



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: 991)

ANNOUNCEMENT OF 2007 INTERIM RESULTS

OPERATING AND FINANCIAL HIGHLIGHTS

- Consolidated operating revenue amounted to approximately RMB15,465 million, representing an increase of 42.26% over the first half of 2006.
- Consolidated net profit attributable to the equity holders of the Company amounted to approximately RMB1,807 million, representing an increase of 41.86% over the first half of 2006.
- Basic earnings per share attributable to the equity holders of the Company amounted to approximately RMB0.16, representing an increase of approximately RMB0.04 per share over the first half of 2006.

I. COMPANY RESULTS

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 and jointly controlled entities (the “Company and its Subsidiaries”) prepared in conformity with the International Financial Reporting Standards (“IFRS”) for the six months ended 30 June 2007 (the “Period”), together with the unaudited consolidated operating results of the first half of 2006 (the “Same Period Last Year”) for comparison. Such operating results have been reviewed and confirmed by the Company’s audit committee (the “Audit Committee”).

Consolidated operating revenue of the Company and its Subsidiaries for the Period was approximately RMB15,465 million, representing an increase of 42.26% as compared to the Same Period Last Year. The realised consolidated net profit attributable to the equity holders of the Company was approximately RMB1,807 million, representing an increase of approximately 41.86% as compared to the Same Period Last Year. Basic earnings per share attributable to the equity holders of the Company for the Period amounted to approximately RMB0.16 (including the impact of the bonus issue of 10 bonus shares issued for every 10 shares held by way of capitalisation of the capital reserve fund), representing an increase of approximately RMB0.04 per share as compared to the Same Period Last Year.

The Board does not recommend any payment of interim dividend for 2007.

Please refer to the unaudited condensed consolidated interim financial information set out in the Appendix for details of the consolidated operating results.

II. MANAGEMENT DISCUSSION AND ANALYSIS

The Company is one of the largest independent power companies in the People’s Republic of China (the “PRC”), primarily engaged in power generation businesses mainly focusing on coal-fired power generation. As at 30 June 2007, the Company managed a total installed capacity of 19,430 MW. The power generation businesses of the Company are primarily distributed in the North China Power Grid (including the Beijing-Tianjin-Tangshan (“BTT”) Power Grid and the Shanxi Power Grid), the Gansu Power Grid, the Zhejiang Power Grid, the Yunnan Power Grid, the Fujian Power Grid and the Guangdong Power Grid.

During the Period, the PRC's economy maintained a relatively fast growth under a favourable domestic macro-economic environment, with a gross domestic product ("GDP") growth rate of 11.5% over the Same Period Last Year. During the Period, the social power consumption increased by about 15.56% over the Same Period Last Year while nationwide power generation increased by approximately 16% over the Same Period Last Year. The power generation of the power grids where the power generation businesses of the Company and its Subsidiaries were distributed also maintained rapid growth.

(A) Business Review

During the Period, the Company and its Subsidiaries faced production operation pressures brought by a decline in utilisation rates in the power market and persistent high fuel prices. Nevertheless, the Company and its Subsidiaries actively capitalised on market opportunities, diligently carried out effective production operations and implemented measures to boost revenue and reduce costs. The Company and its Subsidiaries overcame difficulties and strove to complete the production objectives of the Period, with a sustained and steady growth in profit. Total power generation increased by about 35.54% over the Same Period Last Year while consolidated net profit attributable to the equity holders of the Company rose by approximately 41.86% over the Same Period Last Year.

1. Production and Environmental Protection

During the Period, total power generation of the Company and its Subsidiaries amounted to 56.042 billion kWh, an increase of 35.54% when compared to the Same Period Last Year. Total on-grid power generation of the Company and its Subsidiaries amounted to 52.812 billion kWh, an increase of 35.79% over the Same Period Last Year. The increases in total power generation and on-grid power generation were mainly attributable to the following reasons:

- (1) Increased capacity of operating generation units: Compared to the Same Period Last Year, the Company and its Subsidiaries have increased its installed capacity by 4,020 MW as new generation units commenced commercial operation in the second half of 2006, thereby substantially increasing the overall power generation capacity of the Company and its Subsidiaries.
- (2) Increased demand in service areas: During the Period, the power demand within the service areas of the Company and its Subsidiaries maintained steady rapid growth.
- (3) Improvement in operating reliability of generation units: During the Period, the operating generation units of the Company and its Subsidiaries achieved an equivalent availability factor of 93.88%, representing an increase of 1.13 percentage points when compared to the Same Period Last Year.

Power generation details of the Company and its Subsidiaries during the Period (Unit: billion kWh)

Power Plant / Company Name		Power Generation for the First Half of 2007 (billion kWh)	Growth (%)
1	Gao Jing Thermal Power Plant	1.835	7.18
2	Dou He Power Plant	5.391	2.72
3	Xia Hua Yuan Power Plant	1.312	-0.91
4	Zhang Jia Kou Power Plant	7.655	0.42
5	Zhejiang Datang Wushashan Power Generation Company Limited ("Wushashan Power Company")	6.399	695.89
6	Tianjin Datang International Panshan Power Generation Company Limited ("Panshan Power Company")	3.371	-4.91

