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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: 991)

ANNOUNCEMENT OF 2010 ANNUAL RESULTS

OPERATING AND FINANCIAL HIGHLIGHTS:

- Operating revenue amounted to approximately RMB60,672 million, representing an increase of approximately 26.55% over 2009.
- Net profit attributable to equity holders of the Company amounted to approximately RMB2,570 million, representing an increase of approximately 67.24% over 2009.
- Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.21, representing an increase of approximately RMB0.08 per share over 2009.
- The Board has recommended the distribution of a final dividend of RMB0.07 per share (tax included) for the year of 2010.

I. COMPANY RESULTS

The board of directors (the “Board”) of Datang International Power Generation Co., Ltd. (the “Company”) hereby announces the consolidated operating results of the audited financial statements of the Company and its subsidiaries (the “Group”) prepared in conformity with International Financial Reporting Standards (“IFRS”) for the year ended 31 December 2010 (the “Year”), together with the audited consolidated operating results of the year of 2009 (the “Previous 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 Group for the Year was approximately RMB60,672 million, representing an increase of 26.55% as compared to the Previous Year. Net profit attributable to equity holders of the Company was approximately RMB2,570 million, representing an increase of approximately

67.24% as compared to the Previous Year. Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.21, representing an increase of approximately RMB0.08 per share as compared to the Previous Year.

In view of the operating results of the Group during the Year, the Board has recommended the distribution of a final dividend of RMB0.07 per share (tax included) for the Year (please refer to item 3 under section III set out below for details).

Please refer to the audited financial statements set out in the Appendix for details of the consolidated operating results.

II. MANAGEMENT DISCUSSION AND ANALYSIS

A. Overview

The Company, principally engaged in power generation business focusing on coal-fired power generation, is one of the largest independent power producers in the People's Republic of China (the "PRC"). In 2010, the Group adhered to implementing the strategy of "focusing in the power generation business whilst complementing with synergistic diversifications". It steadily enhanced its management and control capabilities; increased economic efficiency and shareholders' returns; placed emphasis on resources saving and environmental protection; fulfilled social responsibilities; and seized business opportunities and overcame difficulties, thereby achieving the business targets for the Year.

1. Safe Production was Stably Maintained

The Company aims to build a fundamentally safe enterprise. The Company has experienced no significant incidents at its facilities and no casualties for the Year. It has fulfilled its roles of securing power supply for the Shanghai World Expo and the Guangzhou Asia Games.

2. Overall Accomplishment of Operation Targets

The Company's power generation amounted to 178.478 billion kWh for the whole year, representing an increase of 25.81% year-on-year. Operating revenue amounted to approximately RMB60,672 million, representing an increase of 26.55% over the Previous Year. Net profit attributable to equity holders of the Company amounted to approximately RMB2,570 million, representing an increase of approximately 67.24% over the Previous Year. As at 31 December 2010, total consolidated assets of the Group amounted to RMB212,915 million,

representing an increase of 15.62% year-on-year. Net assets attributable to the equity holders of the Company amounted to RMB30,850 million, representing an increase of 18.10% year-on-year. The assets-to-liabilities ratio was 81.95%, representing a decrease of 0.25 percentage point year-on-year.

3. Breakthrough on Preliminary Works

For the Year, seven power generation projects were approved with total generation capacity of 6,093.5 MW. The Fuxin Coal-based Natural Gas Project with an annual output of 4 billion cubic meters was approved. The Phase 2 project of Shengli Coal Mine East Unit 2, with the construction scale of 20 million tonnes per year, was approved in March 2011.

4. Projects Construction Commenced Operations and Achieved Good Results

Total capacity for generation units which commenced operation amounted to 5,558.5MW. As at 31 December 2010, the Group's installed capacity amounted to 36,300.3 MW, representing an increase of 18.08% year-on-year. Of such capacity, coal-fired power amounts to 32,010 MW, accounting for 88.18%; hydropower amounts to 3,855.9 MW, accounting for 10.62%; and wind power amounts to 434.3 MW, accounting for 1.20%.

