial operation



As at 30 June 2011,
total attributable operational
generation capacity of the company is

21,059 MW



Service areas

PROVINCE/ AUTONOMOUS REGION	POWER PLANTS/WIND FARMS/HYDRO-ELECTRIC	INSTALLED CAPACITY (MW)	EFFECTIVE EQUITY INTEREST	ATTRIBUTABLE CAPACITY (MW)
Jiangsu	Changshu	1,950	100%	1,950
	Huaxin	660	72%	475
	Yixing	120	55%	66
	Nanjing Chemical Industry Park	110	90%	99
	Banqiao	930	65%	605
	Zhenjiang	1,540	43%	655
	Yangzhou No. 2	1,260	45%	567
	Xuzhou (phase I + phase II)	1,280	43%	546
	Changzhou	1,260	25%	315
	Shazhou	1,260	20%	252
	Nanjing Thermal	1,200	100%	1,200
	Xuzhou Phase III	2,000	59.86%	1,197
	Nanjing Chemical Industry Park Phase II	600	90%	540
Guangdong	Liyujiang	630	60%	378
	Liyujiang B	1,300	100%	1,300
	Xingning	270	100%	270
	Guangzhou Thermal (300MW)	600	100%	600
	Shajiao C	1,980	36%	713
	Dannan Wind	24.00	55%	13.20
	Shantou Wind	29.25	100%	29.25
	Chaonan Wind	99.00	100%	99.00
	Chaonan Wind Phase III (in operation)	34.85	100%	34.85
	Huilixian'an Wind	37.50	100%	37.50
	Dahao Wind	18.00	100%	18.00
	Huilaihuashan Wind	50.00	100%	50.00
	Yangxi Longgaoshan Wind (in operation)	59.50	100%	59.50
	Chaonan Wind Phase III (under construction)	14.45	100%	14.45
	Yangxi Longgaoshan Wind (under construction)	30.25	100%	30.25
Henan	Gucheng	600	100%	600
	Shouyangshan	1,200	85%	1,020
	Dengfeng	640	85%	544
	Jiaozuo	280	100%	280
	Luoyang	100	51%	51
	Dengfeng Phase II	1,200	85%	1,020
Hebei	Tangshan	200	80%	160
	Cangzhou	650	95%	618
	Caofeidian	600	90%	540
	Hengfeng	600	25%	150
	Hengxing	600	25%	150
	Chengde Weichang Wind Phase I	48.00	100%	48.00
	Chengde Weichang Wind Phase II	49.50	100%	49.50
	Chengde Weichang Wind Phase III	49.50	100%	49.50
	Chengde Weichang Wind Phase IV	49.50	100%	49.50
	Chengde Weichang Wind Phase V (in operation)	48.00	100%	48.00
	Chengde Weichang Wind Phase V (under construction)	1.50	100%	1.50
Liaoning	Jinzhou	600	100%	600
	Shenhai Thermal	600	54.115%	325
	Fuxin Wind	99.00	100%	99.00
	Jianping Wind	99.00	100%	99.00
Shandong	Heze Unit #1	600	100%	600
	Penglai Wind	48.00	95%	45.60
	Penglai Xujiaji Wind	46.60	95%	44.27
	Weihai ETD Zone Wind	49.80	100%	49.80
	Penglai Daliuhang Wind (in operation)	46.00	100%	46.00
	Weihai Huancui Wind	49.80	100%	49.80
	Daxindian Wind (in operation)	6.00	100%	6.00
	Heze Unit #2	600	100%	600
	Penglai Daliuhang Wind (under construction)	3.80	100%	3.80
	Pingdu Wind	49.80	100%	49.80
Daxindian Wind (under construction)	43.80	100%	43.80	
Inner Mongolia	Dengkou	600	75%	450
	Bayinxile Wind	49.50	100%	49.50
	Manzhouli Wind	49.50	1.00	49.50
Hunan	Lianyuan	600	100%	600
Hubei	Hubei	600	100%	600
	Hubei Phase II	2,000	100%	2,000
Anhui	Fuyang	1,280	55%	704
Zhejiang	Wenzhou Telluride	600	40%	240
Yunnan	Honghe Hydro	210	70%	147
Beijing	Beijing Thermal	150	51%	77
Guangxi	Hezhou	2,000	50%	1,000
Sichuan	Yazuihe Hydro	260	51%	133
Gansu	Guazhou Wind	201	100%	201
Heilongjiang	Jiamusi Wind	50	100%	50

Note: Projects under construction are marked in green

Chairman's Statement

Dear Shareholders

On behalf of the Board, I am pleased to present the interim results of the Group for the six months ended 30 June 2011.



RESULTS HIGHLIGHTS

CR Power recorded a consolidated turnover of HK\$29.03 billion for the six months ended 30 June 2011, representing an increase of 37.2% over that in the same period last year. Profit attributable to owners of the Company increased by 1.0% to HK\$2.48 billion from HK\$2.46 billion for the same period last year.

Basic earnings per share was HK53.0 cents, representing an increase of 0.2% from HK52.9 cents for the same period last year. The Board resolved to declare an interim dividend of HK6.0 cents per share.

REVIEW OF THE FIRST HALF OF 2011

As at 30 June 2011, we had a total of 53 power plants in operation, with an attributable operational capacity of 21,059MW, representing an increase of 1,701MW or 8.8% from 19,358MW as at the end of 2010. In the first half of 2011, three coal-fired generation units commenced commercial operation, including a 600MW supercritical heat and power co-generation unit in Nanjing Thermal Power Plant, a 600 MW supercritical coal-fired power generation unit in Shandong Heze Power Plant and a 300 MW heat and power co-generation unit in Jiangsu Nanjing Chemical Industry Park. In addition, several wind farms in Guangdong, Shandong and Hebei commenced commercial operation in the first half of 2011, with a total attributable operational capacity of 231MW.

In the first half of 2011, the total net generation from our subsidiary power plants amounted to 53.8 billion kWh, representing an increase of 24.1% from 43.3 billion kWh for the same period last year. Power demand in China grew rapidly in the first half of the year, and the supply and transportation capacity of coal were strained. Droughts in certain parts of China led to low hydro-electric power output, and the power supply in certain areas was tight. Our coal-fired power plants which were located in provinces with relatively more severe power shortages achieved significantly higher utilisation hours than the average utilization hours in those provinces. The average full load equivalent utilisation hours of our 30 coal-fired power plants, which were in full commercial operation for the first six months of 2010 and 2011, registered an increase of 98 hours, or 3.4% to 3,010 hours from 2,912 hours recorded in the same period last year. This is 418 hours higher than the nationwide average utilization hours of coal-fired power plants.

On 10 April 2011, the Chinese government announced adjustment of on-grid tariffs in several provinces. Approximately half of our consolidated coal-fired power plants received tariff hikes, with an average increase of RMB 13.2/MWh, or 3.1%.

In the first half of 2011, average unit fuel cost of our subsidiary power plants was RMB271.5/MWh, representing an increase of 11.7% when compared to the RMB243.0/MWh for the same period last year, or 7.3% when compared with the full year average of 2010. The average standard coal cost for our subsidiary power plants increased by 16.2% when compared to the same period last year, or 10.4% when compared with the full year average of 2010. We continued to improve the operational efficiency of our power plants by commissioning large and efficient generation units and promoting standardized lean management. In the first half of 2011, standard coal consumption rate was 325.6g/kWh, representing a decrease of 9.0 g/kWh when compared to the same period last year.

Chairman's Statement

During the first half of 2011, our coal mines in Shanxi, Jiangsu, Henan and Hunan produced a total of 7.743 million tonnes of coal, representing an increase of 63.2% when compared with 4.746 million tonnes for the same period of last year. In the first half of the year, profit contribution from our coal mining division, before deducting holding company expenses, other expenses and non-controlling interests, amounted to HK\$1.28 billion, increased by approximately HK\$432 million, or 51%, from first half of last year. In March, China Resources Coal Holdings Company Limited ("CR Coal"), a wholly-owned subsidiary of the Company, acquired a 56% equity interest in Shanxi Asian American-Daning Energy Co., Ltd. for a total consideration of US\$669 million.

In May 2011, we issued US\$750 million Perpetual Subordinated Guaranteed Capital Securities, the net proceeds of which was used for funding capital expenditures in connection with the development and expansion of power projects and the construction of power plants, refinancing of indebtedness and other general working capital.

As at 30 June 2011, the total bank and other borrowings of the Company amounted to HK\$77.6 billion, an increase of 14.4% when compared with HK\$67.8 billion for the same period last year. In the first half of 2011, the finance costs of the Company amounted to HK\$1.28 billion, an increase of 2.3% when compared with HK\$1.25 billion for the same period last year. The average interest rate decreased to 3.8% from 4.8% for the same period last year.

PROSPECTS FOR THE SECOND HALF OF 2011

We believe that power demand in the country will continue to increase in the second half of 2011 as the national economy continues to grow steadily and rapidly. China Electricity Council forecasted that the national power demand for the full year of 2011 would increase by 12%. It is expected that our power plants will continue to achieve high utilisation hours, which will continue to be substantially higher than the average utilisation hours of the coal-fired generation units across the country.

In April, the National Development and Reform Commission issued the Urgent Notification on Practically Safeguarding the Supply of Thermal Coal and Stabilising Thermal Coal Price, which called for effective measures, including special inspections, from various regions across the country. In May, the Pricing Bureau of the National Development and Reform Commission, Transport Bureau of the Ministry of Railways and several government authorities established inspection teams and went to Shanxi, Shaanxi and Inner Mongolia Autonomous Region to conduct special investigations on the fulfillment of key coal contracts for power generation, and required coal suppliers to supply thermal coal for power generation in strict compliance with the contracted coal quantity, coal price and coal quality. Through a series of regulatory measures, the fulfillment rate of contracted coal improved significantly in May and June. We believe the fulfillment rate of contracted coal in the second half of the year will be better than that in the first half of the year, which is conducive to the stabilisation and control of our coal costs in the second half of the year.

The second 600MW supercritical coal-fired generating unit of Shandong Heze Power Plant commenced commercial operation in August. Including commissioning of new wind power generation capacity, the Company's attributable operational capacity has reached 21,690MW as of today, of which 909MW are attributable wind capacity. It is expected that by the end of this year, the Company's attributable operational capacity will reach 22,000MW, of which 1,400MW are attributable wind capacity.

In the second half of the year, we will continue to conduct technical upgrades of the Company's coal mines in Shanxi Province so that some of them can resume production and achieve maximum capacity as soon as possible, bringing more profit contribution to the Company and creating greater value for shareholders. In future, we will continue to identify coal resources which comply with the Company's development strategy in Shanxi and other provinces with abundant coal resources, so as to lay the foundation for further development in the years ahead.



In the second half of 2011, we will continue to promote strategic transformation and upgrading of organisational capacity. We will incessantly optimise our business structure and resource allocation for our coal-fired power generation division, coal mining division and renewable energy operations, build up and develop our logistics system, consolidate and expand our value chain and industry chain, and place more emphasis on quality of growth and sustainable development capacity. We will adhere to the "low cost + differentiation" competition strategy, stress the integration of market and resources, innovate business models, build up the core capability to implement systems to control costs, strengthen our lean management, promote organic growth, continue to improve corporate governance, implement proactive and sound financial strategies, strengthen working capital management, optimise the Company's financial structure, and step up risk prevention and internal control. As regards team building, we will hold fast to our corporate culture in leading the Company, improve our organisational management system, promote specialisation in business management and regionalisation in operational management; strengthen the function of headquarters, optimise the team operation mechanism and system, and enhance the leadership capability of managers at all levels so that the organisation will stay young and energetic.

CR Power has gone through an extraordinary decade. From our new starting point here, CR Power requires not only inheritance and upholding of its traditions, but also transformations and innovations. Under the vision of "world-class enterprise, most respected enterprise and best employer enterprise", all our staff will, through wisdom and sweat, continue to advance the Company's development, promote society's progress and improve people's livelihood so that CR Power can fare better and move further in its future endeavours. All the above are brought about by the consistent pursuit and strong determination of our enterprise, for which we are committed to continue to do our utmost.

With the trust and support from our shareholders and various sectors of society and concerted efforts of our team, we believe CR Power will achieve remarkable performance and reward its shareholders with fruitful results, mounting up new vitality for the sustainable development of the Company.

APPRECIATION

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



Your sincerely,
Chairman of the Board

SONGLIN

Hong Kong, 22 August 2011



Management's Discussion and Analysis

BUSINESS REVIEW FOR THE FIRST HALF OF 2011

Growth of generation capacity

As at 30 June 2011, we had 35 coal-fired power plants, 1 hydro-electric plant, 1 gas-fired plant and 16 wind farms in commercial operation with a total attributable operational generation capacity of 21,059MW. As a comparison, our attributable operational generation capacity was 18,894MW and 19,358MW, respectively, as at 30 June 2010 and 31 December 2010.

As at 30 June 2011, coal-fired generation capacity amounted to 19,958MW, accounting for 94.8% of our total generation capacity. Wind, gas-fired and hydro capacity amounted to 877MW, 77MW and 147MW, respectively, and together accounting for 5.2% of our total generation capacity.