7	Inner Mongolia Datang International Tuoketuo Power Generation Company Limited (“Tuoketuo Power Company”)	9.852	-7.02
8	Shanxi Datang International Yungang Thermal Power Company Limited (“Yungang Thermal Power Company”)	1.439	2.35
9	Hebei Datang International Tangshan Thermal Power Company Limited (“Tangshan Thermal Power Company”)	2.013	-13.30
10	Shanxi Datang International Shentou Power Generation Company Limited (“Shentou Power Company”)	2.597	-0.92
11	Gansu Datang International Liancheng Power Generation Company Limited (“Liancheng Power Company”)	2.043	15.55
12	Hebei Datang International Wangtan Power Generation Company Limited (“Wangtan Power Company”)	3.541	87.65
13	Guangdong Datang International Chaozhou Power Generation Company Limited (“Chaozhou Power Company”)	2.857	1,070.9
14	Fujian Datang International Ningde Power Generation Company Limited (“Ningde Power Company”)	3.206	—
15	Yunnan Datang International Honghe Power Generation Company Limited (“Honghe Power Company”)	2.219	2,140.41
16	Yunan Datang International Nalan Hydropower Development Company Limited (“Nalan Hydropower Company”)	0.190	38.69
17	Yunnan Datang International Lixianjiang Hydropower Development Company Limited (“Lixianjiang Hydropower Company”)	0.111	—
18	Hebei Datang International Huaze Hydropower Development Company Limited (“Huaze Hydropower Company”)	0.0105	2.94
	Total	56.042	35.54

While endeavouring to increase power generation, the Company and its Subsidiaries also put a strong emphasis on the implementation of environmental protection projects in accordance with the State’s environmental protection requirements. As at 30 June 2007, the installed capacity of the Company and its Subsidiaries with desulphurisation facilities in use accounted for about 70% of the coal-fired units of the Company and its Subsidiaries. Meanwhile, other environmental protection projects such as denitration and denitrification upgrades are currently in progress as scheduled.

2. Operational Management

During the Period, the Company and its Subsidiaries achieved a consolidated operating revenue of approximately RMB15,465 million, representing an increase of approximately 42.26% over the Same Period Last Year. Consolidated net profit attributable to the equity holders of the Company amounted to approximately RMB1,807 million, representing an increase of approximately 41.86% over the Same Period Last Year. The sustained, steady growth in profit of the Company and its Subsidiaries was mainly attributable to the following factors:

- (1) Increase in on-grid power generation. On-grid power generation increased by approximately 13.919 billion kWh over the Same Period Last Year, thereby increasing the revenue by approximately RMB3,836 million accordingly.
- (2) Increase in average on-grid power tariff. As a result of the implementation of the Fuel-Tariff Pass-through Mechanism and the tariff rates for desulphurised units in the second half of 2006, as well as the rational adjustment in the power generation structure, the Company's on-grid tariff (tax included) increased by approximately RMB16.86 per MWh over the Same Period Last Year, leading to a corresponding increase of about RMB758 million in revenue over the Same Period Last Year.
- (3) Stringent cost control to strive for energy savings and consumption reduction. During the Period, as a result of rising fuel prices and changes in the power structure of regions with high fuel costs, the unit fuel cost for the Company and its Subsidiaries increased by approximately RMB20.35/MWh over the Same Period Last Year. In light of this, the Company and its Subsidiaries exercised all sorts of stringent cost control measures to strive for energy savings and consumption reduction while securing fuel supply. During the Period, unit coal consumption for power supplied amounted to 336.99g/kWh, representing a decrease by approximately 8g/kWh over the Same Period Last Year, while the consolidated self electricity consumption rate was 5.78%, down approximately 0.2 percentage point over the Same Period Last Year.
- (4) Financing channels were expanded to reduce financing costs. During the Period, the Company issued RMB3,000 million of "short-term commercial papers" in the inter-bank bond market. The coupon rate was 3.48%, which was lower than the issuing rate of a same term for comparable issuers.

3. Business Expansion

During the Period, the Company continued to implement its development strategies, which include the transformation from a single mode of coal-fired power generation to the development of renewable energy including hydropower, nuclear power, wind power and so forth; the transformation of the business structure from simply an electricity producer into a chain of relevant businesses. As the Company worked diligently on projects under construction during the Period, it also actively initiated preliminary studies and development works on certain development projects. Among these:

- (1) Thermal projects: The Phase 1 project (installed capacity: two 600 MW units) of Ningxia Datang International Daba Power Generation Company Limited, an associate of the Company in which the Company holds 45% interests, was approved by the relevant State authorities and construction would commence within the current year.
- (2) Hydropower projects: The Hengjiang region Luoze River Two-Level hydropower projects (total installed capacity: 48 MW), both controlled and constructed by the Company, were respectively approved by the relevant State authorities and construction is expected to commence within the current year.
- (3) Nuclear power project: Fujian Ningde Nuclear Power Company Limited (two 1,000 MW units), in which the Company holds 49% interests, reported smooth progress in its preliminary works. At present, the project has finished the compilation of the "Project Application Report".

- (4) Wind power project: The Bayin Wind Power Plant Phase II (installed capacity: 48 MW), developed and constructed by the Company's wholly-owned subsidiary Inner Mongolia Datang International Zhouzi Wind Power Co., Ltd., and the Shanxi Datong Zuoyun Wind Power Plant Phase I (installed capacity: 49.5 MW), planned to be solely developed by the Company, were respectively approved by the relevant State authorities. Construction of these projects is expected to officially commence within the current year.
- (5) Coal chemical projects: Based on substantial preliminary studies and experiments, the Board of the Company has considered and approved the development and construction of the "Coal-based Olefin Project in Duolun County, Xilinguole League, Inner Mongolia" with a controlling interest in the project. The plant of the project is located in Duolun County, Xilinguole League of the Inner Mongolia Autonomous Region. The project uses the coal from Shengli Coal Mine in Inner Mongolia, of which the Company participated in the development, as raw materials. It produces chemical products with the world's advanced technologies, including the pulverised coal gasification technology, the synthetic gas purification technology, the methanol-to-propylene technology and the propylene polymerisation technology. It is the most advanced coal chemical project utilising clean, efficient and high added-value coal. The project is expected to produce annually 460,000 tonnes of polypropylene and other by-products. The Inner Mongolia Development and Reform Commission has approved the preliminary application for the project. The National Development and Reform Commission has also approved the project's tax exemption application for introduction of equipment and technological research. The Company expects the project, upon successful development and construction, to become the Company's new source of profit growth.
- (6) Other energy projects: In March 2007, the Company entered into an equity transfer agreement with Inner Mongolia Huineng Group to participate in the development of Changtan Coal Mine in Ordos City of Inner Mongolia. It is expected that the relevant acquisition procedures will be completed before the end of the current year.

