CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED
華潤電力控股有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 836)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2008

SUMMARY OF OPERATING RESULTS

The Board of Directors (the "Board") of China Resources Power Holdings Company Limited (the "Company") is pleased to announce the unaudited financial results of the Company and its subsidiaries (the "Group" or "We") for the six months ended 30 June 2008.

For the six months ended 30 June 2008, the Group recorded a profit attributable to equity holders of the Company ("net profit") of HK$1,005.9 million, representing a decrease of HK$405.6 million or 28.7% from a net profit of HK$1,411.5 million for the six months ended 30 June 2007. Basic earnings per share for the six months ended 30 June 2008 is HK24.25 cents, representing a decrease of 33.9% from basic earnings per share of HK36.71 cents for the six months ended 30 June 2007.

The Board resolved to declare an interim dividend of HK5 cents per share for the six months ended 30 June 2008.

	For the six months ended 30 June 2008	**30 June 2007**
Turnover *(HK$'000)*	12,143,757	6,628,010
Profit attributable to equity holders of the Company *(HK$'000)*	1,005,894	1,411,452
Basic earnings per share *(HK cents)*	24.25	36.71
Interim dividend per share *(HK cents)*	5.0	5.0
	As at 30 June 2008	**As at 31 December 2007**
Equity attributable to equity holders of the Company *(HK$'000)*	26,650,838	24,813,452
Total assets *(HK$'000)*	74,760,207	63,814,518
Bank balances, cash and pledged bank deposits *(HK$'000)*	5,281,475	7,939,657
Bank and other borrowings *(HK$'000)*	33,788,480	26,672,332
Net debt to shareholders' equity *(%)*	107.0	75.5
EBITDA interest coverage *(times)*	3.9	5.6

Details of the operating results are set out in the section headed "Operating Results" below.

BUSINESS REVIEW FOR THE FIRST HALF OF 2008

Growth of generation capacity

As at 30 June 2008, we had 28 power plants in commercial operation with a total attributable operational generation capacity of 12,930MW. As a comparison, our attributable operational generation capacity was 8,741MW and 12,505MW, respectively as at 30 June 2007 and 31 December 2007.

The following table sets out the attributable operational generation capacity of our power plants in the context of geographical distribution as at 30 June 2008:

	Attributable operational generation capacity	
	MW	%
Eastern China	4,403	34.0
Southern China	3,096	23.9
Central China	2,995	23.2
Northeastern China	1,509	11.7
Northern China	927	7.2
Total	12,930	100.0

Development of greenfield power plants

In March 2008, we obtained approval from the PRC government for the construction of Lianyuan Power Plant. Lianyuan Power Plant is located in Lianyuan City of Hunan Province. It comprises two 300MW coal-fired generating units equipped with desulphurization and denitration facilities. The Company owns 100% equity interest in Lianyuan Power Plant.

Increase in generation volume

Total gross generation volume of our 28 operating power plants amounted to 52,507,535MWh in the first half of 2008, representing an increase of 39.7% from 37,585,705MWh in the first half of 2007. Total gross generation volume of our 22 subsidiary power plants amounted to 33,955,353MWh in the first half of 2008, representing an increase of 49.6% from 22,692,777MWh in the first half of 2007.

Total net generation volume of our 28 operating power plants amounted to 49,111,384MWh in the first half of 2008, representing an increase of 39.4% from 35,218,775MWh in the first half of 2007. Total net generation volume of our 22 subsidiary power plants amounted to 31,759,981MWh in the first half of 2008, representing an increase of 49.0% from 21,311,304MWh in the first half of 2007.

The increase in gross and net generation volume was primarily due to the growth of attributable operational generation capacity from 8,741MW as at 30 June 2007 to 12,930MW as at 30 June 2008.

For the 16 coal-fired power plants which were in commercial operation for the entire first half of 2007 and 2008, gross generation volume and net generation volume for the first half of 2008 increased by 4.5% and 4.4%, respectively, from the first half of 2007. The average full-load equivalent utilisation hours for the first half of 2008 of these 16 coal-fired power plants amounted to 2,996 hours, representing an increase of 3.6% from 2,892 hours for the first half of 2007.

