2012 INTERIM REPORT

ACHIEVING SUSTAINABLE DEVELOPMENT THROUGH THE SYNERGY IN DIVERSITY

大唐国际发电股份有限公司
DATANG INTERNATIONAL POWER GENERATION CO., LTD.
(Stock Code: 00991)

CONTENTS

Company Results

OPERATING AND FINANCIAL HIGHLIGHTS:

- Operating revenue amounted to approximately RMB36,877 million, representing an increase of approximately 10.67% over the first half of 2011.
- Net profit attributable to equity holders of the Company amounted to approximately RMB1,154 million, representing an increase of approximately 23.87% over the first half of 2011.
- Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.0867, representing an increase of approximately RMB0.012 per share over the first half of 2011.

The board of directors (the "Board") of Datang International Power Generation Co., Ltd. (the "Company") hereby announces the unaudited consolidated operating results of the Company and its subsidiaries (the "Group") prepared in conformity with International Financial Reporting Standards ("IFRS") for the six months ended 30 June 2012 (the "Period"), together with the unaudited consolidated operating results of the first half of 2011 (the "Corresponding Period Last Year") for comparison. Such operating results have been reviewed and confirmed by the Company's audit committee (the "Audit Committee").

Operating revenue of the Group for the Period was approximately RMB36,877 million, representing an increase of approximately 10.67% as compared to the Corresponding Period Last Year. Net profit attributable to equity holders of the Company was approximately RMB1,154 million, representing an increase of approximately 23.87% as compared to the Corresponding Period Last Year. Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.0867, representing an increase of approximately RMB0.012 per share as compared to the Corresponding Period Last Year.

The Company is one of the largest independent power generation companies in the People's Republic of China (the "PRC"), which is primarily engaged in power generation businesses with its main focus on coal-fired power generation. In the first half of 2012, the Group adhered to implementing the strategy of "focusing on the power generation business whilst complementing with synergistic diversifications". The Group, with reference to changes in the State's policies and the market environment, ensured the steady implementation of production and operation management; placed emphasis on resources saving and environmental protection; and fulfilled social responsibilities. As a result, the Group achieved a year-on-year growth in profits.

A. MANAGEMENT'S REVIEW ON THE OPERATING RESULTS OF VARIOUS BUSINESSES

(Financial information is shown according to China Accounting Standards for Business Enterprises. For segment information, please refer to Note 4 to the Condensed Financial Statements.)

1. The Power Generation Business

(1) Business Review

The Company is one of the largest independent power generation companies in the PRC. As at 30 June 2012, the Group managed an installed capacity of approximately 38,865 MW. The power generation businesses of the Group are primarily distributed in the North China Power Grid, the Gansu Power Grid, the Jiangsu Power Grid, the Zhejiang Power Grid, the Yunnan Power Grid, the Fujian Power Grid, the Guangdong Power Grid, the Chongqing Power Grid, the Jiangxi Power Grid, the Liaoning Power Grid, the Ningxia Power Grid, the Qinghai Power Grid and the Sichuan Power Grid.

In the first half of 2012, affected by the slowdown of economic growth and other factors, social power consumption increased by approximately 5.5% year-on-year, while national power supply increased by approximately 5.2% year-on-year. The electricity demand grew at a lower rate as compared to recent years. Power shortage continued in certain areas and during certain periods. The aggregate average utilisation hours of national power generating facilities decreased year-on-year. The profitability of the thermal power operations was still under pressure even though the price of thermal coal began to fall from May 2012. The sufficient water flow in the area where the hydropower generating units of the Company are located improved the power generation situation, and the power generation of the hydropower generating units increased by approximately 25.74% year-on-year. Although the Company's power generation business was hit by the deceleration of the economy, it still managed to maintain a steady pace and a greater growth in profitability.

(i) **Maintained safe and stable power production.** During the Period, total power generation of the Group amounted to 97.5877 billion kWh, representing a year-on-year increase of approximately 1.5%. The accumulative on-grid power generation amounted to 92.1577 billion kWh, representing a year-on-year increase of approximately 1.65%. Consolidated utilisation hours accumulated to 2,516 hours, representing a year-on-year decrease of 41 hours. No casualties or material damage to the facilities occurred to the Group during the course of power production. The equivalent availability coefficient of the operational generating units amounted to 93.22%, and continued to maintain at a relatively high level.

(ii) **Progressed steadily in energy saving and emission reduction.** In the first half of 2012, the Company adhered to management by objective and dynamic benchmarking; focused on economic operation of power generation facilities; and intensified technological renovation on energy conservation and facilities treatment. During the Period, total coal consumption for power supply was 318.15 g/kWh, representing a year-on-year decrease of approximately 1.52g/kWh. Total consolidated electricity consumption rate of power plants was 5.57%, representing a year-on-year decrease of approximately 0.22 percentage point. The total desulphurisation facilities operation rate and the total overall desulphurisation efficiency rate amounted to 99.34% and 93.74%, respectively. The aggregate emission performance of the four types of pollutants, namely sulphur dioxide, smoke ash, nitrogen oxides and industrial waste water, amounted to 0.382g/kWh, 0.106g/kWh, 1.279g/kWh, 0.046kg/kWh respectively, representing a year-on-year decrease of approximately 1.55%, 15.54%, 7.86% and 27.32%, respectively. The emission performance of various pollutants reached a national top class level.

(iii) **Strived to enhance operational management efficiency.** In the first half of 2012, the Company faced a broad situation of ongoing slowdown of domestic economy, closely tracked the market, actively conducted research on budget plans, strengthened internal management and created a favourable external environment for pushing forward production and operation work in a solid manner: (1) The Company completed the "non-public offering of RMB5,000 million in debt financing instruments to specific target investors" in order to lower the finance costs and improve the debt structure; (2) Management responsibilities were put into effect level-by-level to achieve the targets of power generation. Total power generation amounted to 97.5877 billion kWh, representing a year-on-year increase of approximately 1.5%; (3) Various types of economical coal were developed to secure fuel supply; coal blending and mixed burning were enhanced, so that fuel costs were kept under control effectively; and (4) Cash allocation was improved, capital was made available according to needs; and loans were repaid on a timely basis to minimise idle funds and optimise loan portfolio.

(iv) **Actively pushed forward infrastructure construction and increased green energy capacity.** During the Period, the Company actively pushed forward the construction and preliminary works through delegating management responsibilities level-by-level according to specific production targets for various power projects. Project milestones were completed on schedule for projects planned for commencement of production by the end of the year.

As at 30 June 2012, coal-fired power, hydropower and wind power accounted for 84.2%, 12.42%, and 3.3% of the Group's existing installed capacity, respectively. The proportion of capacity in clean and renewable energy accounted for 15.8%, continuously optimising the Group's power generation structure.