(B) Major Financial Indicators and Analysis

During the Period, the Company and its Subsidiaries realised RMB15,465 million in revenue from principal operations, representing a 42.26% increase over the Same Period Last Year. Net profit attributable to the equity holders of the Company was RMB1,807 million, representing a 41.86% increase over the Same Period Last Year. Basic earnings per share attributable to the equity holders of the Company was RMB0.16, representing an increase of RMB0.04 per share over the Same Period Last Year (the outstanding ordinary shares increased as a result of the bonus issue of 10 shares issued for every 10 shares held by way of capitalisation of the capital reserve fund, without affecting the balance held of total equity; hence the basic earnings per share for the reported periods were adjusted retrospectively to reflect the bonus issue).

1. Operating Revenue

The Company is principally engaged in power generation businesses which involve mainly coal-fired power generation. Heat supply also forms a minor part of the operation. The Company's revenue from principal operations mainly comprises revenue from electricity sales and heat sales.

During the Period, the Company and its Subsidiaries realised an operating revenue of RMB15,465 million, representing an increase of approximately RMB4,594 million or 42.26% over the Same Period Last Year, owing to the following main reasons:

- Increase in installed capacity and on-grid power generation. During the Period, the Company's installed capacity under management increased by 4,020 MW as compared to the Same Period Last Year as new generation units commenced commercial operation in the second half of 2006. On-grid power generation increased by approximately 13.919 billion kWh, thereby increasing the revenue by approximately RMB3,836 million.

- Increase in average on-grid power tariff. As a result of the implementation of the Fuel-Tariff Pass-through Mechanism from 30 June 2006, the increase in the number of the Company and its Subsidiaries' units adopting the tariff rates for desulphurised units as well as the Company's rational adjustment in the power generation structure, the average on-grid tariff (consolidated, tax included) of the Company and its Subsidiaries increased by approximately RMB16.86 per MWh over the Same Period Last Year, leading to a corresponding increase of about RMB758 million in revenue.

2. Operating Costs

During the Period, the total consolidated operating costs of the Company and its Subsidiaries amounted to RMB11,545 million, representing an increase of 42.51% over the Same Period Last Year. The major reasons were increases in fuel costs and fixed costs.

During the Period, fuel costs accounted for 62.18% of operating costs. Following the increases of the Company's newly commenced operating generation units and the increase in power generation, as well as the continued rise in nationwide fuel prices, fuel costs increased by about RMB2,620 million or approximately 57.49% over the Same Period Last Year. Of such increased amount, the increase in fuel costs as a result of a rise in on-grid electricity volume amounted to approximately RMB1,552 million. The rise in the unit fuel cost has led to an increase in fuel costs of approximately RMB1,068 million.

During the Period, fixed costs increased by approximately RMB823 million or 23.24% over the Same Period Last Year, which was mainly attributable to the increases in depreciation charges for generation units, maintenance costs, water expenses and pollution discharge fees incurred by newly commenced operating generation units of the Company over the Same Period Last Year. Among these, the depreciation charges increased by approximately 33.88% over the Same Period Last Year.

3. Net Financing Costs

During the Period, the financing costs of the Company amounted to approximately RMB973 million, representing an increase of 73.46% over the Same Period Last Year. The relatively rapid increase was attributable to the increase in interest expenses on short-term and long-term loans during the Period.

4. Profit

During the Period, the Company and its Subsidiaries reported a consolidated profit before tax amounting to RMB2,985 million, representing an increase of 34.47% over the Same Period Last Year. Consolidated profit attributable to the equity holders of the Company amounted to approximately RMB1,807 million, up 41.86% over the Same Period Last Year. The increase in the Company's profit was mainly attributable to the increase in operating revenue as well as stringent and effective cost controls adopted by the Company.

5. Financial Position

As at 30 June 2007, total consolidated assets of the Company and its Subsidiaries amounted to approximately RMB101,329 million, representing an increase of approximately RMB10,618 million as compared to the end of 2006. Total consolidated liabilities amounted to approximately RMB70,631 million, representing an increase of approximately RMB7,121 million over the end of 2006. Minority interests amounted to approximately RMB4,579 million, representing an increase of approximately RMB1,275 million over the end of 2006. Total equity amounted to approximately RMB30,698 million, representing an increase of approximately RMB3,497 million over the end of 2006. The increase in total assets was primarily caused by the implementation of the expansion strategy by the Company and its Subsidiaries which led to a corresponding increase in investments in construction-in-progress.

6. Liquidity

As at 30 June 2007, the asset-to-liability ratio for the Company and its Subsidiaries was approximately 69.70%. The net debt-to-equity ratio (i.e. (loans + convertible bonds + short-term commercial papers – cash and cash equivalents – short-term bank deposits with a maturity of over 3 months)/total equity) was approximately 172.85%.

As at 30 June 2007, total cash and cash equivalents and bank deposits with a maturity of over 3 months of the Company and its Subsidiaries amounted to approximately RMB5,658 million, of which the deposits with a total amount equivalent to approximately RMB83 million were in foreign currencies. The Company and its Subsidiaries had no entrusted deposits or overdue fixed deposits during the Period.