Rise in fuel costs

Coal prices increased significantly in the first half of 2008 nationwide, due to a number of reasons, including reduction of coal production volume due to concerns of the various government agencies over production safety practices and closure of various coal mines in different parts of the country. In addition, certain parts of the country were hit by snow storm and earthquake in the first half of the year which also had negative impact on coal production volume and coal transportation capacities. Demand for coal from high energy consumption industries including metallurgical and petrochemical industries increased strongly in the first half of 2008, further pushed up coal prices in the country and competed for transportation capacity.

Average unit fuel cost for our operating power plants in the first half of 2008 was RMB208.5/MWh, representing an increase of 24.0% compared to the average unit fuel cost of the same period last year.

Average standard coal cost for our operating power plants in the first half of 2008 increased by 23.8% compared to the average standard coal cost of the same period last year.

Environmental expenses

For the six months ended 30 June 2008, environmental fees paid by each of the operating power plants were in the range from RMB0.5 million to RMB22.2 million and the total amount of environmental fees paid by our subsidiary power plants was RMB66.4 million, as compared with RMB25.5 million for the six month period ended 30 June 2007. The increase is mainly due to the acquisition of Jinzhou Power Plant in the second half of 2007 as well as an increase in total number of generation units in operation through both greenfield constructions and acquisitions. Jinzhou Power

Plant paid a total of RMB22.2 million environmental fee in the first half of 2008. We plan to demolish some of the existing units of Jinzhou Power Plant and commence construction of large scale new units fully equipped with environmental facilities in the near future.

PROSPECTS FOR THE SECOND HALF OF 2008

Coal prices increased significantly in the first half of 2008. Despite price limit imposed by the Chinese government, coal prices continued to increase rapidly in the month of July and August in the second half of the year. This has resulted in power producers in China making significant losses in the year. As a result, the Chinese government announced tariff increases effective from 1 July and 20 August 2008, respectively. However, the tariff adjustment magnitudes announced by the government are not sufficient to compensate for the coal price increases, as a result, power producers in China are still under significant pressure due to rising coal prices.

To control our unit fuel costs and coal prices in the second half of the year will be a major challenge for the Company and its management team. For operating power plants, we will endeavor to control our costs of operations, including fuel costs and other cost components including repair and maintenance, administration costs and finance costs. We will also continue to monitor utilisation levels and marginal profits of the power plants in their respective locations and aim to maximise our profitability.

Through our wholly-owned subsidiaries, this year we announced acquisitions of 100% equity interests in China Resources Power (Jiangsu) Investment Company Limited, Shenzhen Yihe Company Limited and Jiangsu Kunlun Investment Company Limited. These acquisitions are expected to be completed in the second half of the year. In addition, as power producers in China generally suffered significant losses in 2008 due to rapid coal price increases and lagging of tariff adjustments, we believe a number of power producers and investors have intentions to divest their power assets. This has resulted in more opportunities for power asset acquisitions in China. We will continue to actively explore acquisition opportunities in line with our investment strategies and disciplines.

In addition to power assets acquisitions, we will continue to identify and develop new coal projects in our target markets. This is mainly to secure our coal supply for power plants, have better control over the most important cost component in our operations and enhance our bargaining power over external coal suppliers.

We will also monitor our capital structure and strength of our balance sheet throughout 2008. This is to ensure that as power industry in China goes through a difficult period, we will have a stable capital structure to support the Company's operations and more importantly future development plans.