(v) **Preliminary works on projects proceeded steadfastly.** During the Period, three power projects of the Group were approved by the State, including a gas turbine project with approved total capacity of 1,380 MW, a hydropower project with approved total capacity of 125 MW, a wind power project with approved total capacity of 48 MW. Details of the aforesaid power projects are:

- Gas turbine project: the Gaojing gas thermal power project with an installed capacity of 1,380 MW in Beijing;
- Hydropower project: the Furongjiang Haokou hydropower station with installed capacity of 125 MW in the first-level tributary

of Wujiang Basin, Haokou Village, Wulong County, Chongqing City; and

- Wind power project: Datang International Changtu Sanjiangkou wind power plant with an installed capacity of 48 MW in Sanjiangkou Town, Changtu County, Tieling City, Liaoning Province.

(2) Major Financial Indicators and Analysis

(i) Operating Revenue

During the Period, revenues from electricity and heat sales of the Group accounted for approximately 90.32% of the total operating revenue of the Group, among which, revenue from electricity sales accounted for approximately 88.85% of the total operating revenue.

During the Period, revenues from electricity and heat sales of the Group amounted to approximately RMB32,767 million and RMB541 million, respectively, representing year-on-year increases of approximately 8.27% and 32.05%, respectively. The increase in revenue from electricity sales was primarily attributable to the effects of an increase in on-grid power generation and a rise in average on-grid tariffs.

During the Period, the Group's average on-grid tariffs increased by approximately 6.59% over the Corresponding Period Last Year, resulting in an increase of approximately RMB2,026 million in revenue from electricity operations. The increase in on-grid power generation resulted in an increase of approximately RMB477 million in the Company's revenue.

(ii) Operating Costs

During the Period, power fuel expenses incurred by the Group amounted to RMB19,618 million, representing an increase of RMB747 million over RMB18,871 million for the Corresponding Period Last Year, which was primarily attributable to: a rise of RMB9.61/MWh in unit fuel costs as compared to the Corresponding Period Last Year.

(iii) Operating Profit

During the Period, the profit from electricity operations amounted to approximately RMB7,076 million and the gross profit margin was approximately 21.60%, representing an increase of approximately 3.74 percentage points over the Corresponding Period Last Year.

2. The Coal Chemical Business

During the Period, the Duolun Coal Chemical Project with an annual output of 460,000 tonnes of polypropylene, the Keqi Coal-based Natural Gas Project with an annual output of 4 billion cubic meters of natural gas, the Fuxin Coal-based Natural Gas Project with a production scale of 4 billion cubic meters of natural gas per annum, and the High-Aluminium Pulverised Fuel Ash Integrated Use Projects of Inner Mongolia Datang International Renewable Energy Resource Development Company Limited, being constructed by the Group with controlling interests, proceeded smoothly. Of these projects:

(1) The Duolun Coal Chemical Project: The Duolun Coal Chemical Project, developed and constructed by the Group with controlling interests is located at Duolun County, Xilinguole League, the Inner Mongolia Autonomous Region. It uses lignite coal from the Shengli Open-cut Coal Mine East Unit 2 in Shengli area of Inner Mongolia as raw materials; and it applies advanced technologies in the world including the technology of vaporising coal ash, the syngas purification technology, the large-scale ethanol synthesis technology, the technology to convert methanol to propylene, and the propylene

polymerisation technology to produce chemical products. The final product of the project is 460,000 tonnes/per annum of polypropylene and other by-products.

The construction of the project is proceeding at a stable pace. On 16 March 2012, the project underwent trial production. As at the end of the reporting period, various chemical systems in the chemical industry zone commenced production successively. Various methanol systems were operated in a safe and stable manner. Two reactors of MTP systems were operated with materials imported simultaneously. Polypropylene systems achieved parallel operation. Currently, the entire system has been put into continuous operation and reached a loading rate over 70% after a one-month major system maintenance during the Period.

(2) The Keqi Coal-based Natural Gas Project: The Keqi Coal-based Natural Gas Project with an annual output of 4 billion cubic meters, developed and constructed by the Group with its controlling interests, is located in Keshiketeng Qi, Chifeng City, the Inner Mongolia Autonomous Region. Upon its completion, the major supply targets of the project are Beijing and cities along the gas transmission pipeline. As a political, cultural and financial centre of the PRC, Beijing has a strong demand for clean energy such as natural gas, given the city's higher requirement for air quality. The Company believes that upon completion of the Keqi Coal-based Natural Gas Project, it will benefit from the growing demand for clean energy in Beijing and cities along the gas transmission pipeline, thereby increasing the overall profitability of the Company.

As at the end of the reporting period, the milestone planned schedule for the public works, power engineering and slag disposal pit of the Keqi Coal-based Natural Gas Project was completed. Currently, the construction of Series 1 of Phase 1 of the project has gone through all the technological processes and produced qualified natural gas.

(3) The Fuxin Coal-based Natural Gas Project: The Fuxin Coal-based Natural Gas Project with an annual output of 4 billion cubic meters, developed and constructed by the Group with controlling interests, is located in Fuxin City, Liaoning Province. The project was approved and commenced construction in 2010. Upon its completion, its natural gas will be mainly supplied to Shenyang City of Liaoning Province and the nearby cities such as Tieling, Fushun, Benxi and Fuxin. Liaoning Province has experienced fast economic growth. With the acceleration of urbanisation, the reform in coal-fired boilers and the development of gas buses and industries using natural gas as raw materials, the supply gap of natural gas in the above cities will grow bigger and bigger day by day. Following the completion of the Fuxin Coal-based Natural Gas Project, the Company will benefit from the growing demand for clean energy in Shenyang and the nearby cities which have experienced rapid economic development, thereby increasing the overall profitability of the Company.

As at the end of the reporting period, installation of the air-cooling framework structure and equipment for the Fuxin Coal-based Natural Gas Project was completed; installation of the main structure of the pressurised gasification framework was completed; the lifting of 3 towers out of a total of 18 towers in the purification zone was completed; power supply, public works, front area of the plant, area outside the plant, tank field, sewage treatment and so forth proceeded smoothly as scheduled.

Project construction is being stepped up, with the objective to commence production in 2013.

(4) The High-Aluminium Pulverised Fuel Ash Integrated Use Projects of Inner Mongolia Datang International Renewable Energy Resource Development Company Limited: The High-Aluminium Pulverised Fuel Ash Project of Inner Mongolia Renewable Energy Resource Development Company Limited, constructed by the Company with controlling interests, proceeded smoothly. The project makes use of the resource characteristics of high-aluminium pulverised fuel ash from the Inner Mongolia Autonomous Region and has independently developed a technological process for extracting alumina from high-aluminium pulverised fuel ash. Such process uses industrial solid waste such as high-aluminium pulverised fuel ash to produce alumina, electrolytic aluminum and other related products by means of the sintering technology. Currently, a long-cycle, continuous and stable operation for renewable resources alumina was achieved.

3. The Coal Business

(1) Business Review

The Shengli Open-cut Coal Mine East Unit 2 in Shengli area of Inner Mongolia, developed and constructed by the Group, is located in the central part of Shengli Coal Mine in Inner Mongolia, with a planned construction scale of 60 million tonnes. Its coal products will be primarily supplied as raw materials to the coal chemical and coal-based natural gas projects such as the Duolun Coal Chemical Project, the Keqi Coal-based Natural Gas Project and the Fuxin Coal-based Natural Gas Project. Among which, Phase 1 project's annual production scale reached 10 million tonnes; Phase 2 project with an annual production scale of 20 million tonnes was currently scheduled to undergo infrastructure construction.