As at 30 June 2007, short-term loans of the Company and its Subsidiaries amounted to approximately RMB10,516 million, carrying annual interest rates ranging from 4.96% to 6.60%. Long-term loans (excluding those due within 1 year) amounted to approximately RMB43,675 million and long-term loans due within 1 year amounted to approximately RMB1,253 million, at annual interest rates ranging from 3.60% to 6.57%, of which an amount equivalent to approximately RMB2,557 million was denominated in US dollar. The Company and its Subsidiaries pay regular and active attention to foreign exchange market fluctuations and constantly assess foreign currency risks.

As at 30 June 2007, North China Grid Company Limited (“NCG”, originally North China Power (Group) Corp. and its subsidiaries) and some minority shareholders of the Company’s subsidiaries provided guarantees for the loans of the Company and its Subsidiaries amounting to approximately RMB2,808 million. The Company had not provided any guarantee in whatever forms for any other company apart from its subsidiaries, jointly controlled entities and associates.

(C) Outlook for the Second Half of 2007

In 2007, competition in the power market has been intensifying. The utilisation rates of generation units continue to decrease. The rise in coal prices and the uncertainties regarding coal quality increase the difficulty for cost control and operation management. Facing a difficult environment, the Company will further improve and enhance the management quality and work harder to strive for encouraging results. In the second half of 2007, the Company will focus on the following tasks:

1. Continuing the implementation of the Company’s diversified development strategy, dedicating further effort to the preliminary works of development projects and striving to expand the reserve of preliminary projects, thereby laying the foundation for the Company’s sustainable development.
2. Further reinforcing on production safety efforts by enforcing safety production accountabilities and strengthening the management of significant risk sources; elevating the effort on specific management of equipment to enhance the safety level of equipment, thereby ensuring the safe and stable operation of generation units for increased power generation.
3. Strengthening fuel management to strive for a reduction in fuel costs on the premise of ensuring fuel supply.
4. Strengthening the management of projects under construction, so as to ensure the generation units planned to commence operation will be in operation with safe and good quality operation as scheduled within 2007.
5. Striving to secure funding for the Company’s development by actively studying and exploring more varied and low-cost financing channels.

III. SHARE CAPITAL AND DIVIDENDS

(1) Share Capital

As at 30 June 2007, the total share capital of the Company amounted to 5,833,079,077 shares, divided into 5,833,079,077 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 2007, the persons below with interests or short positions in the shares or underlying shares of the Company which are required to be disclosed to the Company under section 336 of the Securities and Futures Ordinance (the “SFO”) (Chapter 571 of the Law of Hong Kong) were as follows:

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	A Shares	1,979,620,580	33.94	46.78	—
Beijing Energy Investment (Group) Company	A Shares	671,792,400	11.52	15.87	—
Hebei Construction Investment Company	A Shares	671,792,400	11.52	15.87	—
Tianjin Jinneng Investment Company	A Shares	606,006,300	10.39	14.32	—
Allianz SE	H Shares	109,663,000 (L)	1.88 (L)	—	7.21 (L)
UBS AG	H Shares	105,980,298 (L)	1.82 (L)	—	6.66 (L)
		19,820,000(S)	0.34 (S)	—	1.25 (S)
JPMorgan Chase & Co.	H Shares	91,061,286 (L)	1.56 (L)	—	5.72 (L)
		69,118,059 (S)	1.18 (P)	—	4.34 (P)

(L) means long position (S) means short position (P) means lending pool

(3) Dividends

The Company had considered and approved the distribution proposals on paying the 2006 cash dividends and share capital expansion by utilising the capital reserve fund at its 2006 annual general meeting held on 29 June 2007. The above distribution proposals were completed before the date of this announcement.

The Board does not recommend any payment of interim dividend for 2007.

(4) Shareholding by the Directors and Supervisors

As at 30 June 2007, Mr. Fang Qinghai, director of the Company, was interested in 1,000 A Shares of the Company. As at 27 August 2007, Mr. Fang Qinghai's interests in the Company's A Shares increased to 2,000 shares due to the Company's implementation of the proposal on share capital expansion by way of capitalisation of the capital reserve fund for the year 2006. Save as disclosed above, none of the directors, supervisors and chief executive of the Company nor their associates had any interest and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of 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").

IV. SIGNIFICANT EVENTS

1. The term of the members of the fifth session of the Company's Board and Supervisory Committee had expired on 30 June 2007. Pursuant to the resolutions passed at the 2006 annual general meeting held on 29 June 2007, it was resolved that (1) Mr. Zhai Ruoyu, Mr. Zhang Yi, Mr. Hu Shengmu, Mr. Fang Qinghai, Mr. Zhou Gang, Mr. Liu Haixia, Ms. Guan Tiangang, Mr. Su Tiegang, Mr. Ye Yonghui, Mr. Li Gengsheng, Mr. Xie Songlin, Mr. Yu Changchun, Mr. Liu Chaoan and Mr. Xia Qing be appointed members of the sixth session of the Board for a term from 1 July 2007 to 30 June 2010; (2) Mr. Zhang Jie, Mr. Zhang Wantuo, Mr. Fu Guogiang and Mr. Shi Xiaofan be appointed members of the sixth session of the Supervisory Committee (among which Mr. Zhang Jie and Mr. Shi Xiaofan are Supervisors representing the staff) for a term from 1 July 2007 to 30 June 2010.
2. Pursuant to the written resolutions formed at the twenty-third meeting of the fifth session of the Board held on 12 June 2007, Mr. Zhou Gang and Mr. Qin Jianming were appointed Deputy General Managers of the Company whilst Mr. Yang Hongming ceased to be a Deputy General Manager of the Company.
3. Pursuant to the resolutions passed at the twenty-eighth meeting of the fifth session of the Board held on 29 June 2007, Mr. Zhou Gang was appointed as Secretary to the Board (and Company Secretary) of the Company and Mr. Mok Chung Kwan, Stephen was appointed as Joint Company Secretary of the Company, whilst Mr. Yang Hongming ceased to be the Secretary to the Board (and Company Secretary) of the Company.

