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大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

(a sino-foreign joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00991)

ANNOUNCEMENT OF 2012 ANNUAL RESULTS

OPERATING AND FINANCIAL HIGHLIGHTS:

- Operating revenue amounted to approximately RMB77,598 million, representing an increase of approximately 7.21% over 2011.
- Net profit attributable to equity holders of the Company amounted to approximately RMB4,062 million, representing an increase of approximately 106.08% over 2011.
- Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.31, representing an increase of RMB0.16 per share over 2011.

I. COMPANY RESULTS

The board of directors (the "Board") of Datang International Power Generation Co., Ltd. (the "Company") hereby announces the audited consolidated operating results of the Company and its subsidiaries (the "Group") prepared in conformity with International Financial Reporting Standards ("IFRS") for the year ended 31 December 2012 (the "Year"), together with the audited consolidated operating results of 2011 (the "Previous 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 Year was approximately RMB77,598 million, representing an increase of approximately 7.21% as compared to the Previous Year. Net profit attributable to equity holders of the Company was approximately RMB4,062 million, representing an increase of approximately 106.08% as compared to the Previous Year. Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.31, representing an increase of RMB0.16 per share as compared to the Previous Year.

II. MANAGEMENT DISCUSSION AND ANALYSIS

A. Overview

The Company, primarily engaged in power generation businesses with its main focus on coal-fired power generation, is one of the largest independent power generation companies in the People's Republic of China (the "PRC"). In 2012, the Company continued to drive the strategy of "focusing on the power generation business whilst complementing with synergistic diversifications". In the face of a complex and volatile business environment and the increasingly fierce competition within the industry, the Group, following closely the changes in the State's policies and the market environment, placed emphasis on resources conservation and environmental protection and fulfilled social responsibilities. As a result, the Company showed healthy signs of overall development and achieved a significant year-on-year growth in profits.

B. Review on the Operating Results of Various Businesses

1. Power Generation Business

The power generation businesses of the Company and its subsidiaries are primarily distributed across 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. As at 31 December 2012, the Company managed an installed capacity of approximately 39,147 MW.

- (1) Maintenance of safe and stable power production. During the Year, total power generation of the Company and its subsidiaries amounted to 202.1456 billion kWh, representing a year-on-year decrease of approximately 0.77%. The accumulative on-grid power generation amounted to 191.1810 billion kWh, representing a year-on-year decrease of approximately 0.50%. Utilisation hours of generating units accumulated to 5,212 hours, representing a year-on-year decrease of 164 hours. No casualties or material damage to the facilities occurred to the Company and its subsidiaries during the course of power production. The equivalent availability coefficient of the operational generating units amounted to 93.78%.

- (2) Steady progress in energy conservation and emission reduction. In 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 Year, total coal consumption for power supply was 317.31 g/kWh, representing a year-on-year decrease of approximately 2.38 g/kWh. Electricity consumption rate of power plants was 4.56%, representing a year-on-year decrease of approximately 0.32 percentage points. The total desulfurisation facilities operation rate and the total overall desulfurisation efficiency rate amounted to 99.67% and 94.18%, respectively. The emission rates of sulfur dioxide, nitrogen oxides, smoke ash and waste water were 0.37 g/kWh, 1.22 g/kWh, 0.10 g/kWh and 0.05 kg/kWh respectively, representing a year-on-year decrease of 2.63%, 8.27%, 16.67% and 16.67%, respectively. During the Year, a total of 11 power generating units of certain power generation companies of the Company carried out denitrification transformation projects.
- (3) Achieved breakthrough in progress of preliminary works. During the Year, 14 power generation projects of the Company were officially approved, including 2 coal-fired power (gas turbine) projects with total approved capacity of 2,226 MW, 1 hydropower project with total approved capacity of 125 MW, 6 wind power projects with total approved capacity of 276 MW, and 5 photovoltaic power projects with total approved capacity of 80 MW. Details of the aforesaid projects are:

Coal-fired power (gas turbine) projects:	Beijing Gaojing 3 units of 460 MW Gas Thermal Power Expansion Project; Guangdong Gaoyao 2 units of 423 MW Turbine Project.
Hydropower project:	Furongjiang Haokou 2 units of 62.5 MW Hydropower Project of Wujiang basin, Chongqing.
Wind power projects:	Liaoning Changtu Sanjiangkou 48 MW Wind Power Project; Liaoning Faku Shuangtaizi 48 MW Wind Power Project; Datang Yangxi Baishawan 36 MW Wind Power Project; Hebei Fengning Luotuogou Phase 2 48 MW Wind Power Project; Jiangxi Anyuan Jiulongshan 48 MW Wind Power Project; Jiangxi Fengcheng Yuhuashan 48 MW Wind Power Project.

Photovoltaic projects: Qinghai Geermu Phase 2 20 MW Photovoltaic Project; Inner Mongolia Hangjinqi Balagong 10 MW Photovoltaic Project; Inner Mongolia Zhuozi Bayin Phase 1 10 MW Photovoltaic Project; Inner Mongolia Hongmu 20 MW Photovoltaic Project; Ningxia Hongsibao 20 MW Photovoltaic Project.

- (4) Pushed forward project construction and improved power generation structure. During the Year, the capacity of generating units of the Company increased by 213.5 MW, all of which are green energy. As at the end of 2012, coal-fired power, hydropower, wind power and photovoltaic power accounted for 83.75%, 12.33%, 3.74% and 0.18% of the Company's installed power generation capacity, respectively. The proportion of capacity in clean and renewable energy reached 16.25%, representing a year-on-year increase of 0.33 percentage points.

2. Coal Chemical Business

During the Year, 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, and the Fuxin Coal-based Natural Gas Project with annual production scale of 4 billion cubic meters of natural gas, being constructed by the Company with controlling interests, proceeded smoothly. Of these projects:

- (1) **The Duolun Coal Chemical Project:** The Duolun Coal Chemical Project, developed and constructed by the Company 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 polypropylene and other chemical by-products.

The project officially started to undergo trial production in March 2012. In August 2012, the continuous and stable trial operation at a heavy loading rate of 70% was completed. With prolonged practice and innovative improvements based on the construction and operation of the project, the relevant professionals of the Company fully verified that the Duolun Coal Chemical Project has reached its expected usable condition. Since December 2012, the construction-in-progress was successively transferred to fixed assets.