In the first half of 2012, the raw coal production of coal companies in which the Company has controlling interests or equity interests amounted to 21.76 million tonnes, thereby assuring stable coal sources for the Company. Meanwhile, the Company is carrying out preliminary development works on the Wujianfang Coal Mine, the Kongduigou Coal Mine and the Changtan Coal Mine. The successful development of the above-said coal mine projects would increase the self-sufficiency ratio of coal consumption of the Company's power plants.

(2) Major Financial Indicators and Analysis

(i) Operating Revenue

During the Period, operating revenue from the coal business after consolidation and offset amounted to approximately RMB1,773 million, accounting for approximately 4.81% of the Group's total operating revenue.

(ii) Operating Costs

During the Period, operating costs from the coal business after consolidation and offset amounted to approximately RMB1,533 million, representing an increase of approximately RMB880 million over the Corresponding Period Last Year. The increase in the operating costs was primarily attributable to an increasing number of coal for external sales.

(iii) Operating Profits

During the Period, operating profits from the coal business amounted to approximately RMB240 million. Gross profit margin was approximately 13.56%, representing a decrease of approximately 3.72 percentage points over the Corresponding Period Last Year.

B. MANAGEMENT'S REVIEW ON THE CONSOLIDATED OPERATING RESULTS

1. Operating Revenue

During the Period, the Group realised an operating revenue of approximately RMB36,877 million, representing an increase of approximately 10.67% over the Corresponding Period Last Year, among which revenue from electricity sales increased by approximately RMB2,503 million.

2. Operating Costs

During the Period, total operating costs of the Group amounted to approximately RMB31,015 million, representing an increase of approximately 7.46% or approximately RMB2,154 million over the Corresponding Period Last Year. Among the operating costs, fuel cost accounted for approximately 70.66% of the operating costs, and depreciation cost accounted for approximately 14.09% of the operating costs. Since the standard coal unit price of the Company for power generation increased by RMB30.67/tonne over the Corresponding Period Last Year, the fuel cost for power generation of the Company increased by RMB830 million as a result.

3. Net Finance Costs

During the Period, finance costs of the Group amounted to approximately RMB4,272 million, representing an increase of approximately 29.30% or approximately RMB968 million over the Corresponding Period Last Year. The relatively significant increase was mainly due to combined effects of an increase in borrowings and a year-on-year increase in interest rates.

4. Net Profit

During the Period, net profit attributable to equity holders of the Company amounted to approximately RMB1,154 million, representing an increase of approximately 23.87% over the Corresponding Period Last Year. The steady year-on-year growth in the Group's profits was mainly attributable to the profits contribution driven by tariff increase and clean energy projects such as hydropower, wind power as well as other non-power projects.

5. Financial Position

As at 30 June 2012, total assets of the Group amounted to approximately RMB265,001 million, representing an increase of approximately RMB17,304 million as compared to the end of 2011. The increase in total assets was primarily attributable to increased investments in projects under construction as a result of the Group's implementation of its development strategies.

Total liabilities of the Group amounted to approximately RMB213,505 million, representing an increase of approximately RMB16,540 million over the end of 2011. Of the total liabilities, non-current liabilities increased by approximately RMB18,765 million over the end of 2011. The increase in total liabilities was mainly due to an increase in the Group's borrowings so as to fulfill the needs of day-to-day operations and fundamental infrastructure construction. Equity attributable to equity holders of the Company amounted to approximately RMB38,686 million, representing a decrease of approximately RMB254 million over the end of 2011. Net asset value per share attributable to equity holders of the Company amounted to approximately RMB2.91, representing a decrease of approximately RMB0.02 per share over the end of 2011.

6. Liquidity

As at 30 June 2012, the assets-to-liabilities ratio of the Group was approximately 80.57%. The net debt-to-equity ratio (i.e. (loans + short-term bonds + long-term bonds – cash and cash equivalents)/total equity) was approximately 337.80%.

As at 30 June 2012, cash and cash equivalents of the Group amounted to approximately RMB5,435 million, among which deposits equivalent to approximately RMB958 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the Period.

As at 30 June 2012, short-term loans of the Group amounted to approximately RMB19,221 million, bearing annual interest rates ranging from 2.40% to 8.53%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB130,948 million and long-term loans repayable within one year amounted to approximately RMB13,918 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.00% to 7.76%.

Loans equivalent to approximately RMB1,337 million were denominated in US dollar. The Group paid close attention to foreign exchange market fluctuations and cautiously assessed risks. Part of the borrowings made by the Group was pledged against assets including accounts receivables, property, plant and equipment, etc, totalling approximately RMB52,080 million.

7. Welfare Policy

As at 30 June 2012, the staff of the Group totalled 26,575. The Group adopts the basic salary system on the basis of position-points salary distribution. Concerned about personal growth and occupational training, as well as led by the strategy of developing a strong corporation with strong talents, the Group relied on a three-tier management organisational structure and implemented an all-staff training scheme for various levels.

During the Period, 990 employees were arranged to attend professional skills training and on-the-job qualification and certification training programmes hosted by China Datang Corporation. 1,052 employees attended 17 corporate training sessions in total. 1,594 employees were arranged to undertake professional skills qualification assessments, and accreditation was conducted. 2,100 production skilled personnel were arranged to participate in vocational skills appraisals.

C. OUTLOOK FOR THE SECOND HALF OF 2012

The Chinese economy has begun to enter a period of contraction after experiencing rapid growth for 30 consecutive years, which is represented by relatively loose national power supply and demand as a whole and especially in some areas for a continuous period. Following the launch of the economic stimulus policies, the coal market has picked up gradually, and the fall in coal price is narrowing gradually after a big decline in price in the first half of the year. This will continue to be a key factor in restricting electricity production and supply as well as corporate performance. Meanwhile, the State has adjusted the energy structure by devoting more efforts to the promotion of clean and renewable energy development, which has imposed more stringent requirements on the development of new projects of the Company.

In the second half of 2012, substantial downside risks of the global economy will remain, and the deep-rooted impact of the international financial crisis will extend. All relevant international organisations and institutions have adopted a conservative approach towards the forecast of global economic growth rate for this year and next year. The dynamic structure of China's economic growth is uncoordinated, with overcapacity in some sectors and increasingly prominent conflicts between the lack of energy resources and a fragile ecological environment. "To make progress while ensuring stability" will be the core in the implementation of national economic policies.

Faced with such complex and volatile situations, the Company will continue to adhere to the strategy of "focusing on the power generation business whilst complementing with synergistic diversifications", and to implement the development strategy of "optimising its coal-fired power; aggressively expanding its hydropower; continuously developing wind power; strategically developing nuclear power; appropriately developing solar power; selecting suitable coal operations; actively and steadily developing coal chemical business; speedily developing the high-aluminium pulverised fuel ash integrated utilisation projects; and securing complementary development of railway, port and shipping". It will seize new opportunities, build up new strengths and achieve new breakthroughs. The Company will take proactive initiatives to cope with market changes with a committed focus on profitability to ensure that the business objectives for the whole year will be accomplished as planned.