During the first half of 2011, we commissioned a 600MW coal-fired generation unit in Heze Power Plant in Shandong Province, a 300MW heat and power co-generation unit in Nanjing Chemical Industrial Park and a 600MW heat and power co-generation unit in Nanjing Thermal Power Plant in Jiangsu Province. In addition, we commissioned a number of wind farms in Guangdong, Shandong and Hebei Provinces, which collectively added a total of 231MW of new wind generation capacity.

The following table sets out the attributable operational generation capacity of our power plants in the context of geographical distribution as at 30 June 2011:

	Attributable operational generation capacity	
	MW	%
Eastern China	10,252	48.7
Southern China	3,749	17.8
Central China	3,695	17.5
Northern China	2,438	11.6
Northeastern China	925	4.4
Total	21,059	100.0

Generation volume

Total gross generation volume of our operating power plants amounted to 82,055,142MWh in the first half of 2011, representing an increase of 16.8% from 70,245,099MWh in the first half of 2010. Total gross generation volume of our 44 consolidated operating power plants amounted to 57,360,881MWh in the first half of 2011, representing an increase of 23.5% from 46,431,734MWh in the first half of 2010.

Total net generation volume of our operating power plants amounted to 76,989,669MWh in the first half of 2011, representing an increase of 17.2% from 65,702,714MWh in the first half of 2010. Total net generation volume of our 44 consolidated operating power plants amounted to 53,791,176MWh in the first half of 2011, representing an increase of 24.1% from 43,330,555MWh in the first half of 2010.

The increase in gross and net generation volume was primarily due to the growth of attributable operational generation capacity from 18,894MW as at 30 June 2010 to 21,059MW as at 30 June 2011.

For the 30 coal-fired power plants which were in commercial operation for the entire first half of 2010 and 2011, gross and net generation volume for the first half of 2011 increased by 1.8% and 2.0%, respectively, from the first half of 2010. The average full-load equivalent utilization hours for the first half of 2011 of these 30 coal-fired power plants amounted to 3,010 hours, representing an increase of 3.4% from 2,912 hours for the first half of 2010.

Fuel costs

Average unit fuel cost for our consolidated operating power plants in the first half of 2011 was RMB 271.5/MWh, representing an increase of 11.7% in comparison to the first half of 2010. Average standard coal cost for our consolidated operating power plants in the first half of 2011 increased by 16.2% in comparison to the first half of 2010.

Tariff increase

In the second quarter of 2011, the National Development and Reform Commission announced that on-grid tariffs for coal-fired power plants in a number of provinces in China were adjusted with adjustment magnitudes and effective dates varying from province to province. A number of provinces also received retroactive tariff adjustments effective from 1 January 2010.

Our power plants located in Henan, Hebei, Hubei, Shandong, Guangdong, Liaoning, Inner Mongolia, Hunan and Anhui received tariff adjustments. The following table sets out the tariff (inclusive of value added tax) of these power plants before and after the tariff adjustments announcement of the Chinese government:

Service area	Power plants	Tariff before adjustments (RMB/MWh)	Tariff after adjustments (RMB/MWh)
Henan	CR Dengfeng	391.20	411.20 ⁽¹⁾
	CR Luoyang	391.20	411.20 ⁽¹⁾
	CR Jiaozuo	391.20	411.20 ⁽¹⁾
	CR Shouyangshan	391.20	411.20 ⁽¹⁾
	CR Gucheng	391.20	411.20 ⁽¹⁾
Hebei South	Hengfeng	419.20	434.10 ⁽¹⁾
	Hengfeng Phase II	386.00	400.90 ⁽¹⁾
	CR Cangzhou	386.80	401.70 ⁽¹⁾
Hebei North	CR Caofeidian	386.40	401.30 ⁽¹⁾
	CR Tangshan	389.70	404.60 ⁽¹⁾
Hubei	CR Hubei	525.63	545.63 ⁽¹⁾
Shandong	CR Heze (Unit #1)	397.40	421.90 ⁽¹⁾
Guangdong	CR Liyujiang	502.70	504.50 ⁽¹⁾
	CR Liyujiang B	496.20	498.00 ⁽¹⁾
	CR Guangzhou Thermal	496.20	498.00 ⁽¹⁾
	Shajiao C	515.00	516.80 ⁽¹⁾
	CR Xingning	516.20	531.20 ⁽¹⁾
Liaoning	CR Jinzhou	380.30	382.50 ⁽¹⁾
	CR Shenhai (Unit #1 & #2)	391.00	393.20 ⁽¹⁾
	CR Shenhai (Unit #3)	390.00	392.20 ⁽¹⁾
Inner Mongolia	CR Dengkou	284.90	287.90 ⁽¹⁾
Hunan	CR Lianyuan	440.50	464.40 ⁽²⁾
Anhui	CR Fuyang	398.00	418.00 ⁽³⁾

Notes:

- (1) Tariff adjustment effective from April 10, 2011
- (2) Tariff adjustment effective from May 1, 2011
- (3) Tariff adjustment effective from June 1, 2011



Management's Discussion and Analysis

Environmental expenses

For the six months ended 30 June 2011, environmental fees incurred by each of the subsidiaries were in the range from RMB0.1 million to RMB16.8 million. The total amount of environmental fees incurred by our subsidiaries was RMB128.3 million, as compared with RMB90.5 million for the six month period ended 30 June 2010. The increase in environmental expenses is mainly due to the increase in coal-fired generation capacity from 17,937MW as at 30 June 2010 to 19,958MW as at 30 June 2011.

Development of coal mine operations

During the first half of 2011, our coal mine operations in Shanxi, Jiangsu, Henan and Hunan Provinces produced a total of 7.7 million tonnes of coal (aggregation of each mine production on a 100% basis), representing an increase of 63.2% in comparison to the first half of 2010. Our subsidiary coal mines produced a total of 6.7 million tonnes of coal. In particular, our coal mines in Lüliang District in Shanxi Province produced a total of 5.1 million tonnes of coal in the first half of 2011 (aggregation of each mine production on a 100% basis), representing an increase of 97.1% in comparison to the first half of 2010.

On 11 March 2011, China Resources Coal Holdings Company Limited (“CR Coal Holdings”), a wholly-owned subsidiary of the Company, entered into an acquisition agreement whereby it acquired a 56% equity interest in Shanxi Asian American-Danling Energy Co., Ltd. (“Shanxi Asian American-Danling”) which operates the Daning Coal Mine for a total consideration of US\$669 million (the “Acquisition”). Shanxi Asian American-Danling also holds equity interests in three associated companies, namely Yangcheng Asian American-Danling Railroad Spur Operation Company Limited (陽城亞美大寧鐵路專線運營公司), Shanxi Lanhua Daning Power Generation Company Limited (山西蘭花大寧發電有限公司) and Lanhua Daning Coal Company Limited (山西蘭花煤炭有限公司). The total remaining coal reserve of the coal bed from which Daning Coal Mine produces coal is approximately 215,930,000 tonnes. Pursuant to an approval issued by Shanxi provincial government in November 2009, Shanxi Asian American-Danling has been permitted to extract from an additional of two coal beds. Currently, Daning Coal Mine is designed to have a production capacity of approximately four million tonnes per year.

Daning Coal Mine suspended its operation and production since 1 January 2011 pending its applications for the renewal of the mining license certificate (採礦許可證) and safety production license certificate (安全生產許可證). The mining license (採礦許可) of Daning Coal Mine is valid till 15 April 2027. Nonetheless, Shanxi Asian American-Danling is required to obtain a new license certificate to reflect the changes of certain technical information pursuant to the requirements of Shanxi provincial government. To the best of the Directors' knowledge, information and belief, such incident was due to the disagreements among the shareholders of Shanxi Asian American-Danling prior to the Acquisition in respect of their shareholdings in Shanxi Asian American-Danling.

On 30 July 2011, Asian-American Coal Inc. (“AACI(HK)”), a wholly owned subsidiary of CR Coal Holdings, and Shanxi Lanhua Science and Technology Company Ltd. (“Shanxi Lanhua”) signed a letter of intent, whereby AACI(HK) has agreed, subject to the signing of the final sales and purchase agreement, to transfer a 5% equity interest in Shanxi Asian American-Danling to Shanxi Lanhua for a total consideration of US\$59,732,143. Prior to the transfer, AACI(HK) owns 56% equity interest of Shanxi Asian American-Danling. Upon execution and completion of the final legal agreement, our effective interest in Daning Coal Mine will be reduced to 51%. AACI(HK) and Shanxi Lanhua has agreed that in the meantime, both parties will procure that the various license application and renewal processes will commence immediately with an aim to enable Daning Coal Mine to resume commercial production as soon as possible in the near future.

PROSPECTS FOR THE SECOND HALF OF 2011

The China Electricity Council forecasted a full year power consumption growth of 2011 to be approximately 12%. Along with the macroeconomic development, the electricity demand in the first half of this year was strong and the year-on-year power consumption growth in China was 12.2%. While monetary policy tightening in China may have some impact on the growth of Chinese economy and hence power consumption in the country, we still expect power consumption growth in China to remain relatively strong in the second half of the year.

Coal prices remained relatively stable in recent months with coal inventory in major ports in the country continues to increase. Spot coal price, especially for coal delivered from ports by sea in the country decreased in recent weeks, but overall we still expect coal prices to remain at relatively high levels in the country in the second half of the year. As there is a significant gap between spot and contract prices in the country, it is our major task in the second half of 2011 to increase contract coal fulfillment rate.

We have successfully offset some coal price increase by improving our operational efficiency, in particular, by reducing coal consumption rate for power generation in the first half of the year. Our average standard coal consumption rate for the first half of 2011 is 325.56g/kWh, decreased by 9.02g/kWh or 2.7% from 334.58 g/kWh for the first half of 2010. We will continue to improve our operational efficiency and aim to further reduce coal consumption rate in the second half of the year by adopting standardized lean management throughout all our operational plants.

We expect that more generation units will be commissioned in the second half of 2011; in particular, the second 600MW unit in our Heze Power Plant was commissioned in August and the first 600MW unit in Dengfeng Phase II is expected to be completed and commissioned. A number of our wind farms which are currently under constructions are also expected to be commissioned in the second half of this year.

We have recently obtained approval from the Chinese government for the construction of Shanwei Haifeng Power Plant, a 2x1000MW coal-fired plant in Guangdong Province. In light of the regulatory environment in the country for the coal-fired power generation sector, we will strictly select our investment projects to ensure that we only invest in coal-fired projects which in our view are highly competitive and can generate value for our shareholders in the future. We have also increased our investments in the clean and renewable energy sectors in the country. In addition to wind farms, we are also exploring opportunities to enter into other new sectors, for example, waste to energy sector in the country.

To secure our fuel supply at competitive costs and to offset rising coal costs in the country, we aim to increase the production volume of coal from our own coal mines, especially from our coal mines in Shanxi Province, including coal mines located in Lüliang District, Taiyuan District and Daning Coal Mine. We aim to procure that Daning Coal Mine as well as some coal mines located in Taiyuan District will resume commercial production in the second half of 2011.

As we anticipate that coal production volume from our own coal mines as well as coal consumption volume from our own coal-fired power plants will continue to increase in the future years, we have increased our effort in the improvement of our logistics management and arrangement. We are currently carrying out further studies in the area of future logistics plan for the Group and may commence implementation in the near future.

In May 2011, we completed an issuance of US\$750 million of the perpetual subordinated guaranteed capital securities ("Perpetual Capital Securities"). This is to ensure that while we identify and widen our funding channels with an aim to secure long-term low cost capital to support our business development, we also have to monitor our capital structure and balance sheet on an on-going basis to ensure that we will always have a stable capital structure to support the Group's operations and various development plans. In this regard, we will increase our efforts and effectiveness in the allocation of resources, including both financial and human resources, to ensure that resources allocation is strictly based on business strategies which focus on value creation for shareholders.