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

During the Period, the Company and its Subsidiaries 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 complied with the code provisions in the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules during the Period.

VII. COMPLIANCE WITH THE MODEL CODE

Upon specific enquiries made to all the directors of the Company and in accordance with 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 of the Listing Rules during the Period.

VIII. AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and methods adopted by the Company and its Subsidiaries with the management of the Company. It has also discussed matters regarding internal controls and the annual financial statements, including the review of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2007.

The Audit Committee considers that the financial information of the Company and its Subsidiaries for the first half of 2007 have complied with the applicable accounting standards, and that the Company has made appropriate disclosure thereof.

By order of the Board
Zhai Ruoyu
Chairman

Beijing, the PRC, 27 August 2007

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

Zhai Ruoyu, Zhang Yi, Hu Shengmu, Fang Qinghai, Zhou Gang, Liu Haixia, Guan Tiangang, Su Tiegang, Ye Yonghui, Li Gengsheng, Xie Songlin, Liu Chaoan*, Yu Changchun* and Xia Qing*.*

** Independent non-executive directors*

Encl. Unaudited condensed consolidated interim financial information

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (Unaudited)*AS AT 30 JUNE 2007**(Amounts expressed in thousands of Renminbi ("Rmb"))*

	<i>Note</i>	30 June 2007	31 December 2006
ASSETS			(Note 11)
Non-current assets			
Property, plant and equipment, net		84,943,932	77,574,619
Investments in associates		960,677	857,421
Available-for-sale investments		2,952,883	1,774,184
Land use rights		637,008	572,599
Intangible assets		85,791	83,576
Deferred housing benefits		263,686	300,232
Other long-term assets		87,850	87,850
Deferred income tax assets		156,553	142,969
		90,088,380	81,393,450
Current assets			
Inventories		1,011,125	806,965
Other receivables and current assets		905,294	710,472
Accounts receivable	2	3,622,233	3,337,529
Notes receivable		43,076	11,132
Short-term bank deposits over three months		45,000	—
Cash and cash equivalents		5,613,437	4,451,284
		11,240,165	9,317,382
Total assets		101,328,545	90,710,832

EQUITY AND LIABILITIES

Capital and reserves attributable to the Company's equity holders

Share capital		5,833,079	5,662,849
Reserves		20,285,394	18,233,202
		<u>26,118,473</u>	<u>23,896,051</u>
Minority interests		4,579,319	3,304,667
Total equity		<u>30,697,792</u>	<u>27,200,718</u>
Non-current liabilities			
Long-term loans	3	43,674,608	40,273,581
Convertible bonds	4	275,976	1,111,810
Deferred income		299,975	273,257
Deferred income tax liabilities		742,658	421,682
		<u>44,993,217</u>	<u>42,080,330</u>
Current liabilities			
Accounts payable and accrued liabilities	5	8,988,842	7,648,155
Short-term loans	3	10,516,067	9,300,496
Current portion of long-term loans	3	1,253,076	2,942,804
Taxes payable		529,397	538,329
Dividends payable		1,350,154	—
Other current liabilities		3,000,000	1,000,000
		<u>25,637,536</u>	<u>21,429,784</u>
Total liabilities		<u>70,630,753</u>	<u>63,510,114</u>
Total equity and liabilities		<u>101,328,545</u>	<u>90,710,832</u>

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (Unaudited)*FOR THE SIX MONTHS ENDED 30 JUNE 2007**(Amounts expressed in thousands of Rmb, except per share data)*

	<i>Note</i>	Six months ended 30 June	
		2007	2006
			(Note 11)
Operating revenue	6	15,465,022	10,870,962
Operating costs	10(b)	(11,544,567)	(8,100,949)
Operating profit		3,920,455	2,770,013
Share of profit/(loss) of associates		6,905	(3,426)
Interest income		31,121	14,463
Finance costs	10(b)	(973,005)	(560,936)
Profit before taxation		2,985,476	2,220,114
Taxation	7	(732,806)	(598,386)
Profit for the period		2,252,670	1,621,728
Attributable to:			
– Equity holders of the Company		1,807,257	1,273,947
– Minority interests		445,413	347,781
		2,252,670	1,621,728
Earnings per share for profit attributable to the equity holders of the Company during the period			
– basic (Rmb)	8	0.16	0.12
– diluted (Rmb)	8	0.16	0.12

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE SIX MONTHS ENDED 30 JUNE 2007
(Amounts expressed in thousands of Rmb)