1. Further reinforce the management of production safety – Prevent casualties and equipment failures of large generating units to ensure that power generation will not be affected by production safety issues;

2. Strive to enhance the Company's profitability – With the enhancement of profitability of the Company as an ongoing objective, strengthen capital management, rationalise the portfolio for the use of funds, save financial costs and enhance the profitability of the Company;

3. Seize strategic opportunities, step up the development of the Company's business resources, continue improving the rational industrial deployment, optimise the development structure, continue strengthening the power generation business, excel in the non-power businesses and promote synergistic diversifications;

4. Actively push forward capital operation – Make full use of the financing platform to expand financing channels, and improve the rational allocation of capital and resources to meet the Company's capital requirements for development. Actively carry out acquisition of quality assets with a view to maximising investment returns for the Company;

5. Continuously intensify energy conservation and emissions reduction – Further enhance the benchmark management of energy consumption; further optimise the energy consumption indices; and continuously improve the operation rate and overall efficiency of environmental facilities. Speed up the progress of desulphurisation transformation of coal-fired generating units, and strengthen the management of the operation of environmental facilities for operational generating units, with a view to improving performance in the discharge of pollutants and controlling energy-saving and environmental costs; and

6. Comprehensively strengthen risk prevention and control – The Company will comprehensively implement the State's "Basic Standards for Enterprise Internal Control" as well as its guidelines, so as to fully implement comprehensive accountability management, comprehensive budget management and comprehensive risk management with a view to boosting management upgrade.

1. SHARE CAPITAL

As at 30 June 2012, the total share capital of the Company amounted to 13,310,037,578 shares, divided into 13,310,037,578 shares carrying a nominal value of RMB1.00 each.

2. SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS

So far as the directors of the Company are aware, as at 30 June 2012, the persons below held the interests or underlying shares or short positions in the shares of the Company which were required to be disclosed to the Company under section 336 of the Securities and Futures Ordinance (the "SFO") (Chapter 571 of the Laws of Hong Kong):

Name of shareholder	Class of shares	Number of shares held	Approximate percentage to total issued share capital of the Company (%)	Approximate percentage to total issued A shares of the Company (%)	Approximate percentage to total issued H shares of the Company (%)
China Datang Corporation (Note 1)	A shares	4,138,977,414	31.10	41.41	–
	H shares	480,680,000(L)	3.61(L)	–	14.50(L)
Tianjin Jinneng Investment Company (Note 2)	A shares	1,296,012,600	9.74	12.97	–
Hebei Construction & Investment Group Co., Ltd (Note 3)	A shares	1,281,872,927	9.63	12.83	–
Beijing Energy Investment (Group) Company Limited (Note 4)	A shares	1,260,988,672	9.47	12.62	–

(L) means Long Position (S) means Short Position (P) means Lending Pool

Notes:

(1) Mr. Liu Shunda, Mr. Hu Shengmu and Mr. Fang Qinghai, all non-executive Directors, are employees of China Datang Corporation.

(2) Mr. Li Gengsheng, a non-executive Director, is an employee of Tianjin Jinneng Investment Company.

(3) Mr. Su Tiegang and Mr. Ye Yonghui, both non-executive Directors, are employees of Hebei Construction & Investment Group Co., Ltd.

(4) Mr. Liu Haixia and Ms. Guan Tiangang, both non-executive Directors, are employees of Beijing Energy Investment (Group) Company Limited.

3. DIVIDENDS

The Board does not recommend the payment of any interim dividend by the Company for 2012.

4. SHAREHOLDING OF THE DIRECTORS AND SUPERVISORS

As at 30 June 2012, Mr. Fang Qinghai, a director of the Company, was interested in 24,000 A shares of the Company. Save as disclosed above, none of the directors, supervisors and chief executives of the Company nor their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of the SFO) that were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") under the provisions of Divisions 7 and 8 of Part XV of the SFO, or required to be recorded in the register mentioned in the SFO pursuant to section 352 or otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

Significant Events

1. The Company has completed the issuance of "The First Tranche of Datang International Power Generation Co., Ltd.'s non-public issuance of debt financing instruments in 2012" (the "First Tranche Debt Financing Instruments") on 18 April 2012. The issuance amount for the First Tranche Debt Financing Instruments was RMB5 billion with a maturity period of three years. The unit nominal value is RMB100 and the issuing interest rate is at 5.08%.

2. The Company has completed the issuance of "The First Tranche of Datang International Power Generation Co., Ltd.'s Super Short-term Debentures in 2012" (the "First Tranche Super Short-term Debentures") on 18 July 2012. The issuance amount for the First Tranche Super Short-term Debentures was RMB3 billion with a maturity of 90 days. The unit nominal value is RMB100 and the issuance interest rate is at 3.26%.

3. In accordance with the 2011 annual profit distribution plan of the Company which was considered and approved at the 2011 annual general meeting convened on 6 June 2012, the Company has completed the payment of dividends for 2011 on 3 August 2012. The cash dividends per share paid was RMB0.11 (including tax), and the cash dividends per 10 shares paid was RMB1.1 (including tax).

Purchase, Sale and Redemption of the Company's Listed Securities

During the Period, the Group did not purchase, sell or redeem any of the listed securities of the Company.

Compliance with the Code on Corporate Governance Practices

To the knowledge of the Board, the Company has complied with all the code provisions under the Code on Corporate Governance Practices (formerly set out in Appendix 14 of the Listing Rules) for the period from 1 January 2012 to 31 March 2012 and all the code provisions in the Corporate Governance Code (the new edition of the Code on Corporate Governance Practices, which is applicable to financial reports covering a period after 1 April 2012) (the "Code") for the period from 1 April 2012 to 30 June 2012, with the exception of the following:

During the Period, the legal action which the directors may face is covered in the internal risk management and control of the Company. As the Company considers that no additional risk exists, insurance arrangements for directors have not been made as required under code provision A.1.8 of the Code.

During the Period, the Nomination Committee, the Remuneration and Appraisal Committee as well as the Audit Committee set up by the Company carried out their work in accordance with their respective terms of reference. Their terms of reference have covered the responsibilities to be performed as required by the code provisions A.5.2, B.1.2 and C.3.3 of the Code. Only differences in expressions or sequence exist between such terms of reference and the afore-said code provisions.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Upon specific enquiries made to all the directors of the Company and in accordance with the information provided, the Board confirmed that all directors of the Company have complied with the provisions under the Model Code during the Period.

Audit Committee

The Audit Committee has reviewed the accounting standards adopted by the Group with the management of the Company and the interim results of the Group. They have also discussed matters regarding internal controls and the interim financial statements, including the review of the financial and accounting information of the Group for the Period.

The Audit Committee considers that the 2012 interim financial report of the Group has complied with the applicable accounting standards, and that the Group has made appropriate disclosures thereof.