5. Continuously Intensifying Energy Conservation and Emissions Reduction

In 2010, the Group achieved coal consumption of 323.59 g/kWh, a decrease of 2.92 g/kWh year-on-year. The emission rates of sulphur dioxide, nitrogen oxides, smoke ash and waste water of the Group have decreased by 5.34%, 9.40%, 14.52% and 43.44% year-on-year to 0.420g/kWh, 1.396g/kWh, 0.126g/kWh and 75g/kWh, respectively, which are substantially lower than the national average levels.

6. More Effective Capital Operation

In 2010, the Company completed the acquisition of 70% equity interests in the Inner Mongolia Baoli Coal Company Limited and achieved a profit in the same year of acquisition. The Company acquired the entire equity interests in Fuxin Jinshilun Wind Power Company, which has been renamed as Datang International Fuxin Wind Power Company Limited, and has basically completed the acquisition of the hydropower stations at the Jintang River Basin in Sichuan. The proceeds (net: RMB3,248,246,600) from the 2009 non-public issue of A shares were booked. The new proposal of non-public issue has been unconditionally approved by the Public Offering Review Committee of the China Securities Regulatory Commission.

7. Steady Enhancement of Management and Control Capabilities

The three-level management system of the Company basically operated well. The responsibility body at each level has obviously enhanced its capability of duty fulfillment. By means of effective integration of management resources of the enterprise, the Company has formulated a new scheme of online management featuring “four in one”, that is, mechanisms and systems, codes and standards, operation flows and appraisals of results.

8. Winning Honours in the Capital Market

The Company won the “Top 100 Listed Companies in China — Gold Ox Award” again, ranking 1st in the public utilities sector. It was named again among the “Global Top 250 Global Energy Enterprises” by Platts Energy Information, and ranked 16th among the world’s fastest growing energy corporations. The Company was on the lists of “Fifth China Investor Relations Management Top 100” and “Contribution to Social Responsibility Top 10”.

B. Review by the Management on the Performance of Various Business Operations

(Financial data are shown according to China Accounting Standards for Business Enterprise (“PRC GAAP”). For segment information, please refer to Note 5 to the audited financial information below:)

1. The Power Generation Business

(1) Business Review

The Company is one of the largest independent power producers in the PRC. As at the end of 2010, the Group managed a total installed capacity of approximately 36,300.3MW. The power generation business of the Group is mainly distributed across the power grids of North China, Gansu, Jiangsu, Zhejiang, Yunnan, Fujian, Guangdong, Chongqing, Jiangxi, Liaoning, Ningxia, and Qinghai.

In 2010, the PRC’s overall economy operated with a good momentum, reaching a year-on-year 10.3% Gross Domestic Product (GDP) growth. Both power generation and power consumption nationwide re-climbed at an accelerated rate. According to relevant statistics, during the Year, the nationwide installed capacity grew by approximately 10.07% year-on-year. Social power consumption increased by 14.56% over the Previous Year, while nationwide power generation increased by approximately 13.3% over the Previous Year. Utilisation hours of power generation facilities were on the rise as a whole, but

prices of coal for power generation increased significantly and remained at high levels. Meanwhile, due to exceptionally serious droughts in the southwestern regions in spring, the profitability of hydropower enterprises has been affected significantly. Under the market conditions of the co-existence of opportunities and challenges, the Company's power generation business has been developing at a stable and fast pace, thereby enabling its profit to maintain significant growth.

(i) Maintenance of Safe and Stable Power Production

During the Year, total power generation of the Group amounted to 178.4781 billion kWh, representing an increase of 25.81% over the Previous Year. The accumulative on-grid power generation amounted to 168.2278 billion kWh, representing an increase of 25.96% over the Previous Year. The increases in power generation and on-grid power generation were mainly attributable to an increase in the capacity of operational generating units of the Group, safe and stable operation of the generating units and a steadily increasing power demand in the service territories. During the Year, the Group added new installed capacity of 5,558.5 MW. Consolidated utilisation hours amounted to 4,998 hours, an increase of 91 hours year-on-year. No casualties or material damage to the production facilities occurred to the Group during the course of power production. The equivalent availability coefficient of the operational generating units amounted to 95.31%, representing an increase of 0.55 percentage point over the Previous Year.