- (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 Company with 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 the quality of air environment. Following the 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 construction of Series 1 of Phase 1 of the Keqi Coal-based Natural Gas Project has gone through all the technological processes and produced qualified natural gas. For the construction of Phase 2, the startup of 8 facilities has been completed. Apart from methanation facilities, major facilities in the chemical zone have also fully commenced construction. The main structure of the air separation installation has been constructed, while installations for gasifiers at the gasification plant, waste heat boiler and non-standard ancillary facilities have all been completed. Lifting and installation for the low-temperature methanol tower washers of the purification plant have all been completed. The construction of the main structure of phenol ammonia recovery facility and the underground pipeline network has been completed. The circulation water system has also been basically constructed.

- (3) The Fuxin Coal-based Natural Gas Project: The Fuxin Coal-based Natural Gas Project with an annual output of 4 billion cubic meters of natural gas, developed and constructed by the Company 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. 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 nearby cities which have experienced rapid economic development, thereby increasing the overall profitability of the Company.

As at the end of the reporting period, the air separation units of the Keqi Coal-based Natural Gas Project already met the requirements of trial run; Gasifier no. 1 met the requirements of ignition; installation of facilities in the chemical zone completed in general; 80% of the long-distance natural gas transmission pipelines completed; 9.6km of rail were laid.

3. The Coal Business

The Shengli Open-cut Coal Mine East Unit 2 in Shengli area of Inner Mongolia, developed and constructed by the Company, 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, the annual production capacity of Phase 1 project reached 10 million tonnes; Phase 2 project with an annual production capacity of 20 million tonnes is currently undergoing construction of infrastructure as scheduled. The preliminary development works of the Wujianfang Coal Mine, the Kongduigou Coal Mine and the Changtan Coal Mine carried out by the Company in Inner Mongolia region proceeded in an orderly manner. The successful development of the above-said coal mine projects would also increase the coal self-sufficiency ratio of the Company. As at the end of the reporting period, the volume of coal produced by Inner Mongolia Datang International Xilinhaote Mining Company Limited, a subsidiary of the Company, amounted to 10.81 million tonnes; the volume of coal produced by Inner Mongolia Baoli Coal Company Limited amounted to 1.25 million tonnes.

C. Major Financial Indicators and Analysis

1. Operating Revenue

During the Year, the Group realised an consolidated operating revenue of approximately RMB77,598 million, representing an increase of approximately 7.21% over the Previous Year, among which revenue from electricity sales increased by approximately RMB2,994 million.

2. Operating Costs

During the Year, total operating costs of the Group amounted to approximately RMB64,088 million, representing an increase of approximately RMB1,259 million or 2% over the Previous Year. Among which, fuel cost accounted for approximately 69.39% of the operating costs, and depreciation cost accounted for approximately 13.76% of the operating costs. Since the standard coal unit price of the Company for power generation decreased by RMB28.22/tonne over the Previous Year, the fuel cost for power generation of the Company decreased by RMB1,548 million as a result.

3. Net Finance Costs

During the Year, finance costs of the Group amounted to approximately RMB8,568 million, representing an increase of approximately RMB1,466 million or approximately 20.65% over the Previous Year. The relatively significant increase was mainly due to the increase in borrowings.

4. Total Profit before Tax and Net Profit

During the Year, the Group reported a total profit before tax amounting to approximately RMB7,586 million, representing an increase of approximately 104.49% over the Previous Year. Net profit attributable to equity holders of the Company amounted to approximately RMB4,062 million, representing an increase of 106.08% over the Previous Year. The increase in the Group's profit was mainly due to increase in operating revenue and decrease in fuel costs.

5. Financial Position

As at 31 December 2012, total assets of the Group amounted to approximately RMB275,278 million, representing an increase of approximately RMB27,581 million as compared to the end of 2011. The increase in total assets was primarily attributable to increased investments in construction in progress and fixed assets as a result of the Group's implementation of its development strategies.

Total liabilities of the Group amounted to approximately RMB218,618 million, representing an increase of approximately RMB21,653 million over the end of 2011. Of the total liabilities, non-current liabilities increased by approximately RMB19,630 million over the end of 2011. The increase in total liabilities was mainly due to an increase in the Group's borrowings and debentures so as to fulfill the needs of day-to-day operations and infrastructure construction. Equity attributable to equity holders of the Company amounted to approximately RMB41,658 million, representing an increase of approximately RMB2,717 million over the end of 2011. Net asset value per share attributable to equity holders of the Company amounted to approximately RMB3.13, representing an increase of approximately RMB0.20 per share over the end of 2011.

6. Liquidity

As at 31 December 2012, the assets-to-liabilities ratio of the Group was 79.42%. The net debt-to-equity ratio (i.e. (loans + short-term bonds + long-term bonds – cash and cash equivalents)/total equity) was approximately 315.30%.

As at 31 December 2012, cash and cash equivalents of the Group amounted to approximately RMB4,613 million, among which deposits equivalent to approximately RMB517 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the Year.

As at 31 December 2012, short-term loans of the Group amounted to approximately RMB22,240 million, bearing annual interest rates ranging from 1.64% to 6.94%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB129,446 million and long-term loans repayable within one year amounted to approximately RMB12,771 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 RMB1,512 million were denominated in US dollar, and loans equivalent to approximately RMB365 million were denominated in HK dollar. The Group paid close attention to foreign exchange market fluctuations and cautiously assessed risks.

7. Welfare Policy

As at 31 December 2012, the staff of the Group totalled 22,012. The Group adopts the basic salary system on the basis of position-points salary distribution. The Group is concerned about personal growth and occupational training of its staff. Led by the strategy of developing a strong corporation with talents, the Group relies on a three-tier management organisational structure and implements an all-staff training scheme for various levels.

D. Outlook for 2013

In 2013, the domestic economy is expected to stabilise and move to the track of significant rebound, which would set to drive the actual growth of electricity demand. Meanwhile, given the concentrated release of domestic coal production capacity and the sustained downturn of international coal price, the coal market will generally be in the status of oversupply, thus thermal coal price is expected to fluctuate at low level in recent years.

Diversified business deployment of the Company has been gradually paving the way to the harvest stage of the diversified and synergistic development. The Company's structures in terms of business, power generation, regional distribution and equity holding would further be optimised; power generation, the core business of the Company, will see another new height, and the preliminary works for power generation projects of approximately 3,900 mWh are expected to make significant breakthrough in 2013, which are conducive to the strengthening of core competitiveness of the Company.

While the overall slowdown of domestic economic growth continues to impose substantial pressure to the power generation business the Company; local governments are becoming more demanding on emission reduction performances and about the timing for facility rectification, which will probably affect the normal power generation of enterprises. Confronting the challenges, the Company will consolidate advantageous factors and implement effective measures to strive for achieving total power generation in 2013 to exceed 200 billion kWh.