By Order of the Board
Liu Shunda
Chairman

Beijing, the PRC, 20 August 2012

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2012

	Note	Six months ended 30 June	
		2012	2011
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Operating revenue	3	**36,876,963**	33,321,564
Operating costs			
Fuel for power and heat generation		**(20,381,722)**	(19,426,036)
Fuel for coal sales		**(1,532,523)**	(652,211)
Depreciation		**(4,368,613)**	(4,156,572)
Repairs and maintenance		**(921,026)**	(1,017,673)
Salaries and staff welfare		**(1,051,181)**	(961,783)
Local government surcharges		**(280,659)**	(238,945)
Others		**(2,479,379)**	(2,408,268)
Total operating costs		**(31,015,103)**	(28,861,488)
Operating profit		**5,861,860**	4,460,076
Share of profits of associates		**411,377**	345,286
Share of profits of jointly controlled entities		**59,454**	56,379
Investment income		**265,902**	18,571
Other gains		**1,350**	5
Interest income		**40,350**	46,456
Finance costs	5	**(4,272,263)**	(3,304,196)
Profit before tax		**2,368,030**	1,622,577
Income tax expense	6	**(446,791)**	(306,909)
Profit for the period	7	**1,921,239**	1,315,668
Other comprehensive income after tax:			
Reclassification adjustments for amounts transferred to profit or loss upon disposals of available-for-sale investments		**–**	(5)
Fair value gain on available-for-sale investments		**37,461**	1,505
Share of other comprehensive income of associates		**–**	(62,322)
Foreign currency translation differences		**(6,575)**	11,680
Income tax relating to components of other comprehensive income		**(9,365)**	(375)
Other comprehensive income for the period, net of tax		**21,521**	(49,517)
Total comprehensive income for the period		**1,942,760**	1,266,151
Profit for the period attributable to:			
Owners of the Company		**1,154,073**	931,658
Non-controlling interests		**767,166**	384,010
		1,921,239	1,315,668
Total comprehensive income for the period attributable to:			
Owners of the Company		**1,175,594**	882,074
Non-controlling interests		**767,166**	384,077
		1,942,760	1,266,151
		RMB	RMB
		(unaudited)	(unaudited)
Earnings per share			
Basic and diluted	9	**0.0867**	0.0747

Condensed Consolidated Statement of Financial Position

At 30 June 2012

	Note	At 30 June 2012 RMB'000 (unaudited)	At 31 December 2011 RMB'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	10	**210,138,638**	200,923,064
Investment properties		**496,148**	502,302
Intangible assets		**2,820,133**	2,644,303
Investments in associates		**6,393,791**	5,289,166
Investments in jointly controlled entities		**4,215,741**	3,585,867
Available-for-sale investments		**3,384,526**	2,710,073
Deferred housing benefits		**89,598**	102,839
Deferred tax assets		**1,779,293**	1,453,359
Other non-current assets		**2,413,851**	412,628
		231,731,719	217,623,601
Current assets			
Inventories		**6,415,344**	6,093,786
Accounts and notes receivables	11	**10,440,275**	10,208,546
Prepayments and other receivables		**10,557,008**	8,877,100
Short-term entrusted loans to a jointly controlled entity		**375,884**	365,198
Tax recoverable		**45,466**	61,586
Cash and cash equivalents		**5,435,280**	4,467,372
		33,269,257	30,073,588
TOTAL ASSETS		**265,000,976**	247,697,189

	Note	At 30 June 2012 RMB'000 (unaudited)	At 31 December 2011 RMB'000 (audited)
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	**13,310,038**	13,310,038
Reserves		**24,181,784**	23,037,968
Retained earnings			
Proposed dividends		**–**	1,464,104
Others		**1,194,642**	1,128,582
Equity attributable to owners of the Company		**38,686,464**	38,940,692
Non-controlling interests		**12,809,183**	11,791,362
Total equity		**51,495,647**	50,732,054
Non-current liabilities			
Long-term loans		**130,948,013**	117,654,356
Long-term bonds		**13,901,705**	8,937,277
Deferred income		**499,864**	504,071
Deferred tax liabilities		**685,091**	585,488
Provisions		**41,680**	41,680
Other non-current liabilities		**6,239,120**	5,827,268
		152,315,473	133,550,140
Current liabilities			
Accounts payables and accrued liabilities	13	**23,855,136**	23,940,013
Taxes payables		**741,696**	771,475
Dividends payables		**1,610,642**	154,881
Short-term loans		**19,221,136**	21,523,709
Short-term bonds		**1,400,000**	1,400,000
Current portion of non-current liabilities		**14,361,246**	15,624,917
		61,189,856	63,414,995
Total liabilities		**213,505,329**	196,965,135
TOTAL EQUITY AND LIABILITIES		**265,000,976**	247,697,189
Net current liabilities		**(27,920,599)**	(33,341,407)
Total assets less current liabilities		**203,811,120**	184,282,194

Approved by the Board of Directors on 20 August 2012

Cao Jingshan
Director

Zhou Gang
Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012

	Attributable to owners of the Company											
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Restricted reserve	Foreign currency translation reserve	Available-for-sale investment revaluation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
At 1 January 2011	12,310,038	4,239,888	3,279,458	7,866,188	107,887	35,301	31,778	(216,696)	3,196,229	30,850,071	7,582,760	38,432,831
Total comprehensive income for the period	–	–	–	–	–	11,669	(61,253)	–	931,658	882,074	384,077	1,266,151
Issue of shares	1,000,000	5,670,950	–	–	–	–	–	–	–	6,670,950	–	6,670,950
Capital injections from non-controlling interests	–	–	–	–	–	–	–	–	–	–	397,638	397,638
Non-common control business combinations	–	–	–	–	–	–	–	–	–	–	687,489	687,489
Acquisition of non-controlling interests	–	–	–	–	–	–	–	173	–	173	(33,452)	(33,279)
Others	–	–	–	–	–	–	–	1,452	–	1,452	1,188	2,640
Transfer to restricted reserve	–	–	–	–	24,676	–	–	–	(24,676)	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–	(1,124,484)	(1,124,484)
Changes in equity for the period	1,000,000	5,670,950	–	–	24,676	11,669	(61,253)	1,625	906,982	7,554,649	312,456	7,867,105
At 30 June 2011	13,310,038	9,910,838	3,279,458	7,866,188	132,563	46,970	(29,475)	(215,071)	4,103,211	38,404,720	7,895,216	46,299,936
At 1 January 2012	**13,310,038**	**9,910,838**	**3,602,179**	**9,203,992**	**90,402**	**57,115**	**(53,186)**	**226,628**	**2,592,686**	**38,940,692**	**11,791,362**	**50,732,054**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**(6,575)**	**28,096**	**–**	**1,154,073**	**1,175,594**	**767,166**	**1,942,760**
Capital injections from non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**486,115**	**486,115**
Non-common control business combination	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**153,730**	**153,730**
Others	**–**	**–**	**–**	**–**	**–**	**5,304**	**–**	**28,978**	**–**	**34,282**	**(69,125)**	**(34,843)**
Transfer to restricted reserve	**–**	**–**	**–**	**–**	**21,876**	**–**	**–**	**–**	**(21,876)**	**–**	**–**	**–**
Transfer to surplus reserves	**–**	**–**	**–**	**1,066,137**	**–**	**–**	**–**	**–**	**(1,066,137)**	**–**	**–**	**–**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,464,104)**	**(1,464,104)**	**(320,065)**	**(1,784,169)**
Changes in equity for the period	**–**	**–**	**–**	**1,066,137**	**21,876**	**(1,271)**	**28,096**	**28,978**	**(1,398,044)**	**(254,228)**	**1,017,821**	**763,593**
At 30 June 2012	**13,310,038**	**9,910,838**	**3,602,179**	**10,270,129**	**112,278**	**55,844**	**(25,090)**	**255,606**	**1,194,642**	**38,686,464**	**12,809,183**	**51,495,647**