(ii) Steady Progress in Energy Conservation and Emissions Reduction

During the Year, the Company adhered to management by objective, program control, dynamic benchmarking and monitoring; enhanced management on energy conservation; focused on economic operation of power generation facilities; and intensified technological renovation on energy conservation and facilities treatment, thereby enhancing the utilisation efficiency of generating units. During the Year, coal consumption for power supply was 323.59 g/kWh, representing a decrease of approximately 2.92 g/kWh over the Previous Year. Consolidated electricity consumption rate of power plants was 5.82%, representing a decrease of 0.03 percentage-point year-on-year. The desulphurisation facilities operation rate and an overall desulphurisation efficiency rate amounted to 99.20% and 93.61%, respectively. The coal-fired generating units of the Group continued to achieve a desulphurisation facilities installation rate of 100%. The emission rates of sulphur dioxide, nitrogen oxides, smoke ash and waste water decreased by 5.34%, 9.40%, 14.52% and 43.44% year-on-year to 0.420g/kWh, 1.396g/kWh, 0.126g/kWh and 75g/kWh, respectively, which are lower than the national average levels.

(iii) Reinforced Economic Analysis and Improved Operational Management Efficiency

During the Year, the Company was still impacted by unfavourable factors such as soaring coal prices lingering at high levels and inability to realize tariff adjustments. Faced with such a continuously tough operating environment, the Company kept abreast of the market trend while taking initiatives in planning budgets, strengthening internal management and at the same time creating a favourable external environment, thereby rigorously enhancing production and operation: (1) Management accountability has been implemented gradually, and targets of power generation were achieved. Consolidated utilisation hours of generating units amounted to 4,998 hours, an increase of 91 hours year-on-year. (2) Through measurements such as developing economical coal to ensure fuel supply, enhancing coal blended burning and setting up an improvement platform on fuel management indices, fuel costs were effectively controlled. (3) Through various measures such as proper cash allocation, distribution of capital according to needs, prompt repayment of loans, reduction of capital sedimentation and optimisation of loan structure, capital costs were lowered.

(iv) Actively Pushed Forward Projects Construction and Increased Green Energy Capacity

During the Year, seven power projects of the Company have been approved by the State including two coal-fired power generation projects with an approved total capacity of 3,320 MW, one hydropower project with an approved total capacity of 2,600 MW, and four wind power projects with an approved total capacity of 173.5MW. As for nuclear power, the National Development and Reform Commission approved in writing the commencement of preliminary works on Phase 1 of the Liaoning Xudabao Nuclear Power Project, of which 20% equity interests are held by the Company. Details on the approved projects are as follows:

- Coal-fired power projects: The Phase 2 project for two 1,000MW generating units at Chaozhou Power Generation in Guangdong and the Phase 2 project for two 660MW generating units at Ningde Power Generation in Fujian.
- Hydropower project: 2,600MW generating units at the Changheba Hydropower Station Project in Sichuan (in the first quarter of 2011, the 850MW operating unit at Huangjingping Hydropower Station in Sichuan was approved).
- Wind power projects: The Phase 1 project for 28MW generating units at the Changle Wind Power Station in Fujian; the Phase 1 project for 48MW generating units at Fuzhoucheng Wind Power in Liaoning; the Phase 2 project for 49.5MW generating units at Manjing Wind Power in Liaoning; and the project for 48MW generating units at Zhao'an Meiling Wind Power in Fujian.