Management's Discussion and Analysis

OPERATING RESULTS

The results of operations for the six months ended 30 June 2011, which have been reviewed by the auditors and the audit committee of the Company, are as follows:

Condensed consolidated income statement

	For the six months ended	
	30 June 2011 HK\$'000 (unaudited)	30 June 2010 HK\$'000 (unaudited)
Turnover	29,032,879	21,161,937
Operating expenses		
Fuel	(17,348,021)	(12,348,459)
Repairs and maintenance	(411,168)	(288,650)
Depreciation and amortisation	(2,440,460)	(1,958,568)
Others	(5,060,421)	(2,792,173)
Total operating expenses	(25,260,070)	(17,387,850)
Other income	630,077	236,661
Other gains and losses	486,368	56,908
Profit from operations	4,889,254	4,067,656
Finance costs	(1,280,894)	(1,252,061)
Share of results of associates	279,986	408,096
Share of results of jointly controlled entities	6,470	(8,879)
Profit before taxation	3,894,816	3,214,812
Taxation	(667,552)	(334,485)
Profit for the period	3,227,264	2,880,327
Profit for the period attributable to:		
Owners of the Company	2,484,053	2,459,835
Non-controlling interests		
- Perpetual capital securities	59,916	—
- Others	683,295	420,492
	743,211	420,492
	3,227,264	2,880,327
Earnings per share		
- basic (HK cents)	53.00	52.89
- diluted (HK cents)	52.47	52.03

Condensed consolidated statement of comprehensive income

	For the six months ended	
	30 June 2011 HK\$'000 (unaudited)	30 June 2010 HK\$'000 (unaudited)
Profit for the period	3,227,264	2,880,327
Other comprehensive income and expense:		
Exchange differences from translation	998,584	332,526
Share of changes in translation reserve of associates and jointly controlled entities	338,516	107,770
Fair value change on cash flow hedges	5,975	(84,035)
Other comprehensive income for the period	1,343,075	356,261
Total comprehensive income for the period	4,570,339	3,236,588
Total comprehensive income for the period attributable to:		
Owners of the Company	3,627,378	2,743,875
Non-controlling interests		
- Perpetual capital securities	59,916	—
- Others	883,045	492,713
	942,961	492,713
	4,570,339	3,236,588



Management's Discussion and Analysis

Condensed consolidated statement of financial position

	As at 30 June 2011 HK\$'000 (unaudited)	As at 31 December 2010 HK\$'000 (audited)
Non-current assets		
Property, plant and equipment	89,260,197	84,273,757
Prepaid lease payments	1,924,532	1,891,805
Mining rights	10,272,205	9,939,938
Exploration and resources rights	151,650	148,218
Interests in associates	17,906,554	12,279,541
Interests in jointly controlled entities	1,631,020	935,595
Goodwill	3,796,731	3,796,731
Investments in investee companies	1,145,090	1,093,160
Deposits paid for acquisition of property, plant and equipment	2,290,119	1,145,815
Deposits paid for acquisition of mining/exploration rights	2,667,203	2,794,700
Deposits paid for land use rights	128,517	111,741
Other non-current deposits paid	284,767	158,170
Deferred taxation assets	105,383	107,084
	131,563,968	118,676,255
Current assets		
Inventories	3,604,320	2,006,017
Trade receivables, other receivables and prepayments	13,293,780	10,763,185
Amounts due from associates	3,013,471	2,853,053
Amounts due from jointly controlled entities	1,287,902	1,417,034
Amounts due from related companies	130,719	159,293
Financial assets at fair value through profit or loss	3,627	3,544
Restricted bank balances	60,003	58,641
Pledged bank deposits	264,091	271,818
Bank balances and cash	7,304,739	6,801,707
	28,962,652	24,334,292

Management's Discussion and Analysis

	As at 30 June 2011 HK\$'000 (unaudited)	As at 31 December 2010 HK\$'000 (audited)
Current liabilities		
Trade payables, other payables and accruals	17,364,838	14,682,456
Amounts due to associates	735,010	1,092,917
Amounts due to related companies	3,835,615	116,386
Taxation payable	266,203	149,198
Bank and other borrowings — repayable within one year	19,618,190	20,667,961
	41,819,856	36,708,918
Net current liabilities	(12,857,204)	(12,374,626)
Total assets less current liabilities	118,706,764	106,301,629
Non-current liabilities		
Bank and other borrowings — repayable after one year	57,931,973	54,243,192
Accrued retirement benefit cost	286,124	286,801
Derivative financial instruments	307,031	323,885
Deferred taxation liabilities	462,622	493,655
Deferred consideration payables	534,092	693,987
	59,521,842	56,041,520
	59,184,922	50,260,109
Capital and reserves		
Share capital	4,736,840	4,719,501
Share premium and reserves	39,824,292	37,444,717
Equity attributable to owners of the Company	44,561,132	42,164,218
Non-controlling interests		
- Perpetual capital securities	5,895,666	—
- Others	8,728,124	8,095,891
	14,623,790	8,095,891
	59,184,922	50,260,109



Management's Discussion and Analysis

Overview

For the six months ended 30 June 2011, our net profit increased by 1.0% to HK\$2,484.1 million from HK\$2,459.8 million for the same period last year. Our turnover increased by 37.2% from HK\$21,161.9 million for the first half of 2010 to HK\$29,032.9 million for the first half of 2011.

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

- Significant increase in turnover — Turnover in the first half of 2011 increased by 37.2%, mainly as a result of a 24.1% increase in net generation volume of our 44 consolidated operating power plants and an increase of 63.6% in coal production volume by our consolidated coal mines. In addition, a number of our plants received retroactive tariff adjustments from 1 January 2010, which amounts to approximately HK\$160 million. These tariff adjustments result in approximately HK\$136 million in contribution to net profit;
- Increase in other gains and losses — Other gains and losses increased significantly by HK\$429.5 million from HK\$56.9 million for the first half of 2010 to HK\$486.4 million for the first half of 2011. This is mainly due to a gain on foreign exchange of HK\$466.9 million included in the first half results of 2011, as compared to HK\$16.6 million for the first half of 2010;
- Increase in profit contribution from our coal mining division — Profit contribution from our coal mining division in the first half of 2011 amounted to HK\$1,278.3 million (before deducting corporate expenses and other overheads at the holding company level), increased by approximately HK\$432.0 million or 51.0% from the first half of 2010;
- Increase in other income — Other income increased by HK\$393.4 million from HK\$236.7 million for the first half of 2010 to HK\$630.1 million for the first half of 2011. This is mainly due to an increase of approximately RMB125 million government grant and subsidies received by our coal-fired power plants. In addition, income from sales of scrap materials which amounted to approximately HK\$141.6 million was reclassified as other income, while it was included under revenue for the same period last year;
- Increase in profit contribution from wind farm operations — Profit contribution from our wind farm operations (before deducting corporate expenses and other overheads at the holding company level) increased by 177.4% in the first half of 2011 in comparison to the same period last year; and

This is offset by the following:

- Significant increase in fuel costs for our coal-fired power plants — Fuel costs for the first half of 2011 amounted to HK\$17,348.0 million, increased by 40.5% from HK\$12,348.5 million for the first half of 2010. This is due to an increase in unit fuel cost as well as total volume consumed by our plants. Average unit fuel cost for our consolidated operating power plants in the first half of 2011 was RMB271.5/MWh, an increase of 11.7% compared to the first half of 2010. Average standard coal cost for our consolidated operating power plants in the first half of 2011 increased by 16.2% compared to the first half of 2010; and
- Significant increase in other operating costs — Other operating costs for the first half of 2011 amounted to HK\$5,060.4 million, increased by 81.2% from HK\$2,792.2 million for the first half of 2010. This is mainly due to an increase in costs of the coal mine operations which increased in 2011 in line with an increase in total production volume of 63.6% by our subsidiary coal mines.

Basis of preparation of financial statements and principal accounting policies

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

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

The Group had net current liabilities as at 30 June 2011. 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 condensed consolidated financial statements. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010 except as described below.

During the current interim period, the Group has issued Perpetual Capital Securities and accordingly has adopted the following accounting policy:

Perpetual Capital Securities issued by the Group are classified as equity instruments and are initially recorded at the net proceeds received.

In the current interim period, the Group has applied, for the first time, a number of new or revised standards and interpretations ("new and revised HKFRSs") issued by the HKICPA.

The application of these new and revised HKFRSs has had no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.



Management's Discussion and Analysis

SEGMENT INFORMATION

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

Segment information about these operating divisions is presented below.

For the six months ended 30 June 2011

	Sales of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue				
External sales	25,323,753	3,709,126	—	29,032,879
Inter-segment sales	—	215,731	(215,731)	—
Total	25,323,753	3,924,857	(215,731)	29,032,879
Segment profit	3,655,500	1,278,306	—	4,933,806
Unallocated corporate expenses				(234,365)
Interest income				178,933
Fair value gain on derivative financial instruments				10,880
Finance costs				(1,280,894)
Share of results of associates				279,986
Share of results of jointly controlled entities				6,470
Profit before taxation				3,894,816

For the six months ended 30 June 2010

	Sales of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue				
External sales	19,185,902	1,976,035	—	21,161,937
Inter-segment sales	—	54,592	(54,592)	—
Total	19,185,902	2,030,627	(54,592)	21,161,937
Segment profit	3,214,862	846,293	—	4,061,155
Unallocated corporate expenses				(164,384)
Interest income				130,591
Fair value gain on derivative financial instruments				40,294
Finance costs				(1,252,061)
Share of results of associates				408,096
Share of results of jointly controlled entities				(8,879)
Profit before taxation				3,214,812

Inter-segment sales are charged at prevailing market rates.

Geographical segments

Substantially all of the Group's non-current assets are located in the People's Republic of China ("PRC"), and operations for the period were substantially carried out in the PRC.

Turnover

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

Turnover for the six months ended 30 June 2011 was HK\$29,032.9 million, representing a 37.2% increase from HK\$21,161.9 million for the six months ended 30 June 2010. The increase in turnover was mainly due to the following factors:

- (1) increase in net generation volume of our consolidated operating power plants. Total net generation volume of our 44 consolidated operating power plants amounted to 53,791,176MWh in the first half of 2011, representing an increase of 24.1% from 43,330,555MWh in the first half of 2010; and
- (2) increase in turnover from the coal mining division. During the first half of 2011, our consolidated coal mines (including coal mines located in Shanxi, Jiangsu and Hunan) produced a total of 6.7 million tonnes of coal, as compared to 4.1 million tonnes for the first half of 2010. Average sales price for our subsidiary coal mines increased by approximately 10.0%, as compared to the first half of 2010. As a result, turnover from the coal mining division increased from HK\$1,976.0 million (excluding inter-segment sales) to HK\$3,709.1 million (excluding inter-segment sales).

Operating expenses

Operating expenses mainly comprise fuel costs, repair and maintenance, depreciation and amortisation, and other administrative costs such as staff costs, environmental fees, entertainment expenses, and office rent. Operating expenses amounted to HK\$25,260.1 million for the six months ended 30 June 2011, representing a 45.3% or HK\$7,872.2 million increase from HK\$17,387.9 million for the six months ended 30 June 2010.

The increase in operating expenses was mainly due to an increase in fuel costs, other operating expenses and depreciation and amortisation.

Fuel costs for the six months ended 30 June 2011 amounted to HK\$17,348.0 million, representing an increase of 40.5% or HK\$4,999.5 million from HK\$12,348.5 million for the six months ended 30 June 2010.

Average unit fuel cost for our consolidated operating power plants in the first half of 2011 was RMB271.5/MWh, representing an increase of 11.7% in comparison to the first half of 2010. Average standard coal cost for our consolidated operating power plants in the first half of 2011 increased by 16.2% in comparison to the first half of 2010. Fuel costs accounted for approximately 68.7% of the total operating expenses for the first half of 2011, compared with 71.0% for the first half of 2010.

Depreciation and amortisation increased from HK\$1,958.6 million for the first half of 2010 to HK\$2,440.5 million for the first half of 2011, representing an increase of HK\$481.9 million or 24.6%. This is mainly due to the fact that our total attributable operational generation capacity increased to 21,059MW as at 30 June 2011 from 18,894MW as at 30 June 2010.

Other operating expenses increased from HK\$2,792.2 million for the first half of 2010 to HK\$5,060.4 million for the first half of 2011. The increase is mainly due to the expansion of our coal mining operations as main production costs (other than repair and maintenance and depreciation and amortisation) for the coal mining operations are included as other operating expenses. For example, total amount of sustainable development fund, environmental compensation fee and safety-related expenses increased to approximately HK\$282.7 million, HK\$61.1 million and HK\$114.5 million in the first half of 2011 from HK\$98.4 million, HK\$25.9 million and HK\$89.1 million, respectively for the first half of 2010. The increase is also due to the expansion of our power generation businesses. Together with the expansion of our coal mining operations, our total salaries and wages increased by HK\$496.0 million in the first half of 2011.



Management's Discussion and Analysis

Other income and other gains and losses

Other income and other gains and losses amounted to HK\$630.1 million and HK\$486.4 million, respectively for the first half of 2011. The increase in other income is mainly due to the increase in government grant and subsidies received and income received under the CDM. In addition, income from sales of scrap materials of approximately HK\$141.6 million was included in other income, while for the same period last year it was included under revenue.

The increase in other gains and losses is mainly due to a significant increase in the gain on foreign exchange in the first half of 2011 which amounts to HK\$466.9 million, as compared to HK\$16.6 million for the first half of 2010.

Profit from operations

Profit from operations represents profit from the Company and its subsidiaries before deduction of finance costs, taxation and non-controlling interests. Profit from operations amounted to HK\$4,889.3 million for the six months ended 30 June 2011, representing a 20.2% increase from HK\$4,067.7 million for the six months ended 30 June 2010. The increase is mainly due to the increase in gain on foreign exchange, increase in profit contribution from the coal mining division and renewable energy sector, as well as increase in our operational coal-fired generation capacity which resulted in an increase in net generation volume of our consolidated operating power plants, offset by an increase in fuel costs caused by rising coal prices in the country.