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(unaudited)	(unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**10,094,082**	5,187,339
NET CASH USED IN INVESTING ACTIVITIES	**(17,046,745)**	(9,493,320)
NET CASH GENERATED FROM FINANCING ACTIVITIES	**7,923,190**	16,653,577
NET INCREASE IN CASH AND CASH EQUIVALENTS	**970,527**	12,347,596
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**4,467,372**	3,442,976
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(2,619)**	(8,258)
CASH AND CASH EQUIVALENTS AT 30 JUNE	**5,435,280**	15,782,314

1. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

At 30 June 2012, a significant portion of the funding requirements of the Company and its subsidiaries (collectively referred to as the "Group") for capital expenditures was satisfied by short-term borrowings. Consequently, at 30 June 2012, the Group had net current liabilities of approximately RMB27.92 billion. The Group had significant undrawn borrowing facilities, subject to certain conditions, amounting to approximately RMB138.65 billion and may refinance and/or restructure certain short-term borrowings into long-term borrowings and will also consider alternative sources of financing, where applicable. The directors of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and have prepared these financial statements on a going concern basis.

These condensed financial statements should be read in conjunction with the 2011 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2011.

These condensed financial statements are presented in Renminbi ("RMB"), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand ("RMB'000"), unless otherwise stated.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board that are relevant to its operations and effective for its accounting year beginning on 1 January 2012. IFRSs comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group has not applied the new IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new IFRSs but is not yet in a position to state whether these new IFRSs would have a material impact on its results of operations and financial position.

3. OPERATING REVENUE

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Sales of electricity	**32,766,521**	30,263,584
Heat supply	**541,097**	409,758
Sales of coal	**1,772,923**	788,473
Sales of chemical products	**1,416,554**	1,305,080
Others	**379,868**	554,669
	36,876,963	33,321,564

4. SEGMENT INFORMATION

Executive directors and certain senior management (including chief accountant) of the Company (collectively referred to as the "Senior Management") perform the function as chief operating decision makers. The Senior Management reviews the internal reporting of the Group in order to assess performance and allocate resources. Senior Management has determined the operating segments based on these reports.

Senior Management considers the business from a product perspective. Senior Management primarily assesses the performance of power generation, coal and chemical separately. Other operating activities primarily include sales of properties and cement products and sales of coal ash, etc., and are included in "other segments".

Senior Management assesses the performance of the operating segments based on a measure of profit before tax prepared under China Accounting Standards for Business Enterprises ("PRC GAAP").

Segment profits or loss do not include dividend income from available-for-sale investments and gain on disposals of available-for-sale investments. Segment assets exclude deferred tax assets and available-for-sale investments. Segment liabilities exclude the current tax liabilities and deferred tax liabilities. Sales between operating segments are marked to market or contracted close to market price and have been eliminated at consolidation level. Unless otherwise noted below, all such financial information in the segment tables below is prepared under PRC GAAP.

4. SEGMENT INFORMATION (Continued)

	Power generation segment RMB'000 (unaudited)	Coal segment RMB'000 (unaudited)	Chemical segment RMB'000 (unaudited)	Other segments RMB'000 (unaudited)	Total RMB'000 (unaudited)
Six months ended 30 June 2012					
Revenue from external customers	**33,394,702**	**1,778,764**	**1,420,446**	**283,051**	**36,876,963**
Intersegment revenue	**97,390**	**8,414,081**	**–**	**62,985**	**8,574,456**
Segment profit	**1,612,998**	**734,080**	**100,021**	**258,754**	**2,705,853**
At 30 June 2012					
Segment assets	**183,995,750**	**25,355,515**	**55,373,135**	**11,599,796**	**276,324,196**
Six months ended 30 June 2011					
Revenue from external customers	30,585,742	867,778	1,433,560	434,484	33,321,564
Intersegment revenue	58,658	11,336,270	–	62,960	11,457,888
Segment profit	946,537	628,812	157,740	59,594	1,792,683
	(audited)	(audited)	(audited)	(audited)	(audited)
At 31 December 2011					
Segment assets	173,575,788	22,574,026	49,088,856	11,223,724	256,462,394

	Six months ended 30 June	
	2012 RMB'000 (unaudited)	2011 RMB'000 (unaudited)
Reconciliations of segment profit or loss:		
Total profit or loss of reportable segments	**2,705,853**	1,792,683
Gain on disposals of available-for-sale investments	**–**	5
Dividend income from available-for-sale investments	**79**	–
Elimination of intersegment profits	**(404,318)**	(262,000)
IFRS adjustment on amortisation of monetary housing benefits	**(13,241)**	(14,136)
IFRS adjustment on reversal of general provision on mining funds	**79,657**	106,025
Consolidated profit before tax	**2,368,030**	1,622,577

4. SEGMENT INFORMATION (Continued)

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from major customers:		
Power generation segment		
North China Grid Company Limited	**9,756,371**	9,322,726
Guangdong Power Grid Corporation	**4,119,354**	3,736,058
State Grid Corporation of China	**2,996,022**	3,004,947

5. FINANCE COSTS

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expense	**5,723,912**	4,414,551
Less: amount capitalised in property, plant and equipment	**(1,502,413)**	(1,115,183)
	4,221,499	3,299,368
Exchange loss/(gain), net	**819**	(17,443)
Others	**49,945**	22,271
	4,272,263	3,304,196

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax	**773,907**	522,771
Deferred tax	**(327,116)**	(215,862)
	446,791	306,909

Income tax is provided on the basis of the statutory profit for financial reporting purposes, adjusted for income and expense items, which are not assessable or deductible for income tax purposes.

The applicable People's Republic of China ("PRC") Enterprise Income Tax rate of the Company and its subsidiaries is 25% (six months ended 30 June 2011: 25%). Certain subsidiaries located in western region in the PRC enjoyed PRC Enterprise Income Tax rate of 15% before 2021 (six months ended 30 June 2011: 2011) when such income tax rate has changed to 25% thereafter.

In addition, certain subsidiaries are exempted from the PRC Enterprise Income Tax for two years starting from the first year of commercial operation followed by a 50% exemption of the applicable tax rate for the next three years.