In 2010, a number of major power generation projects of the Company commenced operation one after another, with newly installed capacity amounting to 5,558.5MW:

- Coal-fired power projects: Newly installed capacity of 4,940MW, including two 1,000MW generating units at Chaozhou Power Generation Company, one 300MW generating unit at Zhangjiakou Thermal Power Company and four 660MW generating units at Lvsigang Power Company.
- Hydropower projects: Newly installed capacity of 474.23MW, including two 100MW hydropower generating units at Wenshan Hydropower Development Company and 274.23MW hydropower generating units at Yuneng Group Company.
- Wind power projects: Newly installed capacity of 144.25MW, including 49.5MW generating units at Zuoyun Wind Power Company, 48MW generating units at Inner Mongolia Wind Power Company and 46.75MW generating units at Wulong Wind Power Company.

As at the end of 2010, the generation capacities of coal-fired power, hydropower and wind power accounted for 88.18%, 10.62% and 1.20% of the Company's installed capacity, respectively. As compared to the Previous Year, the proportion of capacity in clean and renewable energy increased to 11.82%. The Company's power generation structure was further optimised.

(2) Major Financial Indicators and Analysis

(i) Operating Revenue

During the Year, revenues of the Group from electricity sales and heat sales accounted for approximately 89.22% of the total operating revenue, of which revenue from electricity sales accounted for approximately 88.33% of the total operating revenue.

During the Year, the Group achieved revenues of approximately RMB53,594 million and RMB540 million from electricity sales and heat sales, respectively, representing increases of approximately 27.47% and 40.92% over the Previous Year, respectively. In particular, the increase in revenue from electricity sales was mainly due to the increases in on-grid power generation and average tariff of on-grid power. During the Year, the commencements of operation of the Group's generating units in coastal regions optimised the power generation structure of the Group and raised the average on-grid power tariff. The average

on-grid power tariff of the Group increased by 1.2% over the Previous Year, and the operating revenue from electricity increased by approximately RMB831 million accordingly. The increase in on-grid power generation resulted in the increase of approximately RMB10,719 million in the Group's revenue.

(ii) Operating Costs

During the Year, the power and thermal fuel costs of the Group increased to RMB32,143 million comparing with the Previous Year. The increase is mainly attributable to: 1) an increase in fuel costs due to an increase of 32.192 billion kWh in on-grid coal-fired power generation over the Previous Year; 2) an increase in fuel costs due to an increase of RMB25.99/MWh in unit fuel cost over the Previous Year.

During the Year, depreciation expenses of the Group for the year decreased by approximately RMB1,800 million, which was mainly attributed to changes in accounting estimates of fixed assets made by the Group in order to enhance the comparability of accounting information among listed companies of the same industry.

(iii) Operating Profit

During the Year, operating profit from electricity sales and heat sales amounted to approximately RMB10,690 million, while the gross profit margin was approximately 19.75%, representing an increase of approximately 30.86% over the Previous Year.

2. Coal Chemical Business

- (1) The Duolun Coal Chemical Project, developed and constructed by the Group as a controlling interest is located at Duolun County, Xilinguole Pledge, Inner Mongolia. It uses lignite coal from the Inner Mongolia Shengli Coal Mine as raw materials; and it applies internationally advanced technologies 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 coal chemical products. The final product of the project is 460,000 tonnes/year of polypropylene and other by-products.

The coal chemical project is under construction and has succeeded in the first trial run at two gasifiers. The successful conduct of critical phases such as the successful operation of the response system of the methanol-to-propylene (MTP) facility in one go and the production of alkene with qualified constituents marked a significant breakthrough on the core technologies of the Duolun Coal

Chemical Project. This has laid a solid foundation for opening up the whole-line process flows and ensuring a stable production of polypropylene products. It is expected that upon its successful development and construction, the project will become a new income base for the Group.

- (2) The Keqi Coal-based Natural Gas Project with an annual output of 4 billion cubic meters, developed and constructed by the Group with controlling interests, is located in Kesheketeng 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 the air environment. The Company believes that following the completion of the Keqi Coal-based Natural Gas Project, it will benefit from the growing demand for clean energy in Beijing and the cities along the gas transmission pipeline, thereby increasing the overall profitability of the Company.

During the Year, the power plants at the Keqi Coal-based Natural Gas Project were completed and delivered for operation before the Year end. Other construction works are proceeding at an accelerated speed, with the project aiming to commence operation in 2012.