OPERATING RESULTS

The results of operations for the six months ended 30 June 2008, which have been reviewed by the auditors and the audit committee of the Company, are as follows:

Condensed consolidated income statement

	For the six months ended	
	30 June 2008	**30 June 2007**
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Turnover	12,143,757	6,628,010
Operating expenses		
Fuel	(7,820,611)	(3,622,055)
Repair and maintenance	(143,756)	(110,222)
Depreciation and amortisation	(1,376,581)	(709,520)
Others	(1,277,319)	(539,942)
Total operating expenses	(10,618,267)	(4,981,739)
Other income	207,917	107,539
Fair value gain on derivative financial instruments	32,605	—
Profit from operations	1,766,012	1,753,810
Finance costs	(875,204)	(414,024)
Share of results of associates	346,840	347,842
Profit before taxation	1,237,648	1,687,628
Taxation	(98,189)	(5,383)
Profit for the period	1,139,459	1,682,245
Attributable to:		
Equity holders of the Company	1,005,894	1,411,452
Minority interests	133,565	270,793
	1,139,459	1,682,245
Final dividend paid	830,928	539,236
Interim dividend declared	209,184	194,903
Earnings per share		
- basic (HK cents)	24.25	36.71
- diluted (HK cents)	23.69	35.10

Condensed consolidated balance sheet

	As at 30 June 2008 *HK$'000* *(unaudited)*	As at 31 December 2007 *HK$'000* *(audited)*
Non-current assets		
Property, plant and equipment	48,742,917	39,522,707
Prepaid lease payments	1,031,075	996,630
Mining rights	195,126	138,787
Exploration of resources rights	231,534	—
Interests in associates	6,416,386	5,847,422
Goodwill	3,073,636	2,319,555
Investment in investee companies	128,416	128,416
Deposits paid for investment in an associate	77,942	77,942
Deposits paid for acquisition of subsidiaries	1,324,166	—
Deposits paid for acquisition of property, plant and equipment	535,826	365,342
Pledged bank deposits	37,433	37,433
Deferred taxation assets	103,621	98,061
	61,898,078	49,532,295
Current assets		
Inventories	1,278,381	957,510
Trade receivables, other receivables and prepayments	5,417,918	5,140,101
Amounts due from minority shareholders of subsidiaries	11,454	10,890
Amounts due from associates	803,591	270,346
Amounts due from group companies	38	95
Amount due from related companies	105,578	—
Financial assets at fair value through profit or loss	1,127	1,057
Pledged bank deposits	5,398	15,090
Bank balances and cash	5,238,644	7,887,134
	12,862,129	14,282,223

	As at 30 June 2008	As at 31 December 2007
	HK$'000	*HK$'000*
	(unaudited)	*(audited)*
Current liabilities		
Trade payables, other payables and accruals	8,807,320	8,375,842
Consideration payable for acquisitions of subsidiaries	398,776	484,740
Amounts due to an associate	174,450	100
Amounts due to group companies	1,383,617	284,769
Amounts due to minority shareholders of subsidiaries	428,082	734,712
Taxation payable	43,834	39,225
Bank and other borrowings - repayable within one year	9,219,713	8,076,194
	20,455,792	17,995,582
Net current liabilities	(7,593,663)	(3,713,359)
Total assets less current liabilities	54,304,415	45,818,936
Non-current liabilities		
Bank and other borrowings - repayable after one year	24,568,767	18,596,138
Derivative financial instruments	58,426	102,180
Deferred taxation liabilities	72,023	63,061
	24,699,216	18,761,379
	29,605,199	27,057,557
Capital and reserves		
Share capital	4,161,015	4,140,317
Share premium and reserves	22,489,823	20,673,135
	26,650,838	24,813,452
Minority interests	2,954,361	2,244,105
	29,605,199	27,057,557

Condensed consolidated cash flow statement

	For the six months ended 30 June 2008 *HK$'000* *(unaudited)*	30 June 2007 *HK$'000* *(unaudited)*
Net cash from operating activities	2,944,050	2,382,104
Net cash used in investing activities		
Dividend received from associates	276,327	309,524
Purchase of property, plant and equipment	(7,292,453)	(3,119,310)
Loan advanced to associates	(386,338)	(61,578)
Capital contribution to associates	(125,691)	(231,237)
Acquisition of subsidiaries	(999,866)	—
Deposits paid for acquisition of subsidiaries	(1,324,166)	—
Other investing cash outflow	(103,278)	(55,258)
	(9,955,465)	(3,157,859)
Net cash from financing activities		
New bank and other borrowings raised	9,822,868	6,471,913
Advances from group companies	1,212,539	—
Capital contribution from minority shareholders	17,952	153,811
Repayment of bank and other borrowings	(4,775,750)	(4,516,039)
Interest paid	(988,004)	(424,410)
Dividend paid	(830,928)	(539,236)
Dividend paid to minority shareholders of subsidiaries	(492,988)	(316,819)
Other financing cash inflow	76,249	71,430
	4,041,938	900,650
Net (decrease) increase in cash and cash equivalents	(2,969,477)	124,895
Cash and cash equivalents at beginning of the period	7,887,134	2,747,242
Effect of foreign exchange rate changes	320,987	20,957
Cash and cash equivalents at end of the period	5,238,644	2,893,094
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	5,238,644	2,893,094