7. PROFIT FOR THE PERIOD

The Group's profit for the period is stated at after charging/(crediting) the following:

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income	**(40,350)**	(46,456)
Dividend income	**(73,713)**	(16,250)
Amortisation of intangible assets	**11,616**	17,115
Amortisation of deferred housing benefits	**13,241**	14,136
Depreciation	**4,368,613**	4,156,572
Gain on disposal of an associate	**(1,350)**	–
Gain on disposals of available-for-sale investments	**–**	(5)
Reversal of allowance for accounts receivables	**–**	(56)

8. DIVIDENDS

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Final dividend for the year ended 31 December 2011 approved and paid – RMB0.11 per share	**1,464,104**	–
Final dividend for the year ended 31 December 2010 approved and paid – RMB0.07 per share	**–**	931,703
	1,464,104	931,703

9. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of RMB1,154,073 thousand (six months ended 30 June 2011: RMB931,658 thousand) and the weighted average number of ordinary shares of 13,310,038 thousand (six months ended 30 June 2011: 12,476,704 thousand) in issue during the period.

Diluted earnings per share

During the six months ended 30 June 2012 and 2011, the Company did not have any dilutive potential ordinary shares. Therefore, diluted earnings per share is equal to basic earnings per share.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2012, the Group acquired property, plant and equipment of RMB14,315,754 thousand (six months ended 30 June 2011: RMB10,521,227 thousand).

11. ACCOUNTS AND NOTES RECEIVABLES

The Group usually grants credit period of approximately one month to local power grid customers and coal purchase customers from the month end after sales and sale transactions made, respectively. The ageing analysis of the accounts and notes receivables is as follows:

	At 30 June 2012 RMB'000 (unaudited)	At 31 December 2011 RMB'000 (audited)
Within one year	**10,200,709**	10,044,753
Between one to two years	**75,773**	74,133
Between two to three years	**74,133**	89,009
Over three years	**89,660**	651
	10,440,275	10,208,546

12. SHARE CAPITAL

	At 30 June 2012 RMB'000 (unaudited)	At 31 December 2011 RMB'000 (audited)
Registered, issued and fully paid:		
9,994,360,000 (At 31 December 2011: 9,994,360,000) A shares of RMB1 each	**9,994,360**	9,994,360
3,315,677,578 (At 31 December 2011: 3,315,677,578) H shares of RMB1 each	**3,315,678**	3,315,678
	13,310,038	13,310,038

A summary of the movements in the issued share capital of the Company is as follows:

	Number of shares issued '000	**Nominal value of shares issued** RMB'000
At 1 January 2011	12,310,038	12,310,038
Shares issued	1,000,000	1,000,000
At 31 December 2011 (audited) and 30 June 2012 (unaudited)	13,310,038	13,310,038

13. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	At 30 June 2012 RMB'000 (unaudited)	At 31 December 2011 RMB'000 (audited)
Accounts and notes payables	**12,084,430**	10,161,684
Other payables and accrued liabilities	**11,770,706**	13,778,329
	23,855,136	23,940,013

The ageing analysis of the accounts and notes payables is as follows:

	At 30 June 2012 RMB'000 (unaudited)	At 31 December 2011 RMB'000 (audited)
Within one year	**11,341,799**	9,537,844
Between one to two years	**558,524**	623,840
Between two to three years	**184,107**	–
	12,084,430	10,161,684

14. NON-COMMON CONTROL BUSINESS COMBINATION

On 1 January 2012, the Group acquired 51% of the issued capital of Shenzhen Datang Baochang Gas Power Generation Co., Ltd. ("BGP") for a cash consideration of RMB326,000 thousand. BGP was engaged in natural gas power generation during the period.

The fair value of the identifiable assets and liabilities of BGP acquired as at its date of acquisition is as follows:

	RMB'000 (unaudited)
Net assets acquired:	
Property, plant and equipment	1,038,967
Other non-current assets	9,546
Cash and cash equivalents	72,556
Other current assets	795,263
Loans	(1,381,000)
Other non-current liabilities	(102,007)
Other current liabilities	(119,590)
	313,735
Non-controlling interests	(153,730)
Goodwill	165,995
Total consideration	326,000
Total consideration was satisfied by:	
Cash	274,980
Deferred consideration recorded as other payables under current liabilities	51,020
	326,000
Net cash outflow arising on acquisition:	
Cash consideration paid	(274,980)
Cash and cash equivalents acquired	72,556
	(202,424)

The goodwill arising on the acquisition of BGP is attributable to the anticipated profitability of its natural gas power generation operations and the anticipated future operating synergies from the combination.

BGP reduced the Group's profit for the period between its date of acquisition and the end of the reporting period by RMB41,495 thousand.

If the above acquisition had been completed on 1 January 2012, total Group revenue for the period would have been RMB36,876,963 thousand, and profit for the period would have been RMB1,921,239 thousand. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2012, nor is intended to be a projection of future results.

15. RELATED PARTY TRANSACTIONS

(a) Significant transactions with China Datang Corporation which is the ultimate parent of the Company and its subsidiaries other than the Group (collectively referred to as "China Datang Group") and associates and jointly controlled entities of the Group and their respective subsidiaries

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(unaudited)	(unaudited)
China Datang Group		
Receipt of equipment purchase agency services	**–**	181
Receipt of coal ash disposal services	**43,419**	28,946
Purchases of fuel	**51,667**	132,527
Purchases of materials and equipment	**49,874**	51,685
Operating lease expenses for buildings and facilities	**11,114**	11,114
Receipt of repairs and maintenance services	**4,274**	4,077
Receipt of capital injection to subsidiaries	**220,103**	332,540
Receipt of material management services	**–**	800
Sales of coal	**45,644**	–
Associates of the Group		
Interest expense on loans	**129,697**	98,970
Interest income on deposits	**22,701**	16,986
Purchases of fuel	**4,446**	37,840
Receipt of technical support services	**15,506**	7,196
Drawdown of loans	**6,208,000**	4,810,000
Sales of coal	**1,390**	–
Subsidiary of an associate of the Group		
Purchases of fuel	**362,607**	258,561
Jointly controlled entities of the Group		
Purchases of fuel	**15,883**	161,992
Interest income on entrusted loans	**12,025**	2,516
Provision of entrusted loans	**110,700**	–

15. RELATED PARTY TRANSACTIONS (Continued)

(b) Financial guarantees and financing facilities with China Datang Group and associates and jointly controlled entities of the Group

	At 30 June 2012 RMB'000 (unaudited)	At 31 December 2011 RMB'000 (audited)
China Datang Group		
Long-term loans of the Group guaranteed by China Datang Corporation	**532,710**	563,723
Short-term loans of the Group guaranteed by a subsidiary of China Datang Corporation and secured by a charge over 358,680,000 H shares of the Company executed by that subsidiary in favour of the bank and counter-guaranteed by the Company	**562,619**	562,619
Associates of the Group		
Long-term loans of the associates guaranteed by the Company	**470,800**	470,800
Integrated credit facilities provided by an associate	**18,000,000**	18,000,000
Jointly controlled entities of the Group		
Long-term loans of jointly controlled entities guaranteed by the Company	**205,800**	320,800
Short-term loans of a jointly controlled entity guaranteed by the Company	**366,500**	251,500

(c) Significant transactions with government-related entities

Government-related entities, other than entities under China Datang Corporation which is a state-owned enterprise and its subsidiaries, directly or indirectly controlled by the Central People's Government of the PRC ("Government-Related Entities) are also regarded as related parties of the Group.