In 2013, according to the strategy of "focusing on the power generation business whilst complementing with synergistic diversifications", the Company will uphold an integrated-business positioning: with the power generation business as the dominant development; coal operations as foundation; coal-to-chemical projects as a new growth driver; and railway, port, and shipping as connecting ties. The Company will enhance its coal-fired power; aggressively expand its hydropower; continuously develop wind power; safely and efficiently develop nuclear power; appropriately develop solar energy; focus on suitable coal operations; actively and steadily develop coal chemical projects; accelerate the development of metallurgy; and secure a complementary development of railway, port and shipping operations. The Company will carry out innovative development in regions where the Company has advantages in terms of resources, market and policies; reinforce the dynamic integration of business development with regional development; and focus its advantages on building a batch of business strongholds featuring core competitiveness, enhancing the strengths of key regions, the Company's brand position and profitability.

1. Strengthen the construction of long-effect mechanism on production safety

Enhance safety management. Continue to persist in rigorous examination on production safety; intensify the nurturing of execution capabilities, focus on forging quality safety enterprise and a long-effect mechanism on production safety of Datang International style.

Enhance facility management. Emphasis will be placed on improvement of auxiliary reliability management system and spot-checking performance management system of power generation enterprises, as well as the building of healthy and comprehensive reliability management system of major facilities of non-power generation enterprises.

Enhance operational management. Continue to improve “great centralisation” of coal-fired enterprises; promote the new production management model featuring centralised operation, on-spot checking and regional repairing among medium and small hydropower, wind power and photovoltaic power generation enterprises.

Enhance technological innovation. Launch programmes to build a technologically innovative enterprise and focus on tackling practical issues in strengthened technological ways to ensure solid results. Strengthen the management of independent intellectual property rights and speed up carrying out the brand strategy of non-power generation products.

2. Strive to further improve profitability

Continue to reinforce the coordination of power generation at corporate level, grasp various types of complementary power generation that are beneficial to profit contribution, and continue the incentive programme for overfulfillment of power generation targets, with an aim to drum up the willingness, motivation and inventiveness of units-in-charge at different levels.

Concentrate on intensifying study on fuel market and formulate fuel purchasing strategy scientifically. Execute effectively the new model of fuel management, enhance the central management of purchasing and sales to ride on the advantage of large scale purchasing.

Keep improving capital management model; rationally adjust the debt structure; raise the efficiency of capital utilisation; step up the comprehensive rigid budget control and management.

3. Accelerate the development of “six efficiency bases”

Intensify the exploration of power generation projects. Continue to expand wind power reserve and advance wind power development towards areas with more abundant resources, higher tariff, larger capacity of power grids, and absence of wind power projects.

Extend the business chain of non-power generation. Explore new growth drivers from the existing non-power generation projects of the Company. Emphasis placed on product compatibility and synergy in efficiency of coal chemical and coal-based natural gas projects. Speed up the development of cyclic economy project in Ordos area riding on the independent intellectual rights in the extraction of alumina from high-aluminium pulverised fuel ash.

4. Push forward energy conservation and emissions reduction

Enhance energy conservation and reduction of energy consumption. Intensify the research and promotion on new technology on energy conservation, with highlight on promoting the technology of utilisation of smoke residue heat; carry out renovation for environmental production; enhance control on the total systematic pollutant emission volume of the Company and improve the monitoring of performance on environmental protection at basic level of the Company; strengthen the investigation of key environmental issues and build a comprehensive response system on environmental emergencies.

5. Continue active capital operation

Continue capital operation. Make full use of the listed company as a financing platform, reinforce its function of direct financing and optimise its equity structure; intensify the organisation and coordination at corporate level, and enhance the capability of capital operation and risk resistance.

6. Push forward the comprehensive improvement of corporate governance

Continue to enhance the institutions of authority and responsibility. Further clarify the managerial interface and functions, clean out management flows.

Continue to improve internal control. Improve “Datang International internal control deficiency identification standards” and commence quality evaluation on internal control.

III. SHARE CAPITAL AND DIVIDENDS

1. Share Capital

As at 31 December 2012, the total share capital of the Company amounted to 13,310,037,578 shares, divided into 13,310,037,578 shares of a nominal value of RMB1.00 each.

2. Shareholding of Substantial Shareholders

So far as the directors of the Company are aware, as at 31 December 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 (shares)	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	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	A shares	1,296,012,600	9.74	12.97	—
Hebei Construction Investment (Group) Co., Ltd.	A shares	1,281,872,927	9.63	12.83	—
Beijing Energy Investment (Group) Company Limited	A shares	1,260,988,672	9.47	12.62	—
Blackrock, Inc.	H shares	182,899,515(L)	1.37(L)	—	5.5(L)
		17,673,999(S)	0.13(S)	—	0.53(S)

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

3. Dividends

The Board proposes that:

Based on the Company's total share capital (as at 31 December 2012, the Company's total share capital was 13,310,037,578 shares), distributing a cash dividend of RMB0.1 per share (tax included) to all shareholders and the total amount of the proposed cash dividends to be distributed is approximately RMB1,331,004,000.

The above proposal is subject to the consideration and approval of the general meeting of the Company.

The details of the payment of the dividend will be set out in the notice of the annual general meeting to be issued by the Company as and when appropriate.

4. Shareholding of the directors and supervisors

As at 31 December 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 or debentures of the Company or any of its associated corporation (as defined in SFO) that were required to notify the Company and the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to 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 of the SFO or otherwise required to notify 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").

IV. SIGNIFICANT EVENTS

1. The Company 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. 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 completed the payment of dividends for the year of 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).

3. 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 period of 90 days. The unit nominal value is RMB100 and the issuance interest rate is at 3.26%.
4. The Company has completed the issuance of “The Second Tranche of Datang International Power Generation Co., Ltd.’s Super Short-term Debentures in 2012” (the “Second Tranche Super Short-term Debentures”) on 12 October 2012. The issuance amount for the Second Tranche Super Short-term Debentures was RMB3 billion with a maturity period of 270 days. The unit nominal value is RMB100 and the issuance interest rate is at 4.15%.
5. According to the resolutions regarding change of director passed at the 2012 first extraordinary general meeting convened on 20 August 2012, Mr. Mi Dabin was appointed as a director of the seventh session of the Board of the Company, and Mr. Su Tiegang ceased to assume the office of being a director of the seventh session of the Board of the Company.
6. On 30 November 2012, Datang International (Hong Kong) Limited, a wholly-owned subsidiary of the Company, completed the public issuance of RMB500 million offshore RMB bonds with a maturity period of 3 years and an annual coupon rate of 5.2%.
7. In December 2012, the Company received the “Approval for the Public Issue of Corporate Bonds by Datang International Power Generation Co., Ltd.” (CSRC Permit【2012】No.1611) from the China Securities Regulatory Commission, whereby the Company was permitted to issue corporate bonds with a nominal value of not exceeding RMB6 billion to the public. The corporate bonds shall be issued in multiple tranches. The issuance amount of the first tranche shall not be less than 50% of the total issuance amount and shall be completed within 6 months from the date on which the approval is issued. The other tranches of corporate bonds shall be issued and completed within 24 months from the date on which the approval is issued.

V. PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, the Group has not purchased, sold or redeemed any of its listed securities.

VI. COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

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

During the Year, 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 Year, 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.

VII. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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 as set out in Appendix 10 to the Listing Rules during the Year.

VIII. AUDIT COMMITTEE

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

The Audit Committee considers that the 2012 Annual 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
Zhou Gang
Secretary to the Board

Beijing, the PRC, 25 March 2013

As at the date of this announcement, the directors of the Company are:

Liu Shunda, Hu Shengmu, Cao Jingshan, Fang Qinghai, Zhou Gang, Liu Haixia, Guan Tiangang, Mi Dabin, Ye Yonghui, Li Gengsheng, Li Yanmeng, Zhao Zunlian*, Li Hengyuan*, Zhao Jie*, Jiang Guohua**

** independent non-executive directors*

**A. FINANCIAL INFORMATION EXTRACTED FROM FINANCIAL STATEMENTS
PREPARED UNDER IFRS**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	<i>Note</i>	2012	2011
		<u>RMB'000</u>	<u>RMB'000</u>
Operating revenue	4	77,598,143	72,381,865
Operating costs			
Fuel for power and heat generation		(39,116,040)	(42,152,791)
Fuel for coal sales		(5,352,767)	(2,331,552)
Depreciation		(8,820,051)	(8,604,808)
Repairs and maintenance		(2,361,659)	(1,898,832)
Salaries and staff welfare		(2,748,148)	(2,367,473)
Local government surcharges		(669,965)	(568,654)
Others		(5,019,331)	(4,904,592)
Total operating costs		(64,087,961)	(62,828,702)
Operating profit		13,510,182	9,553,163
Shares of profits of associates		748,539	945,970
Shares of profits of jointly controlled entities		43,824	94,229
Investment income		474,365	50,191
Other gains		1,305,804	58,564
Interest income		71,868	109,820
Finance costs	6	(8,568,230)	(7,102,002)
Profit before tax		7,586,352	3,709,935
Income tax expense	7	(1,361,102)	(667,786)
Profit for the year		6,225,250	3,042,149

	<i>Note</i>	2012 <u>RMB'000</u>	2011 <u>RMB'000</u>
Other comprehensive income after tax:			
Reclassification adjustments for amounts transferred to profit or loss upon disposals of available-for-sale investments		—	(4)
Fair value gain/(loss) on available-for-sale investments		38,333	(28,519)
Share of other comprehensive income of associates		(1,462)	(63,516)
Foreign currency translation differences		(2,968)	21,825
Income tax relating to components of other comprehensive income		(7,637)	7,131
Other comprehensive income for the year, net of tax		26,266	(63,083)
Total comprehensive income for the year		6,251,516	2,979,066
Profit for the year attributable to:			
Owners of the Company		4,062,268	1,971,200
Non-controlling interests		2,162,982	1,070,949
		6,225,250	3,042,149
Total comprehensive income for the year attributable to:			
Owners of the Company		4,088,534	1,908,050
Non-controlling interests		2,162,982	1,071,016
		6,251,516	2,979,066
Proposed dividends	8	1,331,004	1,464,104
Dividends paid		1,464,104	961,703
		RMB	RMB
Earnings per share			
Basic and diluted	9	0.31	0.15

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2012

	<i>Note</i>	2012	2011
		<u>RMB'000</u>	<u>RMB'000</u>
ASSETS			
Non-current assets			
Property, plant and equipment		221,477,314	200,923,064
Investment properties		536,857	502,302
Intangible assets		2,867,431	2,644,303
Investments in associates		7,112,954	5,289,166
Investments in jointly controlled entities		4,200,109	3,585,867
Available-for-sale investments		6,242,654	2,710,073
Deferred housing benefits		73,822	102,839
Long-term entrusted loans to an associate		736,381	—
Deferred tax assets		1,674,551	1,453,359
Other non-current assets		428,720	412,628
		<u>245,350,793</u>	<u>217,623,601</u>
Current assets			
Inventories		5,215,109	6,093,786
Accounts and notes receivables	10	10,356,787	10,208,546
Prepayments and other receivables		9,067,279	8,877,100
Short-term entrusted loans to related parties		576,311	365,198
Tax recoverable		98,723	61,586
Cash and cash equivalents		4,612,687	4,467,372
		<u>29,926,896</u>	<u>30,073,588</u>
TOTAL ASSETS		<u><u>275,277,689</u></u>	<u><u>247,697,189</u></u>

	<i>Note</i>	2012 <u>RMB'000</u>	2011 <u>RMB'000</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	13,310,038	13,310,038
Reserves		24,494,694	23,037,968
Retained earnings			
Proposed dividends	8	1,331,004	1,464,104
Others		2,522,646	1,128,582
Equity attributable to owners of the Company		41,658,382	38,940,692
Non-controlling interests		15,001,249	11,791,362
Total equity		56,659,631	50,732,054
Non-current liabilities			
Long-term loans		129,445,617	117,654,356
Long-term bonds		14,405,026	8,937,277
Deferred income		1,382,733	504,071
Deferred tax liabilities		702,242	585,488
Provisions		41,639	41,680
Other non-current liabilities		7,202,776	5,827,268
		153,180,033	133,550,140
Current liabilities			
Accounts payables and accrued liabilities	12	23,877,250	23,940,013
Taxes payables		1,200,395	771,475
Dividends payables		111,313	154,881
Short-term loans		22,239,798	21,523,709
Short-term bonds		4,400,000	1,400,000
Current portion of non-current liabilities		13,609,269	15,624,917
		65,438,025	63,414,995
Total liabilities		218,618,058	196,965,135
TOTAL EQUITY AND LIABILITIES		275,277,689	247,697,189
Net current liabilities		(35,511,129)	(33,341,407)
Total assets less current liabilities		209,839,664	184,282,194

Note:

1. BASIS OF PREPARATION

The consolidated financial statements of Datang International Power Generation Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong and by the Hong Kong Companies Ordinance. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain available-for-sale investments.