Attributable to equity holders of the Company													
	Note	Reserves										Minority interests	Total equity
		Share capital	Capital reserve	Statutory surplus reserve	Statutory public welfare fund	Discretionary surplus reserve	Restricted reserve	Currency translation differences	Other reserve	Retained earnings	Total reserves		
Balance as at 1 January 2006, as previously reported		5,162,849	3,653,421	1,977,048	559,456	4,981,377	173,510	(184)	149,796	1,668,189	13,162,613	2,403,475	20,728,937
Adjustment to statutory surplus reserve	1	—	—	(333,446)	—	—	—	—	—	333,446	—	—	—
Balance as at 1 January 2006, as restated		5,162,849	3,653,421	1,643,602	559,456	4,981,377	173,510	(184)	149,796	2,001,635	13,162,613	2,403,475	20,728,937
Minority interests arising from business combination		—	—	—	—	—	—	—	—	—	—	64,263	64,263
Capital injection from minority shareholders of subsidiaries		—	—	—	—	—	—	—	—	—	—	251,000	251,000
Dividends declared		—	—	—	—	—	—	—	—	(1,177,130)	(1,177,130)	(551,018)	(1,728,148)
Currency translation differences		—	—	—	—	—	—	(165)	—	—	(165)	—	(165)
Profit for the period		—	—	—	—	—	—	—	—	1,273,947	1,273,947	347,781	1,621,728
Transfer between reserves		—	—	559,456	(559,456)	—	—	—	—	—	—	—	—
Release of restricted reserve		—	—	—	—	—	(28,005)	—	—	28,005	—	—	—
Transfer to discretionary surplus reserve		—	—	—	—	759,910	—	—	—	(759,910)	—	—	—
Balance as at 30 June 2006		5,162,849	3,653,421	2,203,058	—	5,741,287	145,505	(349)	149,796	1,366,547	13,259,265	2,515,501	20,937,615

Attributable to equity holders of the Company													
	Note	Reserves										Minority interests	Total equity
		Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Restricted reserve	Currency translation differences	Other reserve	Retained earnings	Total reserves			
Balance as at 1 January 2007, as previously reported		5,662,849	6,432,245	2,914,599	5,741,287	237,354	422	840,304	2,066,991	18,233,202	3,304,667	27,200,718	
Adjustment to Statutory reserves	1	—	—	(465,538)	—	—	—	—	465,538	—	—	—	
Balance as at 1 January 2007, as restated.		5,662,849	6,432,245	2,449,061	5,741,287	237,354	422	840,304	2,532,529	18,233,202	3,304,667	27,200,718	
Conversion of convertible bonds	4	170,230	796,394	—	—	—	—	(112,673)	—	683,721	—	853,951	
Capital injection from minority shareholders of subsidiaries		—	—	—	—	—	—	—	—	—	1,006,010	1,006,010	
Dividends declared	9	—	—	—	—	—	—	—	(1,348,714)	(1,348,714)	(176,771)	(1,525,485)	
Currency translation differences		—	—	—	—	—	(2,426)	—	—	(2,426)	—	(2,426)	
Profit for the period		—	—	—	—	—	—	—	1,807,257	1,807,257	445,413	2,252,670	
Release of restricted reserve	9	—	—	—	—	(34,162)	—	—	34,162	—	—	—	
Transfer to discretionary surplus reserve	9	—	—	—	1,020,774	—	—	—	(1,020,774)	—	—	—	
Fair value gains, net of tax: available-for-sale financial assets		—	—	—	—	—	—	912,354	—	912,354	—	912,354	
Balance as at 30 June 2007		5,833,079	7,228,639	2,449,061	6,762,061	203,192	(2,004)	1,639,985	2,004,460	20,285,394	4,579,319	30,697,792	

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

NOTES

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2007 has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” promulgated by the International Accounting Standards Board and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2006.

The principal accounting policies applied in the preparation of this unaudited condensed consolidated interim financial information are consistent with those applied in the preparation of the annual financial statements for the year ended 31 December 2006 except that the Company and its Subsidiaries have adopted the revised/new International Financial Reporting Standards (“IFRS”) which are effective for accounting period commencing on or after 1 January 2007, which are detailed as follows:

- IFRS 7, Financial Instruments: Disclosures and a complementary amendment to IAS 1, Presentation of Financial Statements — Capital Disclosures (effective for annual periods beginning on or after 1 January 2007). IFRS 7 introduces new disclosures relating to financial instruments. This standard introduces certain revised disclosure requirements, including the mandatory disclosures on sensitivity analysis for each type of market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation and is applicable to all entities reporting under IFRS. The amendment to IAS 1 introduces disclosures on the objectives, policies and processes for managing capital. Except for an extension of disclosures, management considered there was no significant impact from adopting IFRS 7 and the amendment to IAS 1 on the financial statements of the Company and its Subsidiaries.
- International Financial Reporting Interpretation Committee Interpretation (“IFRIC Interpretation”) 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006). This interpretation prohibits the impairment losses recognized in a previous interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at subsequent balance sheet dates. Management considered there was no significant impact from adopting IFRIC Interpretation 10 on the financial statements of the Company and its Subsidiaries.

The Company and its Subsidiaries adopted the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the PRC on 15 February 2006 (the “new PRC GAAP”) since 1 January 2007. According to relevant requirements under the new PRC GAAP, retrospective adjustment to the provision of statutory reserves is required as a result of the retrospective adjustments in retained earnings upon first-time adoption. In addition, the new PRC GAAP no longer permits share of statutory reserves of subsidiaries at consolidation level. Hence aforementioned adjustments have been made retrospectively in this unaudited condensed consolidated interim financial information as change of accounting policy.

2. ACCOUNTS RECEIVABLE

Accounts receivable of the Company and its Subsidiaries mainly represents the receivables from the respective regional or provincial grid companies for tariff revenue. These receivables are unsecured and non-interest bearing. The tariff revenue is settled on a monthly basis according to the payment provisions in the power purchase agreements. As at 30 June 2007 and 31 December 2006, all tariff revenue receivables from the respective grid companies were aged within three months, and no doubtful debt provisions were considered necessary.

3. LOANS

As at 30 June 2007, the Company and its Subsidiaries had short-term and long-term loans payable to China Datang Group Finance Company Limited (“Datang Finance”) totalling Rmb1,938,300,000 and 203,500,000 respectively (31 December 2006 – Rmb761,200,000 and Rmb189,500,000).