For the purpose of the related party transactions disclosure, the Group has established procedures for determination, to the extent possible, of the identification of the ownership structure of its customers and suppliers as to whether they are Government-Related Entities to ensure the adequacy of disclosure for all material related party transactions given that many Government-Related Entities have multi-layered corporate structures and the ownership structures change over time as a result of transfers and privatisation programs.

During the six months ended 30 June 2012 and 2011, the Group sold substantially all of its electricity to local government-related power grid companies. Please refer the details of information of power generation revenue to major power grid companies to note 4 to the condensed financial statements. The Group maintained most of its bank deposits in government-related financial institutions while lenders of most of the Group's loans are also government-related financial institutions, associated with the respective interest income or interest expense incurred.

During the six months ended 30 June 2012 and 2011, other collectively significant transactions with Government-Related Entities also included purchases of fuel and property, plant and equipment.

15. RELATED PARTY TRANSACTIONS (Continued)

(d) Compensation to key management personnel of the Group

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Basic salaries and allowances	**1,562**	1,476
Bonus	**2,099**	1,931
Retirement benefits	**143**	99
Other benefits	**82**	78
	3,886	3,584

16. CONTINGENT LIABILITIES

At the end of the reporting period, the Group has provided financial guarantees for loan facilities granted to the following parties:

	At	At
	30 June	31 December
	2012	2011
	RMB'000	RMB'000
	(unaudited)	(audited)
Associates	**470,800**	470,800
Jointly controlled entities	**572,300**	572,300
Other equity investee	**84,000**	84,000
	1,127,100	1,127,100

Based on historical experience, no claims have been made against the Group since the date of granting of the above financial guarantees.

17. CAPITAL COMMITMENTS

At 30 June 2012, the Group has capital commitments related to investments in subsidiaries amounted to RMB nil thousand (At 31 December 2011: RMB390,000 thousand). In addition, capital commitments of the Group in relation to the construction and renovation of the electricity utility plants not provided for in the condensed consolidated statement of financial position are as follows:

	At 30 June 2012 RMB'000 (unaudited)	At 31 December 2011 RMB'000 (audited)
Contracted but not provided for	**35,317,444**	26,858,785
Authorised but not contracted for	**4,924,136**	16,553,592
	40,241,580	43,412,377

18. LEASE COMMITMENTS

At 30 June 2012 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 June 2012 RMB'000 (unaudited)	At 31 December 2011 RMB'000 (audited)
Within one year	**18,171**	29,029
In the second to fifth years inclusive	**55,083**	41,446
After five years	**22,664**	21,230
	95,918	91,705

19. EVENT AFTER THE REPORTING PERIOD

In order to lower its finance costs and thus further adjusting its debt structure, the Company has completed the issuance of "The First Tranche of Datang International Power Generation Co., Ltd.'s Super Short-term Debentures in 2012" (the "First Tranche Super Short-term Debentures") on 18 July 2012. The issuance amount for the First Tranche Super Short-term Debentures was RMB3 billion with a maturity of 90 days. The unit nominal value is RMB100 and the issuance interest rate is at 3.26%.

20. APPROVAL OF CONDENSED FINANCIAL STATEMENTS

The condensed financial statements were approved and authorised for issue by the Board of Directors on 20 August 2012.

Differences between Financial Statements

For the six months ended 30 June 2012

The condensed financial statements which are prepared by the Group in conformity with International Financial Reporting Standards ("IFRS") differ in certain respects from China Accounting Standards for Business Enterprises ("PRC GAAP"). Major differences between IFRS and PRC GAAP ("GAAP Differences"), which affect the net assets and net profit of the Group, are summarised as follows:

		Net assets	
	Note	**At 30 June 2012 RMB'000 (unaudited)**	At 31 December 2011 RMB'000 (audited)
Net assets attributable to owners of the Company under IFRS		**38,686,464**	38,940,692
Impact of IFRS adjustments:			
Difference in the commencement of depreciation of property, plant and equipment	(a)	**106,466**	106,466
Difference in accounting treatment on monetary housing benefits	(b)	**(89,598)**	(102,839)
Difference in accounting treatment on mining funds	(c)	**(153,674)**	(175,734)
Applicable deferred tax impact of the above GAAP Differences		**9,428**	715
Non-controlling interests' impact of the above GAAP Differences after tax		**(6,097)**	18,564
Net assets attributable to owners of the Company under PRC GAAP		**38,552,989**	38,787,864

		Net profit Six months ended 30 June	
	Note	**2012 RMB'000 (unaudited)**	2011 RMB'000 (unaudited)
Profit for the period attributable to owners of the Company under IFRS		**1,154,073**	931,658
Impact of IFRS adjustments:			
Difference in accounting treatment on monetary housing benefits	(b)	**13,241**	14,136
Difference in accounting treatment on mining funds	(c)	**(79,657)**	(106,025)
Applicable deferred tax impact of the above GAAP Differences		**8,713**	27,107
Non-controlling interests' impact of the above GAAP Differences after tax		**(7,284)**	(12,744)
Net profit for the period attributable to owners of the Company under PRC GAAP		**1,089,086**	854,132

Note:

(a) Difference in the commencement of depreciation of property, plant and equipment

This represents the depreciation difference arose from the different timing of the start of depreciation charge in previous years.

(b) Difference in accounting treatment on monetary housing benefits

Under PRC GAAP, the monetary housing benefits provided to employees who started work before 31 December 1998 were directly deducted from the retained earnings and statutory public welfare fund after approval by the general meeting of the Company and its subsidiaries.

Under IFRS, these benefits are recorded as deferred assets and amortised on a straight-line basis over the estimated remaining average service lives of relevant employees.

(c) Difference in accounting treatment on mining funds

Under PRC GAAP, accrual of future development and work safety expenses are included in respective product cost or current period profit or loss and recorded in a specific reserve accordingly. When such future development and work safety expenses are applied and related to revenue expenditures, specific reserve is directly offset when expenses incurred. When capital expenditures are incurred, they are included in construction in progress and transferred to fixed assets when the related assets reach the expected use condition. They are then offset against specific reserve based on the amount included in fixed assets while corresponding amount is recognised in accumulated depreciation. Such fixed assets are not depreciated in subsequent periods.

Under IFRS, coal mining companies are required to set aside an amount to a fund for future development and work safety through transferring from retained earnings to restricted reserve. When qualifying revenue expenditures are incurred, such expenses are recorded in the profit or loss as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Group. Internal equity items transfers take place based on the actual application amount of future development and work safety expenses whereas restricted reserve is offset against retained earnings to the extent of zero.