Overview

For the six months ended 30 June 2008, our net profit decreased by 28.7% to HK$1,005.9 million from HK$1,411.5 million for the same period last year. Our turnover increased by 83.2% from HK$6,628.0 million for the first half of 2007 to HK$12,143.8 million for the first half of 2008.

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

- significant increase in fuel costs — Total fuel costs in the first half of 2008 amounted to HK$7,820.6 million, increased by 115.9% over HK$3,622.1 million for the first half of 2007. In the meantime, turnover increased by 83.2% as compared with the first half of 2007. Average unit fuel cost for our operating power plants in the first half of 2008 was RMB208.5/MWh, representing an increase of 24.0% compared to the average unit fuel cost of the same period last year. Average standard coal cost for our operating power plants in the first half of 2008 increased by 23.8% compared to the average standard coal cost of the same period last year.

- significant increase in finance costs and balance of borrowings — In 2007, the People's Bank of China announced six interest rate hikes for loans provided by PRC commercial banks. Total bank and other borrowings as at 30 June 2008 amounted to HK$33,788.5 million, increased by HK$14,662.9 million or 76.7% as compared with HK$19,125.6 million as at 30 June 2007. In addition, as power plants commenced commercial operations, interest expenses incurred on loans obtained during the construction period are charged as expenses, instead of being capitalised as part of construction costs. As a result, finance costs charged to income statement for the first half of 2008 was HK$875.2 million, increased by HK$461.2 million or 111.4% as compared with HK$414.0 million for the first half of 2007. However, average interest rate for the Group decreased to 5.97% for the first half of 2008 from 6.05% for the first half of 2007 as the Group increased its HKD or USD denominated debts.

- transmission lines damages and suspension of operation suffered by Liyujiang Phase II and Liyujiang B Power Plant — Due to the extreme weather conditions in certain parts of China in early 2008, the dual transmission lines for power transmission to Guangdong Province of Liyujiang Phase II and Liyujiang B Power Plant were damaged by the formation of thick ice blocks which led to the collapse and twist of transmission towers. The losses on transmission lines were charged as expenses in the first half of 2008. In addition, the operations of Liyujiang Phase II and Liyujiang B Power Plant were suspended for two and half months in the first half of 2008.

Basis of preparation of the condensed financial statements

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

The Group had net current liabilities of HK$7,593.7 million as at 30 June 2008 (at 31 December 2007: HK$3,713.4 million) with short-term bank borrowings which could be renewed on an annual basis at the discretion of the Company within limits approved by banks. The Directors are of the opinion that, taking into account the presently available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements and for at least the next 12 months commencing from the date of the financial statements. Hence, the financial statements have been prepared on a going concern basis.

Principal accounting policies

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

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2007.

In the current interim period, the Group has applied, for the first time, a number of new interpretations issued by the HKICPA, which are effective for the Group's financial year beginning 1 January 2008. The adoption of these new interpretations had no material effect on the results and financial position of the Group for the current and prior accounting periods. Accordingly, no prior period adjustment has been required.

Business segments

The Group is principally engaged in the development, investment and operation of power plants in the PRC. In addition, the Group has recently started to make investments in the construction and operation of coal mines in the PRC in order to facilitate its power plant operations.

Geographical segments

Nearly all of the Group's assets and liabilities are located in the PRC and operations for the period were substantially carried out in the PRC. Accordingly, no geographical segment information for the period is presented.