At 31 December 2012, a significant portion of the funding requirements of the Group for capital expenditures was satisfied by short-term borrowings. Consequently, at 31 December 2012, the Group had net current liabilities of approximately RMB35.51 billion. The Group had significant undrawn borrowing facilities, subject to certain conditions, amounting to approximately RMB261.43 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.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

In the current year, the Group has adopted all the new and revised International Financial Reporting Standards (“IFRSs”) 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 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. MAJOR ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

Business combinations other than under common control

- (i) On 1 January 2012, the Group acquired 51% of the issued capital of Shenzhen Datang Baochang Gas Power Generation Company Limited (“Baochang Gas Power”) for a cash consideration of RMB326,000 thousand. BGP was engaged in natural gas power generation during the year.

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

	<i>RMB'000</i>
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)
	<hr/>
	313,735
Non-controlling interests	(153,730)
Goodwill	165,995
	<hr/>
Total consideration – satisfied by cash	<u>326,000</u>
Net cash outflow arising on acquisition:	
Cash consideration paid	(326,000)
Cash and cash equivalents acquired	72,556
	<hr/>
	<u>(253,444)</u>

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

Baochang Gas Power reduced the Group’s profit for the year between its date of acquisition and the end of the reporting period by RMB144,778 thousand.

If the above acquisition had been completed on 1 January 2012, total Group revenue for the year would have been RMB77,598,143 thousand, and profit for the year would have been RMB6,225,250 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.

- (ii) On 1 July 2012, the Group acquired 100% of the issued capital of Erdos Ruidefeng Mining Company Limited (“Ruidefeng Mining”) for a cash consideration of RMB197,500 thousand. ERM was engaged in wholesale of coal during the year.

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

	<i>RMB'000</i>
Net assets acquired:	
Property, plant and equipment	23,583
Other non-current assets	287,081
Cash and cash equivalents	34
Other current assets	19,618
Non-current liabilities	(34,660)
Current liabilities	(130,702)
	<hr/>
	164,954
Goodwill	32,546
	<hr/>
Total consideration – satisfied by cash	<u>197,500</u>
Net cash outflow arising on acquisition:	
Cash consideration paid	(197,500)
Cash and cash equivalents acquired	34
	<hr/>
	<u>(197,466)</u>

The goodwill arising on the acquisition of Ruidefeng Mining is attributable to the anticipated profitability of its wholesale of coal operations and the anticipated future operating synergies from the combination.

Ruidefeng Mining increased the Group’s profit for the year between its date of acquisition and the end of the reporting period by RMB5 thousand.

If the above acquisition had been completed on 1 January 2012, total Group revenue for the year would have been RMB77,598,143 thousand, and profit for the year would have been RMB6,225,250 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.

Disposal of a subsidiary

On 31 December 2012, the Group disposed of its 31% equity interest in a 80% owned subsidiary, Shanxi Datang International Yuncheng Power Generation Company Limited.

Net liabilities at the date of disposal were as follows:

	<i>RMB'000</i>
Property, plant and equipment	3,247,657
Other non-current assets	9,943
Cash and cash equivalents	323,191
Other current assets	296,465
Loans	(4,529,375)
Other non-current liabilities	(1,425)
Other current liabilities	(823,642)
	<hr/>
Net liabilities disposed of	(1,477,186)
Non-controlling interests	437,156
Fair value of investment in the subsidiary retained	(259,078)
Gain on disposal of a subsidiary (included in other gains)	1,299,108
	<hr/>
Total consideration	—
	<hr/> <hr/>
Net cash outflow arising on disposal:	
Cash and cash equivalents disposed of	(323,191)
	<hr/> <hr/>

4. OPERATING REVENUE

The Group's operating revenue which primarily represents sales of electricity, heat, coal and chemical products is as follows:

	<u>2012</u>	<u>2011</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of electricity	67,361,582	64,367,360
Heat supply	943,092	719,013
Sales of coal	5,892,366	2,937,638
Sales of chemical products	2,572,701	3,070,651
Others	828,402	1,287,203
	<hr/>	<hr/>
	<u>77,598,143</u>	<u>72,381,865</u>

5. 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, 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 losses 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.

Information about reportable segment profit or loss, assets and liabilities:

	Power generation segment	Coal segment	Chemical segment	Other segments	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2012					
Revenue from external customers	68,491,810	5,982,684	2,580,135	543,514	77,598,143
Intersegment revenue	763,746	14,423,711	453	150,311	15,338,221
Segment profit	<u>5,659,525</u>	<u>1,699,798</u>	<u>108,011</u>	<u>195,547</u>	<u>7,662,881</u>
Depreciation and amortisation	8,486,399	208,113	78,925	100,616	8,874,053
Net gain/(loss) on disposals of property, plant and equipment	24,900	—	(2,007)	1,239	24,132
Gain on disposals of long-term investments	1,301,721	—	—	6,696	1,308,417
Interest income	52,900	9,362	6,634	2,972	71,868
Interest expense	7,863,853	456,304	46,451	113,399	8,480,007
Share of profits of associates	16,486	516,708	—	167,473	700,667
Shares of profits of jointly controlled entities	—	27,563	—	—	27,563
Income tax expense	<u>1,073,659</u>	<u>218,358</u>	<u>33,111</u>	<u>81,667</u>	<u>1,406,795</u>
Year ended 31 December 2011					
Revenue from external customers	65,275,284	2,986,809	3,100,132	1,019,640	72,381,865
Intersegment revenue	425,307	23,512,906	4,500	156,728	24,099,441
Segment profit	<u>1,329,805</u>	<u>1,658,588</u>	<u>471,600</u>	<u>197,314</u>	<u>3,657,307</u>
Depreciation and amortisation	8,425,131	56,425	71,490	98,129	8,651,175
Net gain/(loss) on disposals of property, plant and equipment	13,004	—	14	(3)	13,015
Loss on disposal of intangible assets	—	—	—	(419)	(419)
Gain on disposals of long-term investments	58,239	—	—	—	58,239
Interest income	97,324	4,558	4,695	3,243	109,820
Interest expense	6,594,829	315,227	48,755	119,409	7,078,220
Share of profits of associates	2,396	663,761	—	202,760	868,917
Shares of (losses)/profits of jointly controlled entities	(9,076)	57,190	—	—	48,114
Income tax expense	<u>346,797</u>	<u>248,745</u>	<u>49,909</u>	<u>20,356</u>	<u>665,807</u>