4. CONVERTIBLE BONDS

The movement in liability component of convertible bonds during the six months ended 30 June 2007 was as follows:

Balance at 1 January 2007	1,111,810
Conversion to share capital	(833,570)
Interest expense	14,924
Interest payments	(2,674)
Exchange rate adjustment	(14,514)
Balance at 30 June 2007	275,976

The carrying amount of the liability component at 30 June 2007 of the convertible bonds approximated its fair value.

During the six months ended 30 June 2007, holders of the convertible bonds with face value of USD115,684,000 have exercised their conversion rights and increased the number of H Shares of the Company by 170,230,077 shares with par value of Rmb1 each.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	30 June 2007	31 December 2006 (Note 11)
Construction costs and deposits payable to contractors	4,304,564	5,393,189
Fuel and material costs payable	3,924,007	1,500,801
Salary and welfare payable	125,375	147,078
Interest rate swap liability	–	12,766
Interest payable	135,282	137,480
Assets acquisition payable	11,296	50,546
Others	488,318	406,295
	8,988,842	7,648,155

As at 30 June 2007 and 31 December 2006, other than certain deposits for construction which were aged between one and three years, substantially all accounts payable were aged within one year.

As at 30 June 2007, the notional principal amount of the outstanding interest rate swap contract of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited was USD186,955,486 (31 December 2006-USD200,615,486), and the fixed rate and floating rate were 5.15% (31 December 2006 – 5.15%) and 5.38% (31 December 2006 – 5.61%) (LIBOR offered by British Bankers' Association on 11 January 2007), respectively.

6. OPERATING REVENUE

	Six months ended 30 June 2007	2006 (Note 11)
Electricity	15,347,761	10,742,226
Heat	78,182	73,639
Others	39,079	55,097
	15,465,022	10,870,962

Pursuant to the Power Purchase Agreements entered into between the Company and its Subsidiaries and the regional or provincial grid companies, the Company and its Subsidiaries sell their entire net generation of electricity to these grid companies at approved tariff rates.

7. TAXATION

	Six months ended 30 June 2007	2006
Current tax	794,005	613,951
Deferred tax	(61,199)	(15,565)
	732,806	598,386

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.

Income tax has been provided on the estimated assessable profit for the period at their prevailing rates of taxation. Certain of the subsidiaries, being located in specially designated regions, are subject to preferential income tax rates. In addition, certain subsidiaries are exempted from the PRC income tax for two years starting from the first year of operation followed by a 50% exemption of the applicable tax rate for the next three years.

In March 2007, the PRC government promulgated the Corporate Income Tax Law which will be effective from 1 January 2008. According to the Corporate Income Tax Law, both domestic and foreign invested enterprise will be subject to a single income tax rate of 25%. The existing Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises (the FIE and FE tax laws") and Provisional Regulations of the People's Republic of China on Enterprise Income Tax will be abolished simultaneously. The Corporate Income Tax Law has an impact on the deferred income tax assets and liabilities of the Company and its Subsidiaries. As there is still no detailed implementations rulings have not yet been released, the Company and its Subsidiaries adjusted deferred income tax balances as at 30 June 2007 based on their best estimates and will continue to assess the impact of such new law in the future.

8. EARNINGS PER SHARE

On 23 July 2007, the Company announced the payment of final dividends in respect of the year ended 31 December 2006 and a bonus issue of 10 shares for every 10 shares outstanding. The basic and diluted earnings per share included in this unaudited condensed consolidated interim financial information have been adjusted retrospectively to reflect the bonus issue (see Note 9).

(i) Basic earnings per share

The calculation of basic earnings per share for profit attributable to the equity holders of the Company was based on profit attributable to equity holders of the Company and on the weighted average amount of shares outstanding during the period.

	Six months ended 30 June 2007	2006
Profit attributable to equity holders of Company (Rmb '000)	1,807,257	1,273,947
Weighted average number of ordinary shares in issue (shares in thousand)	5,763,261	5,162,849
Impact of bonus issue (shares in thousand) (Note 9)	5,763,261	5,162,849
Weighted average number of ordinary shares for basic earnings per share (shares in thousand)	11,526,522	10,325,698
Basic earnings per share for profit attributable to the equity holders of the Company(Rmb)	0.16	0.12

(ii) *Diluted earnings per share*

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The convertible bond is assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate the interest expenses less the tax effect.

	Six months ended 30 June	
	2007	2006
Profit attributable to equity holders of Company (Rmb '000)	1,807,257	1,273,947
Interest expense on convertible debt (net of tax)(Rmb '000)	3,328	19,551
Profit used to determine diluted earnings per share (Rmb '000)	1,810,585	1,293,498
Weighted average number of ordinary shares for basic earnings per share (shares in thousand)	11,526,522	10,325,698
Adjustments for assumed conversion of convertible bonds (including the impact of share capital expansion*)(shares in thousand)	112,176	444,254
Weighted average number of ordinary shares for diluted earnings per share (shares in thousand)	11,638,698	10,769,952
Diluted earnings per share for profit attributable to the equity holders of the Company(Rmb)	0.16	0.12

* According to the terms and conditions of the convertible bonds, if the Company makes a bonus issue (in either case credited as fully paid by way of capitalisation of profits or reserves), the conversion price will be adjusted to mirror the change of outstanding ordinary shares due to the bonus issue, hence the assumed conversion of convertible bonds have been adjusted retrospectively due to the bonus issue approved in the general meeting held on 29 June 2007 (see Note 9).