Turnover

Turnover represents the amounts received and receivable for the supply of electricity, and to a limited extent, the amounts received and receivable for heat supplied by thermal power plants, net of VAT, during the period. Turnover for the six months ended 30 June 2008 amounted to HK$12,143.8 million, representing a 83.2% increase from HK$6,628.0 million for the six months ended 30 June 2007.

The increase in turnover was mainly due to commencement of commercial operation and acquisition of new subsidiary power plants in 2007 and the first half of 2008. Our attributable operational capacity of subsidiary power plants increased from 6,990MW as at 30 June 2007 to 10,676MW as at 30 June 2008. The increase in turnover is mainly due to the acquisition of Jinzhou Power Plant and Tianneng Group and commencement of operations of Lijujiang B Power Plant and Cangzhou Power Plant.

Operating expenses

Operating expenses mainly comprise fuel costs, repair and maintenance, depreciation and amortisation and other administrative costs such as staff costs, office rent, professional fee, traveling expenses and discharge fee. Operating expenses amounted to HK$10,618.3 million for the six months ended 30 June 2008, representing a 113.1% increase from HK$4,981.7 million for the six months ended 30 June 2007.

The increase in operating expenses was mainly due to commencement of commercial operation and acquisition of new subsidiary power plants in 2007 and the first half of 2008 and significant increase in fuel costs.

Fuel costs for the six months ended 30 June 2008 amounted to approximately HK$7,820.6 million, representing an increase of 115.9% from HK$3,622.1 million for the six months ended 30 June 2007. The significant increase in fuel costs was due to the significant increase in coal prices as well as consolidation of the fuel costs of the new subsidiary power plants acquired or commenced commercial operations during 2007 and the first half of 2008. Fuel costs accounted for approximately 73.7% of the total operating expenses for the first half of 2008, as compared with 72.7% for the first half of 2007.

Other income

Other income amounted to HK$207.9 million for the six months ended 30 June 2008, representing a 93.4% increase from HK$107.5 million for the six months ended 30 June 2007. Other income mainly comprises interest income from bank balances of approximately HK$51.4 million and gain from foreign exchange rate changes of approximately HK$94.2 million.

Fair value gain on derivative financial instruments

The Group uses derivative financial instruments (primarily interest rate swap) to hedge the exposure against changes in interest rate on bank borrowings. Derivatives are initially recognised at fair value at the date when a derivative contract is entered into and subsequently re-measured to their fair values at each balance sheet date. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit and loss as other gain or losses. Fair value gain on derivative financial instruments for the six months ended 30 June 2008 amounted to HK$32.6 million and represented the gain relating to the ineffective portion of cash flow hedge.

Profit from operations

Profit from operations represents profit from subsidiaries before deduction of finance costs and minority interests. Profit from operations amounted to HK$1,766.0 million for the six months ended 30 June 2008, representing a 0.7% increase from HK$1,753.8 million for the six months ended 30 June 2007. The increase was mainly due to the additional contribution from new subsidiary power plants acquired or commenced operations in 2007 and the first half of 2008, which was almost fully offset by the increase in fuel costs.

Finance costs

Finance costs amounted to HK$875.2 million for the six months ended 30 June 2008, representing a 111.4% increase from HK$414.0 million for the six months ended 30 June 2007. The significant increase in finance costs is mainly due to commencement of commercial operation and acquisition of new subsidiary power plants in 2007 and the first half of 2008. The increase is also attributable to increase in lending rates for commercial loans provided by PRC commercial banks as the People's Bank of China announced six interest rate hikes in 2007. Interest expenses incurred during the construction of the power plants are capitalised and included as part of total construction costs of power plants.

	For the six months ended 30 June 2008 HK$'000	30 June 2007 HK$'000
Interest on bank and other borrowings		
- repayable within five years	731,974	367,297
- not repayable within five years	169,850	172,658
	901,824	539,955
Less: Interest capitalised	(26,620)	(125,931)
	875,204	414,024

However, as the Group has increased its HKD and USD denominated loans in 2007 and the first half of 2008 which had lower lending rates as compared with interest rates on loans provided by Chinese commercial banks, average interest rate for the Group decreased to 5.97% for the first half of 2008 from 6.05% for the first half of 2007.