Fair value gain on derivative financial instruments

The Group uses interest rate swaps (net quarterly settlement) to minimise its exposure to variability of interest expenses of certain of its floating-rate Hong Kong Dollar and US Dollar bank borrowings by swapping floating interest rates to fixed interest rates. The interest rate swaps and the corresponding bank borrowings have similar matching terms and the Directors considered that the interest rate swaps are highly effective hedging instruments.

Derivatives are initially recognised at fair value at the date when a derivative contract is entered into and subsequently re-measured to their fair values at each balance sheet date. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit and loss as other gain or losses. Fair value gain on derivative financial instruments for the first half of 2011 amounted to HK\$10.9 million and represented the gain relating to the ineffective portion of cash flow hedge recognised in profit and loss.

Finance costs

Finance costs amounted to HK\$1,280.9 million for the six months ended 30 June 2011, representing a 2.3% increase from HK\$1,252.1 million for the six months ended 30 June 2010.

Total bank and other borrowings and corporate bonds as at 30 June 2011 amounted to HK\$77,550.2 million, representing an increase of HK\$9,737.6 million or 14.4% as compared with HK\$67,812.6 million as at 30 June 2010.

Average interest rate (including capitalised interest expenses) for the Group decreased to 3.79% in the first half of 2011 from 4.80% in the first half of 2010.

Management's Discussion and Analysis

	For the six months ended	
	30 June 2011 HK\$'000	30 June 2010 HK\$'000
Interest on bank and other borrowings		
– wholly repayable within five years	1,147,031	1,144,097
– not wholly repayable within five years	185,233	257,376
Interest on corporate bonds	111,835	89,503
	1,444,099	1,490,976
Less: Interest capitalised in property, plant and equipment	(163,205)	(238,915)
	1,280,894	1,252,061

Share of results of associates

Share of results of associates in the first half of 2011 amounted to HK\$280.0 million, representing a 31.4% decrease compared to HK\$408.1 million in the first half of 2010. The decrease is mainly due to a decrease in share of results of associate power plants mainly Xuzhou and Zhenjiang caused by rising coal costs, share of losses of Shanxi Asian American-Danling and China Resources Taiyuan which have not resumed commercial production in the first half of 2011, and partly offset by increase in share of results of Shajiao C and Yonghua Coal, a coal mine operation in Henan which is owned as to 49% by our Shouyangshan Power Plant.

Share of results of jointly controlled entities

Share of results of jointly controlled entities in the first half of 2011 amounted to HK\$6.5 million, as compared to HK\$8.9 million in the first half of 2010. Share of results of jointly controlled entities in the first half of 2011 was mainly share of profit from Tianjin Zhonghai Huarun Marine Company Limited.

Taxation

Taxation charge for the first half of 2011 was HK\$667.6 million, representing a 99.6% increase from HK\$334.5 million for the first half of 2010. The increase in PRC enterprise income tax is mainly due to tax paid by Shanxi CR Liansheng and Changshu. As Shanxi CR Liansheng increased production volume by 97.1% in the first half of 2011, and as coal mine operations pay a standard tax rate of 25%, income tax payable by Shanxi CR Liansheng also increased significantly. Income tax payable by Changshu increased in the first half of 2011 as 2011 will be the last year for Changshu to offset income tax payable using tax credits from the purchase of PRC domestically manufactured equipment. Changshu has booked the full amount of tax payable (before offsetting against tax credits) in the first half of the year. Details of the taxation charge for the six months ended 30 June 2010 and 2011 are set out below:

	For the six months ended	
	30 June 2011 HK\$'000	30 June 2010 HK\$'000
The Company and its subsidiaries		
Current tax - PRC Enterprise Income Tax	680,690	315,153
Deferred taxation	(13,138)	19,332
	667,552	334,485

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



Management's Discussion and Analysis

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

Profit for the period

	For the six months ended	
	30 June 2011 HK\$'000	30 June 2010 HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	2,272,335	1,863,580
Amortisation of prepaid lease payments	27,355	29,955
Amortisation of mining rights	140,770	65,033
Total depreciation and amortisation	2,440,460	1,958,568
Salaries and staff welfare	1,523,556	1,027,547
and after crediting:		
Included in other income		
CDM income	68,833	15,387
Government grant	167,416	12,504
Interest income	178,933	130,591
Sales of scrap materials	141,590	6,648
Included in other gains and losses		
Fair value change on derivative financial instruments	10,880	40,294
Net exchange gain	466,885	16,614

Profit for the period attributable to owners of the Company

As a result of the above, the Group's net profit for the first half of 2011 increased to HK\$2,484.1 million, representing a 1.0% increase compared to HK\$2,459.8 million for the first half of 2010.

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:

	For the six months ended	
	30 June 2011	30 June 2010
	HK\$'000	HK\$'000
Profit attributable to owners of the Company	2,484,053	2,459,835

	Number of ordinary shares	
	1 January 2011 to 30 June 2011	1 January 2010 to 30 June 2010
	Weighted average number of ordinary shares for the purpose of basic earnings per share	4,687,014,527
Effect of dilutive potential ordinary shares: - share options	47,577,459	77,263,077
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,734,591,986	4,727,898,444

Interim dividend and closure of register of members

The Board resolved to declare an interim dividend of HK6 cents per share for the six months ended 30 June 2011 (2010: HK6 cents per share).

At the board meeting held on 17 March 2011, the directors proposed a final dividend of HK\$0.27 per share for the year ended 31 December 2010. Such proposal was subsequently approved by shareholders on 8 June 2011. The 2010 final dividend paid was approximately HK\$1,267,613,000 (2009: HK\$1,503,979,000).

At the board meeting held on 22 August 2011, the directors declared an interim dividend of HK6 cents per share (2010: interim dividend of HK6 cents per share). Based on the latest number of shares in issue at the date of this announcement, the aggregate amount of the dividend is estimated to be HK\$284,324,000 (2010: HK\$282,612,000).

The interim dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company on Friday, 23 September 2011. The register of members of the Company will be closed from Monday, 19 September 2011 to Friday, 23 September 2011 (both days inclusive), during which no share transfer will be registered. To qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 16 September 2011. The dividend will be payable on or about 3 October 2011.



Management's Discussion and Analysis

Capital structure management

The Group and the Company manages its capital structure to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through optimizing of the debt and equity structure. 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 periodic basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations from the Directors, the Group will balance its overall capital structure through payment of dividends, new share issues and share buy-backs as well as the issue of new debts or the repayment of existing debts.

Liquidity and financial resources and borrowings

The Group had net current liabilities of HK\$12,857.2 million as at 30 June 2011. The Directors are of the opinion that, taking into account the presently available banking facilities and internally generated net operating cash inflows of the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months commencing from the date of the condensed consolidated financial statements.

The bank balances and cash as at 30 June 2011 denominated in local currency and foreign currencies amounted to HK\$2,566.4 million, RMB3,748.6 million and US\$29.7 million, respectively.

The bank and other borrowings of the Group as at 31 December 2010 and 30 June 2011 were as follows:

	As at 30 June 2011 HK\$'000	As at 31 December 2010 HK\$'000
Secured bank loans	1,937,925	861,058
Unsecured bank loans	64,790,817	63,294,724
Corporate bonds	10,812,693	10,653,559
Other loans	8,728	101,812
	77,550,163	74,911,153

The maturity profile of the above loans is as follows:

	As at 30 June 2011 HK\$'000	As at 31 December 2010 HK\$'000
Within 1 year	19,618,190	20,667,961
More than 1 year, but not exceeding 2 years	12,945,440	24,441,275
More than 2 years, but not exceeding 5 years	21,257,536	16,226,073
More than 5 years	23,728,997	13,575,844
	77,550,163	74,911,153
Pledge of assets (Note)	2,348,363	1,843,895

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\$1,395,757,000 (2010: HK\$65,444,000), HK\$0 (2010: HK\$128,543,000), HK\$930,505,000 (2010: HK\$1,418,691,000) and HK\$22,101,000 (2010: HK\$231,217,000).

The bank and other borrowings as at 30 June 2011 denominated in local currency and foreign currency amounted to HK\$18,797.1 million, RMB44,293.7 million and US\$705.6 million, respectively.

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 30 June 2011, loans of HK\$10,941,000,000 which were provided using floating rates were swapped to fixed interest rates at a range from 1.605% to 4.520% per annum.

In May 2011, China Resources Power East Foundation Co., Ltd., a wholly owned subsidiary of the Company, issued US\$750 million Perpetual Capital Securities.

As at 30 June 2011, the Group's ratio of net debt to shareholders' equity was 157.6%. In the opinion of the Directors, the Group has a reasonable capital structure, which can support its future development plan and operations.

For the six months ended 30 June 2011, the Group's primary sources of funding included new bank and other borrowings raised, net proceeds from issue of Perpetual Capital Securities, advance from group companies and net cash inflow from operating activities, which amounted to HK\$28,885.0 million, HK\$5,789.8 million, HK\$3,634.9 million and HK\$2,538.6 million, respectively. The Group's funds were primarily used in repayment of short-term bank borrowings, net cash outflow on acquisition of interest in an associate, purchase and deposit paid for acquisition of property, plant and equipment, interest paid and dividend paid, which amounted to HK\$27,550.6 million, HK\$4,412.9 million, HK\$4,824.4 million, HK\$1,302.0 million and HK\$1,267.6 million, respectively.



Management's Discussion and Analysis

Trade receivables

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

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

	As at 30 June 2011 HK\$'000	As at 31 December 2010 HK\$'000
0 - 30 days	5,655,433	6,422,154
31 - 60 days	410,827	271,699
Over 60 days	435,795	71,906
	6,502,055	6,765,759

Trade payables

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

	As at 30 June 2011 HK\$'000	As at 31 December 2010 HK\$'000
0 - 30 days	2,329,591	2,307,565
31 - 90 days	309,754	483,608
Over 90 days	197,758	383,171
	2,837,103	3,174,344

Key financial ratios of the Group

	As at 30 June 2011	As at 31 December 2010
Current ratio (times)	0.69	0.66
Quick ratio (times)	0.61	0.61
Net debt to shareholders' equity (%)	157.6	161.5
EBITDA interest coverage (times)	5.27	4.38

Management's Discussion and Analysis

Current ratio	=	balance of current assets at the end of the period / balance of current liabilities at the end of the period
Quick ratio	=	(balance of current assets at the end of the period - balance of inventories at the end of the period) / balance of current liabilities at the end of the period
Net debt to shareholders' equity	=	(balance of total bank and other borrowings and corporate bonds at the end of the period - balance of bank balances and cash at the end of the period) / balance of equity attributable to owners of the Company at the end of the period
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 denominated in RMB. Dividends received from the Company's subsidiaries and associates are collected in either RMB, US Dollar ("USD") or Hong Kong Dollar ("HKD").

RMB is not a freely convertible currency. Future exchange rates of RMB may vary significantly from the current or historical exchange rates. The exchange rates may also be affected by economic developments and political changes and supply and demand of RMB. The appreciation or devaluation of RMB against HKD or USD may have positive 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 30 June 2011, the Group had HK\$2,566.4 million and US\$29.7 million cash at bank, and HK\$18,797.1 million and US\$705.6 million bank borrowings on its balance sheet, the remaining assets and liabilities of the Group were mainly denominated in RMB.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2011.

Employees

As at 30 June 2011, the Group had approximately 33,705 employees.

The Group has concluded employment contracts with all of its employees. The compensation of employees mainly includes salaries and performance-based bonuses. The Company has also implemented share option schemes and Medium to Long-term Performance Evaluation Incentive Plan in order to attract and retain the best available personnel and to provide additional incentives to employees.