	Power generation segment	Coal segment	Chemical segment	Other segments	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December 2012					
Segment assets	181,945,652	25,647,634	63,388,719	12,674,490	283,656,495
Including:					
Investments in associates	687,715	2,466,357	1,405	3,894,225	7,049,702
Investments in jointly controlled entities	3,076,706	980,205	—	—	4,056,911
Additions to non-current assets (other than financial assets and deferred tax assets)	11,155,943	3,971,216	13,303,555	2,872,499	31,303,213
Segment liabilities	160,177,762	16,701,807	48,908,403	941,114	226,729,086
At 31 December 2011					
Segment assets	173,575,788	22,574,026	49,088,856	11,223,724	256,462,394
Including:					
Investments in associates	505,662	1,927,786	—	2,817,723	5,251,171
Investments in jointly controlled entities	2,506,286	942,342	—	—	3,448,628
Additions to non-current assets (other than financial assets and deferred tax assets)	14,882,988	2,485,568	17,125,982	140,152	34,634,690
Segment liabilities	148,527,057	15,622,773	37,287,079	3,440,531	204,877,440

Reconciliations of reportable segment revenue, profit or loss, assets, liabilities and other material items:

	<u>2012</u>	<u>2011</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue		
Total revenue of reportable segments	92,936,364	96,481,306
Elimination of intersegment revenue	(15,338,221)	(24,099,441)
Consolidated revenue	<u>77,598,143</u>	<u>72,381,865</u>
Profit or loss		
Total profit or loss of reportable segments	7,662,881	3,657,307
Gain on disposals of available-for-sale investments	—	5
Dividend income from available-for-sale investments	63	4,940
Elimination of intersegment profits	(122,832)	(9,463)
IFRS adjustment on reversal of general provision on mining funds	75,257	86,837
Other IFRS adjustments	(29,017)	(29,691)
Consolidated profit before tax	<u>7,586,352</u>	<u>3,709,935</u>
Assets		
Total assets of reportable segments	283,656,495	256,462,394
Deferred tax assets	1,645,641	1,425,210
Available-for-sale investments	741,845	67,531
Elimination of intersegment assets	(14,829,738)	(13,885,059)
Reclassification of non-income taxes recoverable	3,860,255	3,426,857
IFRS adjustment on reversal of general provision on mining funds	206,925	175,734
Other IFRS adjustments	(3,734)	24,522
Consolidated total assets	<u>275,277,689</u>	<u>247,697,189</u>
Liabilities		
Total liabilities of reportable segments	(226,729,086)	(204,877,440)
Current tax liabilities	(573,507)	(318,588)
Deferred tax liabilities	(673,717)	(556,624)
Elimination of intersegment liabilities	13,247,032	12,243,238
Reclassification of non-income taxes recoverable	(3,860,255)	(3,426,857)
Other IFRS adjustments	(28,525)	(28,864)
Consolidated total liabilities	<u>(218,618,058)</u>	<u>(196,965,135)</u>

Other material items

	Total of reportable segments <i>RMB'000</i>	Elimination of intersegment <i>RMB'000</i>	IFRS adjustment on reversal of general provision on mining funds <i>RMB'000</i>	Other IFRS adjustments <i>RMB'000</i>	Total per consolidated statement of financial position/ statement of comprehensive income <i>RMB'000</i>
Year ended					
31 December 2012					
Share of profits of associates	700,667	—	47,872	—	748,539
Shares of profits of jointly controlled entities	27,563	—	16,261	—	43,824
Income tax expense	<u>1,406,795</u>	<u>(44,593)</u>	<u>2,781</u>	<u>(3,881)</u>	<u>1,361,102</u>
Year ended					
31 December 2011					
Share of profits of associates	868,917	—	77,053	—	945,970
Shares of profits of jointly controlled entities	48,114	—	46,115	—	94,229
Income tax expense	<u>665,807</u>	<u>(2,377)</u>	<u>7,601</u>	<u>(3,245)</u>	<u>667,786</u>
At 31 December 2012					
Investments in associates	7,049,702	—	63,252	—	7,112,954
Investments in jointly controlled entities	<u>4,056,911</u>	<u>—</u>	<u>143,198</u>	<u>—</u>	<u>4,200,109</u>
At 31 December 2011					
Investments in associates	5,251,171	—	37,995	—	5,289,166
Investments in jointly controlled entities	<u>3,448,628</u>	<u>—</u>	<u>137,239</u>	<u>—</u>	<u>3,585,867</u>

Geographical information (under IFRS):

During the years ended 31 December 2012 and 2011, all revenues from external customers are generated domestically. At 31 December 2012, non-current assets (excluding financial assets and deferred tax assets) amounted to RMB236,544,988 thousand (2011: RMB213,318,898 thousand) and RMB51,126 thousand (2011: RMB44,904 thousand) are located in the PRC and foreign countries, respectively.

In presenting the geographical information, revenue is based on the locations of the customers.

Revenue from major customers:

	<u>2012</u> <i>RMB'000</i>	<u>2011</u> <i>RMB'000</i>
Power generation segment		
North China Grid Company Limited	22,164,852	19,658,707
Guangdong Power Grid Corporation	7,812,281	8,298,202
State Grid Corporation of China	<u>6,241,549</u>	<u>6,029,222</u>

6. FINANCE COSTS

	<u>2012</u>	<u>2011</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expense on:		
Short-term bank loans	1,272,642	885,719
Other short-term loans	117,382	210,303
Long-term bank loans		
– Wholly repayable within five years	1,073,523	1,523,851
– Not wholly repayable within five years	7,777,104	5,822,812
Other long-term loans		
– Wholly repayable within five years	145,028	174,387
– Not wholly repayable within five years	147,487	89,290
Short-term bonds	144,547	13,975
Long-term bonds	635,505	394,993
Finance leases	438,166	354,683
Acquisitions of property, plant and equipment by instalments	622	1,650
Discounted notes receivables	34,813	52,173
Others	27,156	23,504
	<hr/>	<hr/>
Total borrowing costs	11,813,975	9,547,340
Amount capitalised	(3,333,968)	(2,469,120)
	<hr/>	<hr/>
Exchange gain, net	8,480,007	7,078,220
Others	(4,379)	(38,107)
	<hr/>	<hr/>
	92,602	61,889
	<hr/>	<hr/>
	8,568,230	7,102,002
	<hr/> <hr/>	<hr/> <hr/>

Borrowing costs on funds borrowed generally are capitalised at a rate of 6.45% (2011: 6.06%) per annum.