Share of results of associates

Share of results of associates mainly represents our share of post-tax results of Shajiao C Power Plant, Wenzhou Telluride Phase II, Xuzhou Power Plant, Hengfeng Power Plant, Hengfeng Phase II and Yangzhou No. 2 Power Plant.

Share of results of associates in the first half of 2008 amounted to HK$346.8 million, representing a 0.3% decrease compared to HK$347.8 million in the first half of 2007. The decrease in share of results of Shajiao C Power Plant, Wenzhou Telluride Phase II and Xingning Power Plant (which became a subsidiary of the Company in December 2007) was offset by additional contribution from Yangzhou No.2 Power Plant.

Taxation

Taxation charge for the first half of 2008 was HK$98.2 million, compared to HK$5.4 million for the first half of 2007. The increase in PRC enterprise income tax mainly related to tax paid by Tianneng Group, Jinzhou Power Plant, Huaxin Power Plant and Shenhai Power Plant which were acquired by the Group in the second half of 2007 or first half of 2008, as these power plants or operations pay PRC enterprise income tax at the standard rate of 25%. Details of the taxation charge for the six months ended 30 June 2007 and 2008 are set out below:

	For the six months ended	
	30 June 2008	**30 June 2007**
	HK$'000	*HK$'000*
The charge comprises:		
The Company and its subsidiaries		
- Hong Kong Profits Tax	—	—
- PRC Enterprise Income Tax	88,643	1,342
- Deferred taxation	9,546	4,041
	98,189	5,383

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

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

Profit for the period

Profit for the period has been arrived at after charging:

	For the six months ended 30 June 2008 *HK$'000*	30 June 2007 *HK$'000*
Depreciation of property, plant and equipment	1,370,581	697,502
Less: Depreciation of property, plant and equipment capitalised in construction in progress	(15,131)	(4,355)
	1,355,450	693,147
Amortisation of prepaid lease payment	21,131	16,373
Write-off of property, plant and equipment (note)	140,351	746
Share of tax of associates (included in share of results of associates)	66,760	50,242
and after crediting:		
Interest income	51,408	28,403

Note: The property, plant and equipment written-off during the period ended 30 June 2008 was due to damages, net of amount recovered.

Profit for the period attributable to equity holders of the Company

As a result of the above, the Group's net profit for the first half of 2008 decreased to HK$1,005.9 million, representing a 28.7% decrease compared to HK$1,411.5 million for the first half of 2007.

Earnings per share

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

	For the six months ended 30 June 2008 *HK$'000*	30 June 2007 *HK$'000*
Profit attributable to equity holders of the Company	1,005,894	1,411,452

	Number of ordinary shares	
	1 January 2008 to 30 June 2008	**1 January 2007 to 30 June 2007**
Weighted average number of ordinary shares for the purposes of basic earnings per share	4,148,507,863	3,845,116,243
Effect of dilutive potential ordinary shares:		
- share options	81,287,596	175,772,283
- issuable consideration shares for acquisition of subsidiaries	16,006,791	—
Weighted average number of ordinary shares for the purposes of diluted earnings per share	4,245,802,250	4,020,888,526

Interim dividend and closure of register of members

The Board of Directors resolved to declare an interim dividend of HK5 cents per share for the six months ended 30 June 2008.

The interim dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company on Friday, 26 September 2008. The register of members of the Company will be closed from Monday, 22 September 2008 to Friday, 26 September 2008 (both days inclusive), during which no share transfer will be registered. To qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 19 September 2008. The dividend will be payable on or about 6 October 2008.

Liquidity and capital resources

The bank balances, cash and pledged bank deposits as at 30 June 2008 denominated in local currency and foreign currencies amounted to HK$182.8 million, RMB4,147.7 million and US$48.7 million.