Report on Review of Interim Financial Information



**TO THE BOARD OF DIRECTORS OF
CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED**

華潤電力控股有限公司

INTRODUCTION

We have reviewed the interim financial information set out on pages 31 to 55 which comprises the condensed consolidated statement of financial position of China Resources Power Holdings Company Limited (the "Company") and its subsidiaries as of 30 June 2011 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
22 August 2011

Condensed Consolidated Income Statement

For the Six Months ended 30 June 2011

	NOTES	1.1.2011 to 30.6.2011 HK\$'000 (unaudited)	1.1.2010 to 30.6.2010 HK\$'000 (unaudited)
Turnover	3	29,032,879	21,161,937
Operating expenses			
Fuel		(17,348,021)	(12,348,459)
Repairs and maintenance		(411,168)	(288,650)
Depreciation and amortisation		(2,440,460)	(1,958,568)
Others		(5,060,421)	(2,792,173)
Total operating expenses		(25,260,070)	(17,387,850)
Other income		630,077	236,661
Other gains and losses		486,368	56,908
Profit from operations		4,889,254	4,067,656
Finance costs	4	(1,280,894)	(1,252,061)
Share of results of associates		279,986	408,096
Share of results of jointly controlled entities		6,470	(8,879)
Profit before taxation		3,894,816	3,214,812
Taxation	5	(667,552)	(334,485)
Profit for the period	6	3,227,264	2,880,327

Condensed Consolidated Income Statement

For the Six Months ended 30 June 2011

	NOTE	1.1.2011 to 30.6.2011 HK\$'000 (unaudited)	1.1.2010 to 30.6.2010 HK\$'000 (unaudited)
Profit for the period attributable to:			
Owners of the Company		2,484,053	2,459,835
Non-controlling interests			
- Perpetual capital securities		59,916	—
- Others		683,295	420,492
		743,211	420,492
		3,227,264	2,880,327
Earnings per share	8		
- basic (HK cents)		53.00	52.89
- diluted (HK cents)		52.47	52.03

Condensed Consolidated Statement of Comprehensive Income

For the Six Months ended 30 June 2011

	1.1.2011 to 30.6.2011 HK\$'000 (unaudited)	1.1.2010 to 30.6.2010 HK\$'000 (unaudited)
Profit for the period	3,227,264	2,880,327
Other comprehensive income and expense:		
Exchange differences from translation	998,584	332,526
Share of changes in translation reserve of associates and jointly controlled entities	338,516	107,770
Fair value change on cash flow hedges	5,975	(84,035)
Other comprehensive income for the period	1,343,075	356,261
Total comprehensive income for the period	4,570,339	3,236,588
Total comprehensive income for the period attributable to:		
Owners of the Company	3,627,378	2,743,875
Non-controlling interests		
- Perpetual capital securities	59,916	—
- Others	883,045	492,713
	942,961	492,713
	4,570,339	3,236,588

Condensed Consolidated Statement of Financial Position

At 30 June 2011

	NOTES	30.6.2011 HK\$'000 (unaudited)	31.12.2010 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	9	89,260,197	84,273,757
Prepaid lease payments		1,924,532	1,891,805
Mining rights	9	10,272,205	9,939,938
Exploration and resources rights		151,650	148,218
Interests in associates	10	17,906,554	12,279,541
Interests in jointly controlled entities		1,631,020	935,595
Goodwill		3,796,731	3,796,731
Investments in investee companies		1,145,090	1,093,160
Deposits paid for acquisition of property, plant and equipment		2,290,119	1,145,815
Deposits paid for acquisition of mining/ exploration rights	11	2,667,203	2,794,700
Deposits paid for land use rights		128,517	111,741
Other non-current deposits paid		284,767	158,170
Deferred taxation assets		105,383	107,084
		131,563,968	118,676,255
Current assets			
Inventories		3,604,320	2,006,017
Trade receivables, other receivables and prepayments	12	13,293,780	10,763,185
Amounts due from associates		3,013,471	2,853,053
Amounts due from jointly controlled entities		1,287,902	1,417,034
Amounts due from related companies		130,719	159,293
Financial assets at fair value through profit or loss		3,627	3,544
Restricted bank balances		60,003	58,641
Pledged bank deposits		264,091	271,818
Bank balances and cash		7,304,739	6,801,707
		28,962,652	24,334,292

Condensed Consolidated Statement of Financial Position

At 30 June 2011

	NOTES	30.6.2011 HK\$'000 (unaudited)	31.12.2010 HK\$'000 (audited)
Current liabilities			
Trade payables, other payables and accruals	13	17,364,838	14,682,456
Amounts due to associates		735,010	1,092,917
Amounts due to related companies	14	3,835,615	116,386
Taxation payable		266,203	149,198
Bank and other borrowings - repayable within one year	15	19,618,190	20,667,961
		41,819,856	36,708,918
Net current liabilities		(12,857,204)	(12,374,626)
Total assets less current liabilities		118,706,764	106,301,629
Non-current liabilities			
Bank and other borrowings - repayable after one year	15	57,931,973	54,243,192
Accrued retirement benefit cost		286,124	286,801
Derivative financial instruments	16	307,031	323,885
Deferred taxation liabilities		462,622	493,655
Deferred consideration payables		534,092	693,987
		59,521,842	56,041,520
		59,184,922	50,260,109
Capital and reserves			
Share capital	17	4,736,840	4,719,501
Share premium and reserves		39,824,292	37,444,717
Equity attributable to owners of the Company		44,561,132	42,164,218
Non-controlling interests			
- Perpetual capital securities	19	5,895,666	—
- Others		8,728,124	8,095,891
		14,623,790	8,095,891
		59,184,922	50,260,109

Condensed Consolidated Statement of Changes in Equity

For the Six Months ended 30 June 2011

	Attributable to the owners of the Company										Non-controlling interests				
	Share capital	Share premium	General reserve	Special reserve	Capital reserve	Shares held for share award scheme	Translation reserve	Share option reserve	Hedging reserve	Retained profits	Total	Perpetual capital securities	Others	Total	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2010	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	7,561,403	45,155,382
Exchange differences arising from translation	—	—	—	—	—	—	766,175	—	—	—	766,175	—	264,057	264,057	1,030,232
Share of changes in translation reserve of associates and jointly controlled entities	—	—	—	—	—	—	385,606	—	—	—	385,606	—	—	—	385,606
Fair value change on cash flow hedges	—	—	—	—	—	—	—	—	24,076	—	24,076	—	—	—	24,076
Profit for the year	—	—	—	—	—	—	—	—	—	4,903,654	4,903,654	—	858,183	858,183	5,761,837
Total comprehensive income for the year	—	—	—	—	—	—	1,151,781	—	24,076	4,903,654	6,079,511	—	1,122,240	1,122,240	7,201,751
Shares issued upon exercise of options	36,070	123,211	—	—	—	—	—	—	—	—	159,281	—	—	—	159,281
Recognition of equity settled share based payments	—	—	—	—	—	—	—	27,688	—	—	27,688	—	—	—	27,688
Transfer of share option reserve upon exercise of share options	—	69,731	—	—	—	—	—	(69,731)	—	—	—	—	—	—	—
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	26,513	26,513	26,513
Acquisition of additional interests in subsidiaries	—	—	—	—	(2,285)	—	—	—	—	—	(2,285)	—	(602,431)	(602,431)	(604,716)
Acquisition of assets	—	—	—	—	—	—	—	—	—	—	—	—	196,459	196,459	196,459
Acquisition of assets and additional interest in a subsidiary through acquisition of a subsidiary	—	—	—	—	(48,753)	—	—	—	—	—	(48,753)	—	143,771	143,771	95,018
Capital contribution by non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	—	148,972	148,972	148,972
Share of changes in capital reserve of an associate and a jointly controlled entity	—	—	—	—	125,721	—	—	—	—	—	125,721	—	150,436	150,436	276,157
Dividends paid to non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	—	(651,472)	(651,472)	(651,472)
Dividends paid	—	—	—	—	—	—	—	—	—	(1,770,924)	(1,770,924)	—	—	—	(1,770,924)
Transfer of reserves	—	—	158,569	—	—	—	—	—	—	(158,569)	—	—	—	—	—
Transfer (Note a)	—	—	—	—	133,692	—	—	—	—	(133,692)	—	—	—	—	—
Transfer upon utilisation (Note b)	—	—	—	—	(43,713)	—	—	—	—	43,713	—	—	—	—	—
At 31 December 2010	4,719,501	16,680,090	1,145,610	40,782	199,911	(681,500)	4,422,147	277,084	(285,435)	15,646,028	42,164,218	—	8,095,891	8,095,891	50,260,109

Condensed Consolidated Statement of Changes in Equity

For the Six Months ended 30 June 2011

	Attributable to the owners of the Company										Non-controlling interests				
	Share capital HK\$'000	Share premium HK\$'000	General reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Shares held for share award scheme HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Hedging reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Perpetual capital securities HK\$'000	Others HK\$'000	Total HK\$'000	Total HK\$'000
Exchange differences from translation	—	—	—	—	—	—	798,834	—	—	—	798,834	—	199,750	199,750	998,584
Share of changes in translation reserve of associates and jointly controlled entities	—	—	—	—	—	—	338,516	—	—	—	338,516	—	—	—	338,516
Fair value change on cash flow hedges	—	—	—	—	—	—	—	—	5,975	—	5,975	—	—	—	5,975
Profit for the period	—	—	—	—	—	—	—	—	2,484,053	2,484,053	59,916	683,295	743,211	3,227,264	
Total comprehensive income for the period	—	—	—	—	—	—	1,137,350	—	5,975	2,484,053	3,627,378	59,916	883,045	942,961	4,570,339
Shares issued upon exercise of options	17,339	58,798	—	—	—	—	—	—	—	—	76,137	—	—	—	76,137
Recognition of equity settled share based payments	—	—	—	—	—	—	—	6,944	—	—	6,944	—	—	—	6,944
Transfer of share option reserve upon exercise of share options	—	32,092	—	—	—	—	—	(32,092)	—	—	—	—	—	—	—
Issue of perpetual capital securities	—	—	—	—	—	—	—	—	—	—	5,835,750	—	5,835,750	5,835,750	
Direct costs for issue of perpetual capital securities	—	—	—	—	—	—	—	—	(45,932)	(45,932)	—	—	—	(45,932)	
Dividends paid to non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	(250,812)	(250,812)	(250,812)	
Dividends paid (note 7)	—	—	—	—	—	—	—	—	(1,267,613)	(1,267,613)	—	—	—	(1,267,613)	
Transfer of reserves	—	—	214,005	—	—	—	—	—	(214,005)	—	—	—	—	—	
Transfer (Note a)	—	—	—	—	132,876	—	—	—	(132,876)	—	—	—	—	—	
Transfer upon utilisation (Note b)	—	—	—	—	(23,472)	—	—	—	23,472	—	—	—	—	—	
At 30 June 2011	4,736,840	16,770,980	1,359,615	40,782	309,315	(681,500)	5,559,497	251,936	(279,460)	16,493,127	44,561,132	5,895,666	8,728,124	14,623,790	59,184,922

Condensed Consolidated Statement of Changes in Equity

For the Six Months ended 30 June 2011

	Attributable to the owners of the Company											Non-controlling interests			
	Share capital HK\$'000	Share premium HK\$'000	General reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Shares held for share award scheme HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Hedging reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Perpetual capital securities HK\$'000	Others HK\$'000	Total HK\$'000	Total HK\$'000
At 1 January 2010	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	7,561,403	45,155,382
Exchange differences from translation	—	—	—	—	—	—	260,305	—	—	260,305	—	—	72,221	72,221	332,526
Share of changes in translation reserve of associates	—	—	—	—	—	—	107,770	—	—	107,770	—	—	—	—	107,770
Fair value change on cash flow hedges	—	—	—	—	—	—	—	—	(84,035)	(84,035)	—	—	—	—	(84,035)
Profit for the period	—	—	—	—	—	—	—	—	—	2,459,835	2,459,835	—	420,492	420,492	2,880,327
Total comprehensive income for the period	—	—	—	—	—	—	368,075	—	(84,035)	2,459,835	2,743,875	—	492,713	492,713	3,236,588
Shares issued upon exercise of options	19,047	61,043	—	—	—	—	—	—	—	80,090	—	—	—	—	80,090
Recognition of equity settled share based payments	—	—	—	—	—	—	16,377	—	—	16,377	—	—	—	—	16,377
Transfer of share option reserve upon exercise of share options	—	33,641	—	—	—	—	(33,641)	—	—	—	—	—	—	—	—
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	26,513	26,513	26,513
Acquisition of additional interests in subsidiaries	—	—	—	—	(2,285)	—	—	—	—	(2,285)	—	—	(602,431)	(602,431)	(604,716)
Acquisition of assets	—	—	—	—	—	—	—	—	—	—	—	—	196,459	196,459	196,459
Acquisition of additional interest in a subsidiary and acquisition of a subsidiary	—	—	—	—	(48,753)	—	—	—	—	(48,753)	—	—	143,771	143,771	95,018
Capital contribution by non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	—	85,318	85,318	85,318
Share of changes in capital reserves of an associate	—	—	—	—	113,493	—	—	—	—	113,493	—	—	150,436	150,436	263,929
Dividends paid to non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	—	(401,446)	(401,446)	(401,446)
Dividends paid	—	—	—	—	—	—	—	—	—	(1,503,979)	(1,503,979)	—	—	—	(1,503,979)
Transfer of reserves	—	—	118,862	—	—	—	—	—	—	(118,862)	—	—	—	—	—
Transfer (Note a)	—	—	—	—	94,738	—	—	—	—	(94,738)	—	—	—	—	—
Transfer upon utilisation (Note b)	—	—	—	—	(42,565)	—	—	—	—	42,565	—	—	—	—	—
At 30 June 2010	4,702,478	16,581,832	1,105,903	40,782	149,877	(681,500)	3,638,441	301,863	(393,546)	13,546,667	38,992,797	—	7,652,736	7,652,736	46,645,533

Notes:

- (a) Pursuant to certain 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. Subjected to the rules in the PRC Companies Law the fund can only be used for the future improvement of the mining facilities and enhancement of safety production environment. The fund is not available for distribution to shareholders.
- (b) During the period ended 30 June 2011, amount totalling HK\$23,472,000 (1 January 2010 to 30 June 2010:HK\$42,565,000) has been spent on the relevant assets and expenditure as approved by the PRC government, the corresponding amount was then transferred to retained profits.