9. PROFIT APPROPRIATIONS

Dividends

In the general meeting held on 29 June 2007, the shareholders approved a cash dividend amounting to Rmb1,348,714,000 in respect of the year ended 31 December 2006. The amounts have been reflected as an appropriation of retained earnings for the six months ended 30 June 2007. In addition, the shareholders also approved a bonus issue of 10 shares for every 10 shares outstanding by way of capitalisation of capital reserve fund.

On 23 July 2007, the Company announced the payment of final cash dividends of Rmb1,348,714,000 and a bonus issue of 10 shares for every 10 shares outstanding, with reference to the total 5,844,880,580 outstanding ordinary shares as at 18 July 2007. The cash dividend per share is Rmb0.23075 and the ordinary shares in issue is to be increased by 5,844,880,580 shares. The increase in the number of ordinary shares will result in an increase in share capital of the Company by Rmb5,844,880,580 with a corresponding amount of reduction in capital reserve. As of the date of this unaudited condensed consolidated interim financial information approved for issue, the legal process of the share capital expansion has not been completed. Therefore, no adjustment was made to the share capital as at 30 June 2007.

Reserves

During the period, approximately Rmb34,162,000 have been transferred from the restricted reserve to retained earnings. This amount represented amortisation of deferred housing benefits for the six months ended 30 June 2007, net of the additional deferred housing benefits incurred during the same period.

An appropriation of approximately Rmb1,020,774,000 to the discretionary surplus reserve for the year ended 31 December 2006 was approved by the shareholders on the general meeting held on 29 June 2007.

As described in Note 1 above, the opening balances of statutory surplus reverse of all the presented periods have been restated as a result of the adoption of new PRC GAAP.

10. SUPPLEMENTAL FINANCIAL INFORMATION

(a) Condensed consolidated balance sheet

	30 June 2007	31 December 2006
Net current liabilities	14,397,371	12,112,402
Total assets less current liabilities	75,691,009	69,281,048

(b) Condensed consolidated income statement

	Six months ended 30 June	
	2007	2006
Interest expense	1,663,791	1,194,282
Less: amount capitalised in property, plant and equipment	(590,529)	(559,979)
	1,073,262	634,303
Exchange gain, net	(83,206)	(25,656)
Fair value gain on an interest rate swap	(17,051)	(47,711)
	973,005	560,936
Finance costs		
Cost of inventories sold		
– Fuel	7,178,182	4,557,820
– Spare parts and consumable supplies	114,427	55,967
Depreciation	2,389,709	1,785,011
Amortisation		
– Land use rights	8,262	4,157
– Intangible assets	4,145	3,352
Dividend income	(51,699)	(28,052)
Donation to State Environmental Bureau	–	34,000
Amortisation of deferred housing benefits	(49,198)	40,755

11. RECLASSIFICATION

Certain comparative figures have been reclassified to conform to the current period presentation.

12. NET ASSETS AND NET PROFIT RECONCILIATION BETWEEN PRC GAAP AND IFRS

The consolidated financial statements, which are prepared the Company and its Subsidiaries in conformity with PRC GAAP, differ in certain respects from IFRS. Major differences between PRC GAAP and IFRS, which affect the net assets and net profit of the Company and its Subsidiaries, are summarised as follow:

	Net assets	
	30 June 2007	31 December 2006
Net assets under PRC GAAP	30,528,023	26,992,067
Impact of IFRS adjustments:		
Difference in the recognition policy on housing benefits to the employees (a)	56,020	74,693
Difference in the commencement of depreciation of property, plant and equipment (b)	(106,466)	(106,466)
Difference in accounting treatment on monetary housing benefits (c)	207,666	225,539
Others	(17,151)	(16,750)
Applicable deferred tax impact of the above GAAP differences (e)	29,700	31,635
Net assets under IFRS	30,697,792	27,200,718

		Net profit	
		For six months ended 30 June	
		2007	2006
			(Note)
Net profit under PRC GAAP		2,303,804	1,692,047
Impact of IFRS adjustments:			
Difference in the recognition policy on housing benefits to the employees	(a)	(18,673)	(18,673)
Difference in accounting treatment on monetary housing benefits	(c)	(30,525)	(22,102)
Difference in accounting treatment of performance payroll accrual	(d)	—	(30,229)
Applicable deferred tax impact of the above GAAP differences	(e)	(1,936)	685
Net profit under IFRS		2,252,670	1,621,728

Note: Since the Company and its Subsidiaries adopted the new PRC GAAP, the comparative figures have been restated accordingly (Note 1).

(a) Difference in the recognition policy on housing benefits to the employees

The Company provided housing to its employees at a discount price. The price difference between the selling price and the cost of housing is considered to be a housing benefit and is borne by the Company.

For PRC statutory reporting purposes, in accordance with the relevant regulations issued by the Ministry of Finance of the PRC, the total housing benefits provided by the Company before 6 September 2000 should be directly deducted from the statutory public welfare fund and those provided after 6 September 2000 are charged to non-operating expenses as incurred. Under IFRS, the housing benefits provided by the Company are recognised on a straight-line basis over the estimated remaining average service lives of the employees.

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

Under PRC GAAP, depreciation of property, plant and equipment commences from one month after the relevant assets are completed and ready for its intended use. Under IFRS, depreciation commences immediately when the relevant assets are ready for their intended use.

(c) 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 statutory public welfare fund and retained earnings after approval by the general meeting of the Company.

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

(d) Difference in accounting treatment of performance payroll accrual

Performance payroll accrued under PRC GAAP, in accordance with relevant government policies, but not paid out at the end of the year does not meet all the criteria of recognising liabilities under IFRS. Therefore these unpaid balances were reversed under IFRS.

(e) Applicable deferred tax impact on the above GAAP differences

This represents the deferred tax effect on the above GAAP difference where applicable.