For the six months ended 30 June 2008, the Group's primary sources of funding included loans provided by the PRC domestic commercial banks, net cash inflow from operating activities, advances from group companies and dividend received from associates, which amounted to HK$9,822.9 million, HK$2,944.1 million, HK$1,212.5 million and HK$276.3 million, respectively. The Group's funds were primarily used in purchase of properties, plants and equipment during the construction of new power plants, repayment of short-term bank loans, payment and deposits for acquisition of subsidiaries, payment of interest, payment of dividend to the Company's shareholders, payment of dividend to minority shareholders of subsidiaries, and loan advanced to associates, which amounted to HK$7,292.5 million, HK$4,775.8 million, HK$2,324.0 million, HK$988.0 million, HK$830.9 million, HK$493.0 million and HK$386.3 million, respectively.

Bank and other borrowings

The bank and other borrowings as at 30 June 2008 denominated in local currency and foreign currency amounted to HK$6,824.0 million, RMB23,023.9 million and USD99.0 million, respectively.

During the six months ended 30 June 2008, the Group repaid bank and other borrowings amounting to HK$4,775.8 million (six months ended 30 June 2007: HK$4,516.0 million) and obtained new bank and other borrowings amounting to HK$9,822.9 million (six months ended 30 June 2007: HK$6,471.9 million), proceeds of which were used for general working capital and for financing the acquisition of property, plant and equipment.

Key financial ratios of the Group

	As at 30 June 2008	**As at 31 December 2007**
Current ratio *(times)*	0.6	0.8
Quick ratio *(times)*	0.6	0.7
Net debt to shareholders' equity *(%)*	107.0	75.5
EBITDA interest coverage *(times)*	3.9	5.6

Current ratio	=	balance of current assets at the end of the period / balance of current liabilities at the end of the period
Quick ratio	=	(balance of current assets at the end of the period - balance of inventories at the end of the period) / balance of current liabilities at the end of the period

Net debt to shareholders' equity	=	(balance of total bank and other borrowings at the end of the period - balance of bank balances, cash and pledged bank deposits at the end of the period) / balance of equity attributable to equity holders of the Company at the end of the period
EBITDA interest coverage	=	(profit before taxation + interest expense + depreciation and amortisation) / interest expenditure (including capitalised interests)

Foreign exchange rate risk

We collect all of our revenue in Renminbi ("RMB") and most of our expenditures including expenditures incurred in the operation of power plants as well as capital expenditures are also denominated in RMB.

As at 30 June 2008, the Group had HK$182.8 million and US$48.7 million cash in deposit, and HK$6,824.0 million and US$99.0 million bank borrowings on its balance sheet, the remaining assets and liabilities of our power plants and subsidiaries were denominated in RMB.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2008.

Employees

As at 30 June 2008, the Company and its subsidiaries employed approximately 22,800 employees.

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

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the six months ended 30 June 2008.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

The Company has complied, during the period, with the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 14 to the Listing Rules, except for the following deviation:—

Code provision E.1.2

The code provision of the CG Code provides that the Chairman of the Board shall attend the annual general meeting. Due to other business commitments, Mr. Song Lin, the Chairman of the Board, and Mr. Wang Shuai Ting, the Vice Chairman of the Board, were unable to attend the annual general meeting of the Company held on 30 May 2008, thus constitutes a deviation from the code provision E.1.2 of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that they all have complied with the required standards set out in the Model Code.

AUDITORS AND AUDIT COMMITTEE

The interim results for the six months ended 30 June 2008 have been reviewed by Deloitte Touche Tohmatsu and the audit committee of the Company.

By Order of the Board
Song Lin
Chairman

Hong Kong, 1 September 2008

As at the date of this announcement, the existing Board of Directors of the Company consists of five executive directors, namely Messrs. Song Lin, Wang Shuai Ting, Tang Cheng, Zhang Shen Wen and Ms. Wang Xiao Bin, two non-executive directors, namely Mr. Jiang Wei and Ms. Chen Xiao Ying, and four independent non-executive directors, namely Messrs. Anthony H. Adams, Wu Jing Ru, Chen Ji Min and Ma Chiu-cheung, Andrew.