Condensed Consolidated Statement of Cash Flows

For the Six Months ended 30 June 2011

	NOTE	1.1.2011 to 30.6.2011 HK\$'000 (unaudited)	1.1.2010 to 30.6.2010 HK\$'000 (unaudited)
Net cash from operating activities		2,538,601	4,944,241
Net cash used in investing activities			
Release of restricted bank balances		—	1,446,291
Dividend received from associates		278,208	21,951
Decrease in pledged bank deposits		15,145	441,572
Net cash outflow on acquisition of interest in an associate	10	(4,412,932)	—
Net cash outflow on acquisition of assets through acquisition of subsidiaries		—	(175,931)
Purchase and deposits paid for acquisition of property, plant and equipment		(4,824,376)	(5,136,841)
Purchase and deposits paid for acquisition of mining rights and exploration and resources rights		(401,017)	(399,444)
Capital contribution to associates		(33,793)	(2,472,747)
Capital contribution to jointly controlled entities		(579,373)	(598,116)
Advance to associates		(88,094)	(1,694,302)
Repayment from (advance to) jointly controlled entities		167,803	(1,324,747)
Acquisition of a subsidiary		—	(119,161)
Other investing cash inflows		58,905	35,976
		(9,819,524)	(9,975,499)

Condensed Consolidated Statement of Cash Flows

For the Six Months ended 30 June 2011

NOTE	1.1.2011 to 30.6.2011 HK\$'000 (unaudited)	1.1.2010 to 30.6.2010 HK\$'000 (unaudited)
Net cash from financing activities		
New bank and other borrowings raised	28,884,979	21,187,994
Proceeds from issue of corporate bonds	—	4,315,812
Net proceeds from issue of perpetual capital securities	5,789,818	—
Advance from non-controlling interests	81,172	909,679
Advance from (repayment to) group companies	3,634,881	(1,262)
Capital contribution from non-controlling shareholders	—	85,318
Repayment of bank and other borrowings	(27,550,594)	(14,774,010)
Dividend paid	(1,267,613)	(1,503,979)
Interest paid	(1,301,960)	(1,338,281)
Repayment to associates	(387,733)	(2,748,298)
Dividend paid to non-controlling shareholders of subsidiaries	(250,812)	(401,446)
Acquisition of additional interests in subsidiaries	—	(470,326)
Other financing cash inflows	76,137	80,090
	7,708,275	5,341,291
Net increase in cash and cash equivalents	427,352	310,033
Cash and cash equivalents at beginning of the period	6,801,707	6,261,931
Effect of foreign exchange rate changes	75,680	67,692
Cash and cash equivalents at end of the period	7,304,739	6,639,656
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	7,304,739	6,639,656

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 “Interim financial reporting”.

The Group had net current liabilities as at 30 June 2011. 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 condensed consolidated financial statements. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2010. In addition, the Group has applied the following accounting policy for perpetual capital securities during the current interim period:

Perpetual capital securities

Perpetual capital securities issued by the Group are classified as equity instruments and are initially recorded at the proceeds received. Direct costs for issue of perpetual capital securities are directly charged to retained earnings.

In the current interim period, the Group has applied, for the first time, a number of new or revised standards and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The application of these new and revised HKFRSs has had no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

The Group has not early applied the following new and revised Hong Kong Accounting Standards (“HKAS”s), Hong Kong Financial Reporting Standards (“HKFRS”s) and amendments that have been issued but are not yet effective.

HKFRS 7 (Amendments)	Disclosures - Transfers of financial assets ¹
HKFRS 9	Financial instruments ²
HKFRS 10	Consolidated financial statements ²
HKFRS 11	Joint arrangements ²
HKFRS 12	Disclosures of interests in other entities ²
HKFRS 13	Fair value measurement ²
HKAS 1 (Amendments)	Presentation of items of other comprehensive income ⁴
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets ³
HKAS 19 (Revised 2011)	Employee benefits ²
HKAS 27 (Revised 2011)	Separate financial statements ²
HKAS 28 (Revised 2011)	Investments in associates and joint ventures ²

¹ Effective for annual periods beginning on or after 1 July 2011.

² Effective for annual periods beginning on or after 1 January 2013.

³ Effective for annual periods beginning on or after 1 January 2012.

⁴ Effective for annual periods beginning on or after 1 July 2012.

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)**Perpetual capital securities** (Cont'd)

The five new or revised standards on consolidation, joint arrangements and disclosures were issued by the HKICPA in June 2011 and are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five new or revised standards are applied early at the same time. The directors of the Company anticipate that these new or revised standards will be applied in the Group's consolidated financial statements for financial year ending 31 December 2013 and the potential impact is described below.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements. Under HKFRS 10, there is only one basis for consolidation, that is control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires a lot of judgement.

HKFRS 11 replaces HKAS 31 "Interests in joint ventures". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, there are two types of joint arrangements: joint ventures and joint operations. The classification in HKFRS 11 is based on parties' rights and obligations under the arrangements. In contrast, under HKAS 31, there are three different types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

The directors of the Company are in the process of assessing the potential impact of the five new and revised standards and interpretations.

Other than disclosed above, the directors of the Company anticipate that the application of other standards and interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

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. When the group company operates in similar business model with similar target group of customers, the Group's operating segments are aggregated, resulting in the Group having two reportable segments for financial reporting purposes, comprising sales of electricity (inclusive of supply of heat generated by thermal power plant) and coal mining.

Segment profit represents the profit earned by each segment without allocation of central corporate expenses, interest income, fair value change on derivative financial instruments, finance costs, share of results of associates and share of result of jointly controlled entities.

Segment information about these operating divisions is presented below.

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

3. SEGMENT INFORMATION (Cont'd)

For the six months ended 30 June 2011

	Sales of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue				
External sales	25,323,753	3,709,126	—	29,032,879
Inter-segment sales	—	215,731	(215,731)	—
Total	25,323,753	3,924,857	(215,731)	29,032,879
Segment profit	3,655,500	1,278,306	—	4,933,806
Unallocated corporate expenses				(234,365)
Interest income				178,933
Fair value gain on derivative financial instruments				10,880
Finance costs				(1,280,894)
Share of results of associates				279,986
Share of results of jointly controlled entities				6,470
Profit before taxation				3,894,816

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

3. SEGMENT INFORMATION (Cont'd)

For the six months ended 30 June 2010

	Sales of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue				
External sales	19,185,902	1,976,035	—	21,161,937
Inter-segment sales	—	54,592	(54,592)	—
Total	19,185,902	2,030,627	(54,592)	21,161,937
Segment profit	3,214,862	846,293	—	4,061,155
Unallocated corporate expenses				(164,384)
Interest income				130,591
Fair value gain on derivative financial instruments				40,294
Finance costs				(1,252,061)
Share of results of associates				408,096
Share of results of jointly controlled entities				(8,879)
Profit before taxation				3,214,812

Inter-segment sales are charged at prevailing market rates.

4. FINANCE COSTS

	1.1.2011 to 30.6.2011 HK\$'000	1.1.2010 to 30.6.2010 HK\$'000
Interest on bank and other borrowings:		
– wholly repayable within five years	1,147,031	1,144,097
– not wholly repayable within five years	185,233	257,376
Interest on corporate bonds	111,835	89,503
Less: Interest capitalised in property, plant and equipment (Note)	1,444,099 (163,205)	1,490,976 (238,915)
	1,280,894	1,252,061

Note: Borrowing costs capitalised during the period arose on funds borrowed specifically for the purpose of obtaining qualifying assets and on the general borrowing pool which are calculated by applying a capitalisation rate of 5.14% (six months ended 30 June 2010: 4.48%) per annum to expenditure on qualifying assets.

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

5. TAXATION

	1.1.2011 to 30.6.2011 HK\$'000	1.1.2010 to 30.6.2010 HK\$'000
The Company and its subsidiaries		
Current tax:		
PRC Enterprise Income Tax	680,690	315,153
Deferred taxation	(13,138)	19,332
	667,552	334,485

No provision for Hong Kong Profits Tax has been made as the Group had no taxable profit in Hong Kong or incurred 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. This tax incentive will expire in 2012. 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, are 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.

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 period in which the plant and equipment are acquired as compared with the tax amount of the previous period. The portion of the Tax Benefit that is not utilised in the current period 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 from 1 January 2008. The deferred tax reflects the tax rates that are expected to apply to the respective periods when the assets are realised or the liabilities are settled.

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	1.1.2011 to 30.6.2011 HK\$'000	1.1.2010 to 30.6.2010 HK\$'000
Depreciation of property, plant and equipment	2,272,335	1,863,580
Amortisation of prepaid lease payments	27,355	29,955
Amortisation of mining rights	140,770	65,033
Total depreciation and amortisation	2,440,460	1,958,568
Salaries and staff welfare	1,523,556	1,027,547
and after crediting:		
Included in other income		
CDM income	68,833	15,387
Government grant (Note)	167,416	12,504
Interest income	178,933	130,591
Sales of scrap materials	141,590	6,648
Included in other gains and losses		
Fair value change on derivative financial instruments	10,880	40,294
Net exchange gain	466,885	16,614

Note: During the period ended 30 June 2011, the Group received subsidies from the relevant PRC Government for the high operating cost due to increase in coal price amounting to HK\$43,459,000 (six months ended 30 June 2010: nil). There were no unfulfilled conditions attached to these grants and, therefore, the Group recognised the grants upon receipts.

During the period ended 30 June 2011, the Group received subsidies from the PRC Government to encourage the operations of certain PRC subsidiaries for growth in supply of electricity of HK\$54,102,000 (six months ended 30 June 2010: HK\$1,930,000) and development of environmental friendly electricity generation of HK\$7,446,000 (six months ended 30 June 2010: HK\$5,329,000). There were no unfulfilled conditions attached to these grants and, the Group has recognised the grants upon receipts.

During the period ended 30 June 2011, the Group received grants from the relevant PRC Government to subsidise supply of heat at high operating cost amounting to HK\$56,348,000 (six months ended 30 June 2010: HK\$3,530,000). There were no unfulfilled conditions attached to these grants and, therefore, the Group recognised the grants upon receipts.

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

7. DIVIDENDS

	1.1.2011 to 30.6.2011 HK\$'000	1.1.2010 to 30.6.2010 HK\$'000
Dividend recognised as distribution during the period		
Final dividend paid in respect of the 2010 financial year of HK\$0.27 (2010: final dividend paid in respect of the 2009 financial year of HK\$0.32) per share on 4,736,094,011 shares (2010: 4,699,935,919 shares) (Note)	1,278,745	1,503,979
Dividend declared after the end of the interim reporting period		
Interim dividend declared in respect of the current financial period	284,362	282,612

Subsequent to the end of the financial period, the Board of Directors resolved to declare an interim dividend of HK\$0.06 per share for the six months ended 30 June 2011 (six months ended 30 June 2010: HK\$0.06). The declared interim dividend for 2011 is based on 4,739,369,797 shares in issue at 22 August 2011.

Note: During the period ended 30 June 2011, dividends recognised as distribution amounting to HK\$1,267,613,000 (six months ended 30 June 2010: HK\$1,503,979,000) is after elimination of HK\$11,132,000 (six months ended 30 June 2010: nil) paid for shares held by the share award scheme, namely Medium to Long-term Performance Evaluation Incentive Plan.

8. 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:

	1.1.2011 to 30.6.2011 HK\$'000	1.1.2010 to 30.6.2010 HK\$'000
Profit attributable to owners of the Company	2,484,053	2,459,835
	Number of ordinary shares	
	1.1.2011 to 30.6.2011	1.1.2010 to 30.6.2010
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,687,014,527	4,650,635,367
Effect of dilutive potential ordinary shares: - share options	47,577,459	77,263,077
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,734,591,986	4,727,898,444

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

9. PROPERTY, PLANT AND EQUIPMENT/MINING RIGHTS

During the six months ended 30 June 2011, the Group had additions to property, plant and equipment of HK\$5,511,846,000 (six months ended 30 June 2010: HK\$4,640,257,000).

During the six months ended 30 June 2011, the Group had additions to mining rights of coal mines of HK\$241,122,000 (six months ended 30 June 2010: HK\$7,375,092,000).

10. INTERESTS IN ASSOCIATES

During the period, China Resources Coal Holdings Company Limited, a wholly-owned subsidiary of the Company, entered into an agreement with an independent third party on 11 March 2011 to acquire 100% of the share capital of AACI SAADEC (HK) Holdings Limited for a consideration of US\$669,000,000 (equivalent to approximately HK\$5,207,718,000). The principal asset of AACI SAADEC (HK) Holdings Limited is 56% equity interest in Shanxi Asian American-Daning Energy Co., Ltd. ("Shanxi Asian American-Daning") which operates the Shanxi Asian American-Daning Coal Mine ("Daning Coal Mine"), a coal mine located at Yangcheng County, Jincheng City, Shanxi Province, the PRC. The acquisition was completed on 11 March 2011. Up to 30 June 2011, the Group paid USD568,650,000 (equivalent to HK\$4,426,560,000). The deferred consideration payables amounting to USD100,350,000 (equivalent to HK\$781,158,000) was included in trade payables, other payables and accruals (see Note 13) in which USD33,450,000 (equivalent to HK\$260,386,000) and USD66,900,000 (equivalent to HK\$520,772,000) will be paid on 12 September 2011 and 14 March 2012, respectively. The net cash outflow arising on the acquisition was HK\$4,412,932,000. Upon completion of the acquisition, Shanxi Asian American-Daning was accounted for as an associate company of the Group. Pursuant to the shareholders' agreement of Shanxi Asian American-Daning, the Group has the right to appoint 4 out of 7 directors of the entity. However, 5 out of 7 of the board members' approval is required in respect of certain key financial and operating matters. The directors of the Company consider that the Group does not have control over Shanxi Asian American-Daning but is able to exercise significant influence in the operation thereof.