- (3) The Fuxin Coal-based Natural Gas Project in Liaoning with an annual output of 4 billion cubic meters, developed and constructed by the Group with controlling interests, is located in Fuxin City, Liaoning Province. The project was approved and commenced construction in 2010. Upon its completion, the project aims to supply natural gas largely to Shenyang City in Liaoning Province and 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 material, 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. The Fuxin Coal-based Natural Gas Project is expediting its construction with the target to commence production in 2012.
- (4) The High-Aluminium Pulverised Fuel Ash Project of Inner Mongolia Renewable Energy Resource Development Company Limited, constructed by the Company

with controlling interests, proceeded smoothly. During the Year, the project opened up process flows involving the extraction of alumina from high-aluminium pulverised fuel ash, providing technical support to the Group's deployment of its recycle economy businesses. .

3. The Coal Business

(1) Business Review

The Shengli Coal Mine East Unit 2, developed and constructed by the Group, is located in the central part of Shengli Coal Mine in Inner Mongolia with a planned construction scale of 60 million tonnes. Its coal products will mainly be supplied as raw materials to the coal chemical and coal-based natural gas projects including the Duolun Coal Chemical Project, the Keshiketeng Qi Coal-based Natural Gas Project and Fuxin Coal-based Natural Gas Project. For such projects, the annual production capacity of Phase 1 project amounted to 10 million tonnes, and the Phase 2 project was approved by the National Development and Reform Commission in March 2011 with an annual production capacity of 20 million tonnes.

During the Year, the Company completed the acquisition of 70% equity interests in Inner Mongolia Baoli Coal Company Limited, thereby further increasing the self-supply ratio of coal. The Inner Mongolia Baoli Coal Company Limited, located in E'erdusi City, Inner Mongolia, produced 1.92 million tonnes of coal products in 2010. Meanwhile, the Company is currently engaged in preliminary development works on the Wujianfang Coal Mine, the Kongduigou Coal Mine and the Changtan Coal Mine. The successful developments of the above-said coal mine projects will enhance the coal consumption self-sufficiency of the Company's power plants.

During the Year, the Tashan Coal Mine and the Yuzhou Coal Mine, constructed by the Company with holding interests, supplied the Company with 9.57 million tonnes and 3.92 million tonnes of coal, respectively, thereby assuring stable coal sources for the Company.

(2) Major Financial Indicators and Analysis

(i) Operating Revenue

During the Year, the coal self-sufficiency ratio of the Group was further increased.

During the Year, operating revenue from the coal business after consolidation elimination amounted to approximately RMB2,823 million, accounting for 4.66% of the total revenue of the Group, representing a decrease of approximately 45.11% over the Previous Year.

(ii) Operating Costs

During the Year, operating costs in the coal business amounted to approximately RMB2,694 million, representing a decrease of approximately RMB2,166 million over the Previous Year. The decrease in operating costs was mainly due to the decreased coal sales business of fuel company.

(iii) Operating Profit

During the Year, operating profit from the coal business was approximately RMB129 million, while the gross profit margin was approximately 4.58%, representing a decrease of approximately 54.37% over the Previous Year.

C. Management's Review on Consolidated Operating Results

1. Operating Revenue

During the Year, operating revenues of the Group amounted to approximately RMB60,672 million, representing an increase of approximately 26.55% over the Previous Year, of which the increase in electricity sales amounted to approximately RMB11,551 million.

2. Operating Costs

During the Year, total operating costs of the Group amounted to approximately RMB51,469 million, representing an increase of approximately RMB10,171 million, or approximately 24.63%, over the Previous Year. Among the operating costs, fuel cost accounted for approximately 66.49%, and depreciation cost accounted for approximately 14.34%. Since the standard coal unit price of the Company increased by RMB85.54/tonne over the Previous Year, the power fuel cost of the Company increased RMB4,335 million.