7. INCOME TAX EXPENSE

	<u>2012</u>	<u>2011</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax – PRC Enterprise Income Tax		
Provision for the year	1,669,292	1,193,292
(Over)/under-provision in prior years	(45,852)	9,826
	<u>1,623,440</u>	<u>1,203,118</u>
Deferred tax	<u>(262,338)</u>	<u>(535,332)</u>
	<u>1,361,102</u>	<u>667,786</u>

The Company and its subsidiaries, other than as stated below, are generally subject to PRC Enterprise Income Tax statutory rate of 25% (2011: 25%).

- (i) As newly set up domestic invested enterprises engaged in power generation in the western area of the PRC, certain subsidiaries are exempted from PRC Enterprise Income Tax during the first and second years of operation and have been granted a tax concession to pay PRC Enterprise Income Tax at 50% of the preferential rate of 15% from the third to fifth year of operation. This preferential income tax treatment will expire from 31 December 2010 to 31 December 2012.
- (ii) Pursuant to document Cai Shui Zi 【2006】88 issued by the Ministry of Finance of the PRC (the “MOF”), a subsidiary of the Company, being a high and new technology industrial development enterprise set up in the high and new technology industrial development zone approved by the State Council, and as approved by Tax Bureau of Beijing Fengtai District, is exempted from PRC Enterprise Income Tax in the first two operating years and then applies 15% being the preferential rate from the third year, counting from the first year when this subsidiary starts to make profit.
- (iii) As a newly set up foreign invested enterprise engaged in power generation in the western area of the PRC approved by the local tax authority, a subsidiary of the Company is exempted from PRC Enterprise Income Tax during the first and second years of operation and has been granted a tax concession to pay PRC Enterprise Income Tax at 50% of the preferential rate of 15% from the third to fifth year of operation since the year 2008.
- (iv) Pursuant to documents Cai Shui【2008】46 and【2008】116 issued by the MOF, certain subsidiaries are exempted from PRC Enterprise Income Tax during the first three years of operation commencing from the year of assessment in which the first sale transaction is reported and have been granted a tax concession to pay PRC Enterprise Income Tax at 50% of the statutory rate of 25% from the fourth to sixth year of operation in respect of their operating profit derived from investments in new wind power generation projects approved by government investment task forces after 1 January 2008. This preferential tax treatment will expire after 31 December 2014.
- (v) Pursuant to document Cai Shui【2011】58 “Further Implementing the Western China Development Strategy” issued by the MOF, the General Administration of Customs and the State Administration of Taxation of the PRC, certain subsidiaries set up in the western area of the PRC and engaged in a business encouraged by the State are eligible to pay PRC Enterprise Income Tax at a preferential rate of 15% from 1 January 2011 to 31 December 2020.

8. PROFIT APPROPRIATION

DIVIDENDS

	<u>2012</u>	<u>2011</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Proposed final of RMB0.10 (2011: RMB0.11) per share	<u>1,331,004</u>	<u>1,464,104</u>

Pursuant to the PRC Enterprise Income Tax Law, the Company is required to withhold 10% PRC enterprise income tax when it distributes dividends to its non-PRC resident enterprise shareholders.

Statutory surplus reserve

In accordance with the relevant laws and regulations of the PRC and the articles of association of the Company, it is required to appropriate 10% of its net profit under PRC GAAP, after offsetting any prior years' losses, to the statutory surplus reserve. When the balance of such reserve reaches 50% of the Company's share capital, any further appropriation is optional.

The statutory surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of share capital. The statutory surplus reserve is non-distributable.

Discretionary surplus reserve

Pursuant to the articles of association of the Company, the appropriation of profit to the discretionary surplus reserve and its utilisation are made in accordance with the recommendation of the Board of directors and is subject to shareholders' approval at their general meeting.

The discretionary surplus reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them. The discretionary surplus reserve is distributable.

Restricted reserve

Pursuant to relevant regulations and guidance issued by the MOF, certain deferred housing benefits are charged to equity directly when incurred under PRC GAAP. In order to reflect such undistributable retained earnings in these financial statements prepared under IFRS, a restricted reserve is set up to reduce the balance of retained earnings with an amount equals to the residual balance of deferred housing benefits, net of tax.

Pursuant to relevant PRC regulations, coal mining companies are required to set aside an amount to a fund for future development and work safety which they transferred certain amounts from retained earnings to restricted reserve. The fund can then be used for future development and work safety of the coal mining operations, and is not available for distribution to shareholders. When qualifying development expenditure and improvements of safety incurred, an equivalent amount is transferred from restricted reserve to retained earnings.

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 year attributable to owners of the Company of RMB4,062,268 thousand (2011: RMB1,971,200 thousand) and the weighted average number of ordinary shares of 13,310,038 thousand (2011: 12,893,371 thousand) in issue during the year.

Diluted earnings per share

During the years ended 31 December 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. ACCOUNTS AND NOTES RECEIVABLES

Accounts and notes receivables of the Group primarily represent receivables from regional or provincial grid companies for tariff revenue and coal sales customers and comprise the following:

	<u>2012</u>	<u>2011</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Accounts receivables from third parties	9,836,350	9,872,875
Notes receivables from third parties	463,743	257,818
Accounts and notes receivables from related parties	56,694	77,853
	<u>10,356,787</u>	<u>10,208,546</u>

The Group usually grants credit period of approximately 1 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 accounts and notes receivables is as follows:

	<u>2012</u>	<u>2011</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	9,785,366	10,044,753
Between one to two years	424,823	74,133
Between two to three years	68,116	89,009
Over three years	78,482	651
	<u>10,356,787</u>	<u>10,208,546</u>

11. SHARE CAPITAL

	Number of shares			Amount		
	A shares (i) '000	H shares (i) '000	Total '000	A shares RMB'000	H shares RMB'000	Total RMB'000
Registered, issued and fully paid:						
Shares of RMB1 (2011: RMB1) each						
At 1 January 2011	8,994,360	3,315,678	12,310,038	8,994,360	3,315,678	12,310,038
Issue of shares (ii)	1,000,000	—	1,000,000	1,000,000	—	1,000,000
At 31 December 2011,						
1 January 2012 (iii) and						
31 December 2012 (iv)	9,994,360	3,315,678	13,310,038	9,994,360	3,315,678	13,310,038

Notes:

- (i) Both A shares and H shares rank pari passu to each other.
- (ii) In May 2011, the Company issued 1,000,000,000 A shares to specific investors by way of non-public offering at a subscription price of RMB6.74 per share for a total cash consideration of RMB6,740,000 thousand. The premium on the issue of shares, amounting to RMB5,670,950 thousand, net of share issue expenses, was credited to the Company's capital reserve account.
- (iii) At 31 December 2011, 1,000,000,000 A shares were subject to lock-up periods and were not freely tradable.
- (iv) At 31 December 2012, 100,000,000 A shares were subject to lock-up periods and were not freely tradable.

12. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	<u>2012</u>	<u>2011</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Accounts and notes payables		
Fuel and materials payables to third parties	7,977,282	8,323,277
Fuel and materials payables to related parties	172,752	153,138
Notes payables to third parties	1,001,368	1,685,269
Notes payable to a related party	20,000	—
	<u>9,171,402</u>	<u>10,161,684</u>
Construction payables to third parties	9,778,605	9,462,257
Construction payables to related parties	315,032	341,430
Acquisition considerations payables	132,485	164,989
Receipts in advance from third parties	568,443	556,701
Receipts in advance from related parties	69,803	11,312
Salaries and welfares payables	75,283	64,346
Interests payables	851,022	580,359
Other payables to related parties	83,672	204,789
Others	2,831,503	2,392,146
	<u>23,877,250</u>	<u>23,940,013</u>

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

	<u>2012</u>	<u>2011</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	8,024,728	9,537,844
Between one to two years	578,455	623,840
Between two to three years	568,219	—
	<u>9,171,402</u>	<u>10,161,684</u>

13. EVENTS AFTER THE REPORTING PERIOD

- (a) The Company completed the issuance of “The First Tranche of Datang International Power Generation Co., Ltd.’s super short-term debentures in 2013” (the “Current Tranche Super Short-term Debentures”) on 18 January 2013. The issuance amount for the Current 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 3.98%. Industrial & Commercial Bank of China Limited and Agricultural Bank of China Limited act as the joint lead underwriters for the Current Tranche Super Short-term Debentures. The proceeds from the Current Tranche Super Short-Term Debentures will be used for replacement of part of the bank borrowings of the Company in order to adjust debt structure and lower financing costs, and will also be used to replenish the working capital of the Company.

- (b) On 5 February 2013, Yuneng (Group) Company Limited, Chongqi Dingtai Power (Group) Company Limited and Chongqi Tuoyuan Industry Company Limited (collectively referred to as the “Transferors”), all being wholly-owned subsidiaries of the Company, entered into the equity transfer agreement with China National Water Resources & Electric Power Materials & Equipment Co., Ltd. (“China Water Resources”), a subsidiary of China Datang Corporation. Pursuant to the agreement, China Water Resources agreed to acquire 100% of the equity interests of Chongqing Yuneng Industrial Group Company Limited, a wholly-owned subsidiary of the Company, from the Transferors at an aggregate consideration of approximately RMB538,589 thousand. The Company expects that it will record a gain of approximately RMB33,764 thousand resulting from this transaction.

B. FINANCIAL INFORMATION EXTRACTED FROM FINANCIAL STATEMENTS PREPARED UNDER PRC GAAP

1. FINANCIAL HIGHLIGHTS AND FINANCIAL RATIOS

	2012	2011	Variance
	<u><i>RMB'000</i></u>	<u><i>RMB'000</i></u>	<u><i>%</i></u>
	<i>(unless otherwise stated)</i>	<i>(unless otherwise stated)</i>	
Revenue from operations	77,598,143	72,381,865	7.21%
Net profit attributable to equity holders of the Company	4,007,816	1,910,111	109.82%
Net profit attributable to equity holders of the Company and excluding non-recurring items	2,231,250	1,598,958	39.54%
Earnings per share (RMB)	0.3011	0.1481	103.31%
Earnings per share excluding non-recurring items (RMB)	0.1676	0.1240	35.16%
Return on net assets (weighted average) (%)	9.98%	5.37%	4.61%
Return on net assets excluding non-recurring items (weighted average) (%)	5.56%	4.50%	1.06%
Net cash flows from operating activities	21,687,772	12,934,714	67.67%
Net assets attributable to equity holders of the Company	41,490,236	38,787,864	6.97%
Total assets	271,214,243	244,070,076	11.12%

2. PROFIT AND LOSS ACCOUNT

	<u>2012</u>	<u>2011</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Operating revenue	77,598,143	72,381,865
Less: Operating costs	(60,722,315)	(59,844,336)
Sales tax and surcharges	(669,965)	(568,654)
Selling expenses	(560,143)	(611,939)
General and administration expenses	(2,567,782)	(2,189,056)
Financial expenses, net	(8,496,362)	(6,992,182)
Asset impairment loss	449	255
Add: Investment income	2,511,012	1,025,786
Operating profit	7,093,037	3,201,739
Add: Non-operating income	482,578	500,737
Less: Non-operating expenses	(35,503)	(49,687)
Profit before taxation and minority interests	7,540,112	3,652,789
Less: Income tax expense	(1,362,202)	(663,430)
Net profit	6,177,910	2,989,359
Attributable to:		
Equity holders of the Company	4,007,816	1,910,111
Non-controlling interests	2,170,094	1,079,248
Other comprehensive loss	26,266	(63,083)
Total comprehensive income	6,204,176	2,926,276
Attributable to:		
Equity holders of the Company	4,034,082	1,846,961
Non-controlling interests	2,170,094	1,079,315
	<i>RMB</i>	<i>RMB</i>
Earnings per share		
Basic	0.3011	0.1481
Diluted	0.3011	0.1481

3. DIFFERENCES BETWEEN FINANCIAL STATEMENTS

The consolidated financial statements which are prepared by the Group in conformity with IFRS, differ in certain respects from 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:

	<i>Note</i>	Net assets	
		<u>2012</u>	<u>2011</u>
		<i>RMB'000</i>	<i>RMB'000</i>
Net assets attributable to owners of the Company under IFRS		41,658,382	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)	(73,822)	(102,839)
Difference in accounting treatment on mining funds	(c)	(206,925)	(175,734)
Applicable deferred tax impact of the above GAAP Differences		(385)	715
Non-controlling interests' impact of the above GAAP Difference after tax		6,520	18,564
Net assets attributable to owners of the Company under PRC GAAP		<u>41,490,236</u>	<u>38,787,864</u>
	<i>Note</i>	Net profit	
		<u>2012</u>	<u>2011</u>
		<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year attributable to owners of the Company under IFRS		4,062,268	1,971,200
Impact of IFRS adjustments:			
Difference in accounting treatment on monetary housing benefits	(b)	29,017	29,691
Difference in accounting treatment on mining funds	(c)	(75,257)	(86,838)
Applicable deferred tax impact of the above GAAP Differences		(1,100)	4,357
Non-controlling interests' impact of the above GAAP Difference after tax		(7,112)	(8,299)
Net profit for the year attributable to owners of the Company under PRC GAAP		<u>4,007,816</u>	<u>1,910,111</u>

Notes:

(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.