Daning Coal Mine suspended its operation and production since 1 January 2011 pending its applications for the renewal of the mining license certificate (採礦許可證) and safety production license certificate (安全生產許可證). The mining license (採礦許可證) of Daning Coal Mine is valid till 15 April 2027. Shanxi Asian American-Daning is required to obtain a new license certificate to reflect the changes of certain technical information pursuant to the requirements of Shanxi provincial government. The safety production license certificate of Daning Coal Mine has expired on 31 December 2010 and its renewal is subject to Daning Coal Mine's receipt of the new mining license certificate. Shanxi Asian American-Daning has made application to change its mining license certificate, which was not accepted by the relevant PRC authorities. To the best of the knowledge, information and belief of the directors of the Company, such incident was due to disagreements among the shareholders of the Shanxi Asian American-Daning prior to the acquisition by the Group in respect of their shareholdings in Shanxi Asian American-Daning. The directors of the Company are confident that it will be able to solve the disagreements among shareholders and facilitate Daning Coal Mine to obtain the new mining license certificate and safety production license certificate in due course. The directors of the Company considered that the risk of exposure to impairment losses of the Group's investment in Shanxi Asian American-Daning is minimal.

Included in the interest in associates is a derivative over an associate amounting to HK\$107,571,000. Pursuant to an agreement made between the Group and one of shareholders of the associate, an independent third party, the shareholder granted a call option at a consideration of RMB151,776,000 which would be paid in 8 instalments, to the Group to acquire its 31% equity interest in the associate on 16 April 2012 at a pre-determined consideration. Up to 30 June 2011, RMB94,860,000 (equivalent to HK\$107,571,000) was paid. In the opinion of the directors, the call option is linked to and must be settled by delivery of the equity shares of the associate and its fair value cannot be reliably measured, and hence was measured at cost less impairment.

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

11. DEPOSITS PAID FOR ACQUISITION OF MINING/EXPLORING RIGHTS

Included in the deposits paid for acquisition of mining/exploring rights is an amount of HK\$1,375,670,000 (31 December 2010: HK\$1,345,916,000) paid for a coal mine located in Inner Mongolia Autonomous Region. In June 2008, a subsidiary of the Group 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 Autonomous Region with consideration amounted to RMB1,851,559,000 (equivalent to approximately HK\$2,175,915,000). Up to 30 June 2011, consideration amounted to RMB1,145,285,000 (equivalent to approximately HK\$1,375,670,000) (31 December 2010: RMB1,145,285,000 (equivalent to approximately HK\$1,345,916,000)) had been paid by the Group. In December 2009, the subsidiary brought a lawsuit against Party A on the ground that Party A breached the agreement. The subsidiary requested to terminate the agreement and to refund the deposit paid. Certain assets of Party A amounting to RMB1,242,959,000 (equivalent to approximately HK\$1,492,992,000) were frozen by civil court on the ground that Party A breached the agreement. The management is satisfied that no impairment is considered necessary in respect of the deposit paid.

12. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

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

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

	30.6.2011 HK\$'000	31.12.2010 HK\$'000
0 - 30 days	5,655,433	6,422,154
31 - 60 days	410,827	271,699
Over 60 days	435,795	71,906
	6,502,055	6,765,759

Included in the Group's prepayments are prepayments for purchase of coal and fuel amounted to HK\$2,671,564,000 (31 December 2010: HK\$1,536,736,000). In addition, other receivables and prepayments included an amount of VAT receivable of HK\$1,861,339,000 (31 December 2010: HK\$933,564,000) and advances to power grid companies of HK\$372,766,000 (31 December 2010: HK\$422,573,000). The advances to power grid companies are unsecured, non-interest bearing and repayable on demand.

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

13. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

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

	30.6.2011 HK\$'000	31.12.2010 HK\$'000
Trade payables		
0 - 30 days	2,329,591	2,307,565
31 - 90 days	309,754	483,608
Over 90 days	197,758	383,171
	2,837,103	3,174,344
The other payables and accruals include:		
Accrued purchases of coal and fuel	454,887	655,547
Payables in respect of purchase and construction of property, plant and equipment	9,830,058	7,797,668
Accrued wages	574,031	608,534
Payable in respect of employee settlement cost	452,742	491,624
Other tax payables	551,278	512,696
Provision for restoration, rehabilitation and environmental expenditure	75,644	42,200
Receipt in advance	894,343	261,070
Deferred consideration payables (Note 10)	781,158	—
Other payables and accruals	913,594	1,138,773
	14,527,735	11,508,112

14. AMOUNTS DUE TO RELATED COMPANIES

Included in amount due to related companies is an amount of HK\$3,607,410,000 (31 December 2010: nil) due to China Resources Co., Limited, an intermediate holding company. The amount is unsecured, bears interest ranging from 5.30% to 5.86% per annum and repayable on or before 31 December 2011.

15. BANK AND OTHER BORROWINGS

During the six months ended 30 June 2011, the Group repaid bank and other borrowings amounting to HK\$27,550,594,000 (six months ended 30 June 2010: HK\$14,774,010,000) and obtained new bank and other borrowings amounting to HK\$28,884,979,000 (six months ended 30 June 2010: HK\$21,187,994,000) which were used as general working capital and for financing the acquisition of property, plant and equipment and subsidiaries.

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

16. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives under hedge accounting

	30.06.2011 HK\$'000	31.12.2010 HK\$'000
Cash flow hedges - Interest rate swaps	307,031	323,885

Cash flow hedges

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

30 June 2011

Notional amount	Maturity	Swaps
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%
HK\$1,000,000,000	6 May 2015	From HIBOR to 2.12%
HK\$1,184,000,000	6 May 2015	From HIBOR + 0.92% to 2.115%
HK\$500,000,000	8 June 2015	From HIBOR + 1.20% to 2.075%
HK\$500,000,000	22 February 2016	From HIBOR to 2.285%
HK\$702,000,000	17 March 2016	From LIBOR to 2.325%
HK\$3,120,000,000	16 June 2016	From HIBOR to 1.605%

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

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

31 December 2010

Notional amount	Maturity	Swaps
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%
HK\$1,000,000,000	6 May 2015	From HIBOR to 2.12%
HK\$1,184,000,000	6 May 2015	From HIBOR + 0.92% to 2.115%
HK\$500,000,000	8 June 2015	From HIBOR + 1.20% to 2.075%

As at 30 June 2011, the gross fair value gain and fair value loss during the period from the interest rate swaps under cash flow hedge amounted to HK\$75,829,000 (six months ended 30 June 2010: HK\$17,467,000) and HK\$69,854,000 (six months ended 30 June 2010: HK\$101,502,000), respectively, and resulted in a net fair value gain of HK\$5,975,000 (fair value loss for the six months ended 30 June 2010: HK\$84,035,000) had been deferred in equity and are expected to be released to the profit or loss when the hedged interest expense is charged to profit or loss quarterly. Fair value gain and fair value loss of interest rate swaps for ineffective portion, amounted to HK\$13,521,000 (six months ended 30 June 2010: HK\$40,294,000) and HK\$2,641,000 (six months ended 30 June 2010: nil) respectively. The net change in fair value amounting to HK\$10,880,000 (six months ended 30 June 2010: HK\$40,294,000), was recognised in profit or loss in the current period.

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

17. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$1.00 each		
Authorised:		
Balance at 31 December 2010 and 30 June 2011	10,000,000	10,000,000
Issued and fully paid:		
Balance at 31 December 2010 and 1 January 2011	4,719,501	4,719,501
Issue upon exercise of share options	17,339	17,339
Balance at 30 June 2011	4,736,840	4,736,840

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

18. SHARE OPTIONS

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

	Number of share options
Outstanding at 1 January 2011	97,506,736
Exercised during the period for share options at an exercise price of:	
- HK\$2.75 per share	(3,973,948)
- HK\$3.919 per share	(984,760)
- HK\$4.175 per share	(2,123,200)
- HK\$4.641 per share	(8,430,460)
- HK\$6.925 per share	(1,636,360)
- HK\$12.21 per share	(190,000)
Outstanding at 30 June 2011	80,168,008

The weighted average closing price of the Company's shares at dates on which the options were exercised during the period was HK\$14.29.

19. PERPETUAL CAPITAL SECURITIES

On 11 May 2011, a subsidiary issued US\$750,000,000 (equivalent to HK\$5,835,750,000) 7.25% Guaranteed Perpetual Capital Securities ("Perpetual Capital Securities") at an issue price of 100 per cent which is guaranteed by the Company. The Perpetual Capital Securities were issued for general corporate funding purposes. Coupon payments of 7.25% per annum on the Perpetual Capital Securities are paid semi-annually in arrears from 9 November 2011 and may be deferred at the discretion of the Group. The Perpetual Capital Securities have no fixed maturity and are redeemable at the Group's option on or after 9 May 2016 at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. While any coupon interest payments are unpaid or deferred, the Group will not declare, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

20. CAPITAL COMMITMENTS

	30.6.2011 HK\$'000	31.12.2010 HK\$'000
Contracted for but not provided in the financial statements		
- Capital expenditure in respect of the additions of property, plant and equipment	17,415,264	21,190,579
- Capital expenditure in respect of acquisition of mining/exploration rights	9,618,003	9,477,236
	27,033,267	30,667,815

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

21. RELATED PARTY TRANSACTIONS

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

Name of related company	Relationship	Nature of transactions	1.1.2011 to 30.6.2011 HK\$'000	1.1.2010 to 30.6.2010 HK\$'000
China Resources Co., Ltd.	Intermediate holding company	Consideration paid for acquisition of interest in a subsidiary	—	528,120
		Interest expense paid	28,366	—
China Resources Property Management Co., Ltd.	Fellow subsidiary	Rental expense paid by the Group	2,050	2,135
China Resources (Shenzhen) Co., Ltd.	Fellow subsidiary	Rental expense paid by the Group	5,379	3,047
Taiyuan China Resources Coal Company Limited	Associate	Interest income received	74,414	58,886
Shanxi China Resources Coal Company Limited	Jointly controlled entity	Interest income received	37,542	14,151
Shangxi Jinrun Co., Ltd.	Associate	Interest expense paid	9,389	6,232
Certain subsidiaries of China Resources Cements Holdings Limited	Fellow subsidiary	Sales of de-sulphur gypsum	2,588	2,232
		Sales of ash and slag	12,494	4,416
		Sales of coal	217,651	17,559
		Purchase of cement	—	959
		Purchase of limestone powder	2,048	2,644
Henan Yonghua Energy Company Limited	Associate	Purchase of fuel and coal	174,698	196,554

Notes to the Condensed Consolidated Financial Statements

(For the six months ended 30 June 2011)

21. RELATED PARTY TRANSACTIONS (Cont'd)

- (b) The remuneration of directors and other members of key management during the period was as follows:

	1.1.2011 to 30.6.2011 HK\$'000	1.1.2010 to 30.6.2010 HK\$'000
Short-term benefits	15,171	15,592
Post-employment benefits	630	338
Share-based payments	98	510
	15,899	16,440

- (c) Included in amounts due from associates of HK\$2,332,792,000 (31 December 2010: HK\$2,281,420,000) which is unsecured, carries interest at rates ranging from the rate offered by the People's Bank of China ("PBOC") to 120% of the rate offered by the PBOC and is repayable on or before 31 December 2011.

Included in amounts due from jointly controlled entities of HK\$1,202,470,000 (31 December 2010: HK\$1,175,180,000) which is unsecured, carries interest at the rate offered by the PBOC and is repayable on or before 31 December 2011.

Included in amounts due to associates of HK\$734,911,000 (31 December 2010: HK\$1,092,917,000) which is unsecured, carries interest at the rate set by PBOC for loan of the same maturity or 97% - 99% of the PBOC rate, and is 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 5% (2010: 3.72% to 5%) per annum.

Except for disclosed in note 14 and above, the amounts due from/to associates, amounts due from jointly controlled entities, and amounts due from/to related companies are unsecured, non-interest bearing and repayable on demand.

- (d) Transactions/balances with other state-controlled entities

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled, jointly controlled or significantly influenced by the Chinese government ("state-controlled entities"). In addition, the Group itself is part of a larger group of companies under China Resources National Corporation ("CRNC"), ultimate holding company of the Company, which is controlled by the Chinese government. Apart from the transactions with the parent company and its subsidiaries which have been disclosed in other notes to the condensed consolidated financial statements, the Group also conducts business with other state-controlled entities directly or indirectly controlled, jointly controlled or significantly influenced by the Chinese government in the ordinary course of business. The directors consider those state-controlled entities are independent third parties so far as the Group's business transactions with them are concerned.

The Group operates power plants in the PRC and sells all its electricity to the power grid companies which are also state-controlled entities in the PRC. In addition, the Group purchases significant amount of coal from coal mining companies and has certain borrowing with certain banks which are state-controlled entities in its ordinary course of business. The Group has also entered into various transactions, including other operating expenses with other state-controlled entities which individually and collectively were insignificant during the period.

Disclosure Of Interests

SHARE OPTIONS

Detailed terms of the Pre-IPO Share Option Scheme and Share Option Scheme were disclosed in the 2010 Annual Report.

(A) Pre-IPO Share Option Scheme

Movement of the options under the Pre-IPO Share Option Scheme during the year ended 30 June 2011 is as follows:

Participants	Date of grant	Number of options outstanding as at 1 January 2011	Number of options reclassified during the year	Number of options exercised during the year ⁽¹⁾	Number of options outstanding as at 30 June 2011	Date of expiry	Exercise price (HK\$)
Name of Director							
Song Lin ⁽²⁾	6 Oct 2003	—	814,400	—	814,400	5 Oct 2013	2.750
Li She Tang	6 Oct 2003	570,080	—	—	570,080	5 Oct 2013	2.750
Du Wenmin	6 Oct 2003	183,240	—	—	183,240	5 Oct 2013	2.750
Aggregate total of employees	6 Oct 2003	6,127,260	—	(3,428,300)	2,698,960	5 Oct 2013	2.750
Aggregate total of other participants	6 Oct 2003	17,501,456	(814,400)	(545,648)	16,141,408	5 Oct 2013	2.750
		24,382,036	—	(3,973,948)	20,408,088		

Notes:

- The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$14.29.
- Mr. Song Lin was appointed as Director on 29 April 2011 and accordingly, reclassified from other participant to Director during the period.
- No option was granted, lapsed or cancelled under the Pre-IPO Share Option Scheme during the period.

Disclosure Of Interests

(B) Share Option Scheme

Movement of the options granted under the Share Option Scheme during the year ended 30 June 2011 is as follows:

Participant	Date of grant	Number of options outstanding as at 1 January 2011	Number of options reclassified during the year	Number of options lapsed or cancelled during the year	Number of options exercised during the year ⁽¹⁾	Number of options outstanding as at 30 June 2011	Date of expiry	Exercise price (HK\$)
Name of Director								
Song Lin ⁽²⁾	18 Mar 2005	—	549,720	—	—	549,720	17 Mar 2015	3.919
Wang Yu Jun	18 Mar 2005	101,800	—	—	—	101,800	17 Mar 2015	3.919
Wang Xiao Bin	18 Mar 2005	166,480	—	—	—	166,480	17 Mar 2015	3.919
Zhang Shen Wen	18 Mar 2005	244,320	—	—	—	244,320	17 Mar 2015	3.919
Li She Tang	18 Mar 2005	366,480	—	—	—	366,480	17 Mar 2015	3.919
Anthony H. Adams	18 Nov 2005	203,600	—	—	—	203,600	17 Nov 2015	4.641
Chen Ji Min	30 Mar 2007	203,600	—	—	—	203,600	29 Mar 2017	12.210
Ma Chiu-Cheung, Andrew	30 Mar 2007	203,600	—	—	—	203,600	29 Mar 2017	12.210
Aggregate total of employees								
	1 Sep 2004	3,413,540	—	—	(984,760)	2,428,780	31 Aug 2014	4.175
	18 Mar 2005	2,735,440	(549,720)	—	(1,512,400)	673,320	17 Mar 2015	3.919
	18 Nov 2005	22,456,640	—	—	(8,430,460)	14,026,180	17 Nov 2015	4.641
	5 Sep 2006	15,552,920	—	—	(1,636,360)	13,916,560	4 Sep 2016	6.925
	30 Mar 2007	23,321,760	—	—	(190,000)	23,131,760	29 Mar 2017	12.210
Aggregate total of other participants								
	18 Mar 2005	4,154,520	—	—	(610,800)	3,543,720	17 Mar 2015	3.919
		73,124,700	—	—	(13,364,780)	59,759,920		

Notes:

1. The weighted average closing price of the Shares immediately before the date on which the options were exercised was HK\$14.29.
2. Mr. Song Lin was appointed as Director on 29 April 2011 and reclassified from other participant to Director during the period.
3. No option was granted under the Share Option Scheme during the period.

Disclosure Of Interests

DIRECTORS' INTERESTS IN SECURITIES

Save as disclosed below, as at 30 June 2011, 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 30 June 2011 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	0.029%
Wang Yu Jun	Beneficial Owner	280,070	Long	0.006%
Wang Xiao Bin	Beneficial Owner	3,498,080	Long	0.074%
Zhang Shen Wen	Beneficial Owner	2,426,800	Long	0.051%
Li She Tang	Beneficial Owner	660,000	Long	0.014%
Shi Shanbo	Beneficial Owner	500,000	Long	0.011%
Du Wenmin	Beneficial Owner	297,000	Long	0.006%
Raymond K. F. Ch'ien	Beneficial Owner	30,000	Long	0.001%
Anthony H. Adams	Interest of spouse	4,000	Long	0.000%
	Beneficial Owner	18,000	Long	0.000%

Name of Director	Capacity	Date of grant	Date of expiry	Exercise price (HK\$)	Number of options and underlying shares as at 1 January 2011	Number of options exercised during the year	Number of options and underlying shares as at 30 June 2011	Percentage of the issued share capital of the Company
Song Lin	Beneficial Owner	6 Oct 2003	5 Oct 2013	2.750	814,400	—	814,400	0.000%
	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.919	549,720	—	549,720	0.000%
Wang Yu Jun	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.919	101,800	—	101,800	0.002%
Wang Xiao Bin	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.919	166,480	—	166,480	0.004%
Zhang Shen Wen	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.919	244,320	—	244,320	0.005%
Li She Tang	Beneficial Owner	6 Oct 2003	5 Oct 2013	2.750	570,080	—	570,080	0.012%
	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.919	366,480	—	366,480	0.008%
Du Wenmin	Beneficial Owner	6 Oct 2003	5 Oct 2013	2.750	183,240	—	183,240	0.004%
Anthony H. Adams	Beneficial Owner	18 Nov 2005	17 Nov 2015	4.641	203,600	—	203,600	0.004%
Chen Ji Min	Beneficial Owner	30 Mar 2007	29 Mar 2017	12.210	203,600	—	203,600	0.004%
Ma Chiu-Cheung, Andrew	Beneficial Owner	30 Mar 2007	29 Mar 2017	12.210	203,600	—	203,600	0.004%

Disclosure Of Interests

(B) China Resources Enterprise, Limited

China Resources Enterprise, Limited (“CRE”), a fellow subsidiary of the Company, has a share option scheme to subscribe for the shares in CRE. Details of shares and outstanding options in CRE held by the Directors as at 30 June 2011 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	400,000	Long	0.017%
Du Wenmin	Beneficial Owner	100,000	Long	0.004%

Name of Director	Capacity	Date of grant	Date of expiry	Exercise price (HK\$)	Number of options and underlying shares as at 1 January 2011	Number of options exercised during the year	Number of options and underlying shares as at 30 June 2011	Percentage of the issued share capital of CRE
Zhang Shen Wen	Beneficial Owner	5 Mar 2002	4 Mar 2012	7.35	20,000	—	20,000	0.001%

(C) China Resources Gas Group Limited

China Resources Gas Group Limited (“CR Gas”) is a fellow subsidiary of the Company. Details of shares in CR Gas held by the Directors as at 30 June 2011 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
Zhang Shen Wen	Beneficial Owner	6,000	Long	0.000%
Du Wenmin	Beneficial Owner	54,000	Long	0.003%
Shi Shanbo	Beneficial Owner	50,000	Long	0.003%

Disclosure Of Interests

(D) China Resources Land Limited

China Resources Land Limited ("CR Land"), a fellow subsidiary of the Company, has a share option scheme to subscribe for the shares in CR Land. Details of shares and outstanding options in CR Land held by the Directors as at 30 June 2011 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
Du Wenmin	Beneficial Owner	790,000	Long	0.015%
Shi Shanbo	Beneficial Owner	140,000	Long	0.003%

Name of Director	Capacity	Date of grant	Date of expiry	Exercise price (HK\$)	Number of options and underlying shares as at 1 January 2011	Number of options exercised during the year	Number of options and underlying shares as at 30 June 2011	Percentage of the issued share capital of CR Land
Song Lin	Beneficial Owner	1 Jun 2005	31 May 2015	1.23	N/A	—	900,000	0.018%
Du Wenmin	Beneficial Owner	1 Jun 2005	31 May 2015	1.23	250,000	—	250,000	0.005%

(E) China Resources Microelectronics Limited

China Resources Microelectronics Limited ("CRM") is a fellow subsidiary of the Company. Details of shares in CRM held by the Directors as at 30 June 2011 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 Yu Jun	Beneficial Owner	195,000	Long	0.002%
Zhang Shen Wen	Beneficial Owner	108,000	Long	0.001%
Du Wenmin	Beneficial Owner	1,458,000	Long	0.017%

(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 30 June 2011 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	2,000,000	Long	0.031%
Li She Tang	Beneficial Owner	300,000	Long	0.005%
Shi Shanbo	Beneficial Owner	280,000	Long	0.004%

SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 30 June 2011, 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	Note	Capacity	No. of Shares held	Percentage Long/short position	Approximate % of shareholding
Finetex International Limited ("Finetex")	1	Beneficial owner	3,024,999,999	Long	63.86%
CRH	1	Interest in a controlled corporation	3,025,001,999	Long	63.86%
CRC Bluesky Limited	1	Interest of a controlled corporation	3,025,001,999	Long	63.86%
China Resources Co., Limited ("CRL")	1	Interest of a controlled corporation	3,025,001,999	Long	63.86%
China Resources National Corporation ("CRNC")	1	Interest of a controlled corporation	3,025,001,999	Long	63.86%
Commonwealth Bank of Australia ("CBA")	2	Interest of a controlled corporation	235,590,200	Long	5.00%

Notes:

1. 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 100% 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 3,024,999,999 shares in the share capital of the Company as those of Finetex.

CRH, through another wholly-owned subsidiary, is interested in 2,000 shares. Accordingly, each of CRNL, CRL and CRC Bluesky Limited is deemed by virtue of Part XV of the SFO to have the same interests in the 2,000 Shares in the share capital of the Company as those of CRH.

2. The corporate interest of CBA was attributable on account through a number of its wholly owned subsidiaries.

RESTRICTED SHARE AWARD SCHEME

As an incentive to retain and motivate the employees, 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 the Scheme (the "Trustee"). Pursuant to the Scheme, Company's shares (the "Shares") may be purchased by the Trustee from the market out of cash contribution 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 the issued share capital of the Company as at the Adoption Date (i.e. 4,150,021,178 Shares). The Scheme shall be effective from 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 six months ended 30 June 2011, the Trustee did not purchase any Shares from the market.

From the Adoption Date up to 30 June 2011, the Trustee purchased accumulatively 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.

Corporate Governance and Other Information

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2011.

MODEL CODE

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the six months ended 30 June 2011.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company and its subsidiaries did not purchase, sell or redeem any securities of the Company during the six months ended 30 June 2011.

AUDITORS AND AUDIT COMMITTEE

The interim results for the six months ended 30 June 2011 have been reviewed by Deloitte Touche Tohmatsu and the audit committee set up in compliance with Rule 3.21 of the Listing Rules. All of the five audit committee members are appointed from the independent non-executive directors, with the chairman of the audit committee having appropriate professional qualifications and experience in financial matters, including experience in review of financial statements.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

Corporate Information

Chairman	Song Lin
President	Wang Yu Jun
Executive Directors	Song Lin Wang Yu Jun Wang Xiao Bin Zhang Shen Wen Li She Tang
Non-Executive Directors	Du Wenmin Shi Shanbo Wei Bin Zhang Haipeng
Independent Non-Executive Directors	Anthony H. Adams Chen Ji Min Ma Chiu Cheung, Andrew Elsie Leung Oi-sie Raymond K.F. Ch'ien
Company Secretary	Wang Xiao Bin
Auditors	Deloitte Touche Tohmatsu
Legal Advisor	Morrison & Foerster
Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
Registered Office	Rooms 2001-2002, 20th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, General Line: (852) 2593 7530 Facsimile: (852) 2593 7531

Information for Investors

SHARE LISTING AND STOCK CODE

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

FINANCIAL DIARY

Six-month financial period end	30 June 2011
Announcement of interim results	22 August 2011
Last day to register for interim dividend	16 September 2011
Book close	19 September 2011 to 23 September 2011
Payment of interim dividend	3 October 2011

SHAREHOLDER ENQUIRIES

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

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

For inquires from investors and securities analysts, please contact:

Investor Relations Department
China Resources Power Holdings Company Limited
Room 2001-2005, 20th Floor, China Resources Building,
26 Harbour Road, Wanchai, Hong Kong.
General line: (852) 2593 7530
IR hotline: (852) 2593 7550
Facsimile: (852) 2593 7531 / 2593 7551
E-mail: crp-ir@crc.com.hk

OUR WEBSITE

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