3. Net Finance Costs

During the Year, finance costs of the Group amounted to RMB5,373 million, representing an increase of approximately RMB1,263 million or 30.72% over the Previous Year. The significant increase was mainly due to an increase in interest expenses during the Year caused by an increase in the borrowings and the ending of capitalisation of interest for newly operated generating units.

4. Profit before Tax and Net Profit

During the Year, the Group reported a profit before tax amounting to approximately RMB4,700 million, representing an increase of 50.10% over the Previous Year. Net profit attributable to equity holders of the Company amounted to approximately RMB2,570 million, representing an increase of 67.24% over the Previous Year. The increase in profits of the Group was mainly attributable to the increase in sales revenue.

5. Financial Position

As at 31 December 2010, total assets of the Group amounted to approximately RMB212,915 million, representing an increase of approximately RMB28,768 million as compared to the end of 2009. The increase in total assets mainly resulted from the implementation of the expansion strategy by the Group which led to a corresponding increase in investments in projects under construction.

Total liabilities of the Group amounted to approximately RMB174,483 million, representing an increase of approximately RMB23,107 million over the end of 2009. Of the total liabilities, long-term liabilities increased by approximately RMB10,218 million over the end of 2009. The increase in total liabilities was mainly due to an increase in the Group's borrowing level so as to meet the needs of daily operations and infrastructure construction. Equity attributable to equity holders of the Company amounted to approximately RMB30,850 million, representing an increase of approximately RMB4,727 million over the end of 2009. Net asset value per share attributable to equity holders of the Company amounted to RMB2.51, representing an increase of RMB0.29 per share over the end of 2009.

6. Liquidity

As at 31 December 2010, the gearing ratio for the Group was approximately 81.95%. The net debt-to-equity ratio (i.e. (loans + long-term bonds — cash and cash equivalents)/total equity) was approximately 379.72%.

As at 31 December 2010, the cash and cash equivalents held by the Group amounted to approximately RMB3,443 million, of which deposits equivalent to approximately RMB211 million were foreign currency deposits. During the Year, the Group had no entrusted deposits or overdue fixed deposits.

As at 31 December 2010, short-term loans of the Group amounted to approximately RMB19,375 million, bearing annual interest rates ranging from 1.31% to 5.56%. Long-term loans (excluding those repayable within 1 year)

amounted to approximately RMB109,585 million and long-term loans repayable within 1 year amounted to approximately RMB14,470 million. All long-term loans (including those repayable within 1 year) were at annual interest rates ranging from 1.13% to 8%, of which loan balances equivalent to approximately RMB1,051 million were loans denominated in US dollar, and loan balances equivalent to approximately RMB616 million were loans denominated in HK dollar. The Group constantly pays close attention to foreign exchange market fluctuations and cautiously assesses foreign currency risks.

7. Welfare Policy

As at 31 December 2010, the number of staff of the Group totalled 17,307. During the Year, the costs of salaries and staff welfare of the Group amounted to RMB2,048 million. The Group adopts the basic salary system on the basis of position-points salary distribution. The Group carries out evaluation of its subordinated enterprises based on a profit accountability system. The Group is concerned about personal growth and occupational training, and implements a reward mechanism of “unification of training, usage and remuneration”. Based on the basic principles of “identifying targets scientifically and providing training depending on actual needs”, and led by the strategy of developing talents and strong corporations, the Group relies on a three-tier management organisational structure and implements an all-staff training scheme for various levels.

D. Outlook for 2011

2011 is the first year of the Twelfth Five-year Plan implemented by the State. It is full of opportunities and challenges in both the internal and external environments.

As far as opportunities are concerned, firstly, the long-term development of the domestic economy remains favourable. As indicated by relevant forecasts, the GDP growth rate is likely to be approximately 9% in 2011, and the growth rate of social power consumption is expected to exceed 10%. Secondly, the national growth rate of installed generating units is expected to reach approximately 9.5% in 2011, which is slightly lower than the growth rate of social power consumption. Utilisation hours of generating units are likely to remain basically stable or undergo a slight increase. Thirdly, the Group has achieved leadership positions in the PRC in various aspects such as reliability of generating units and facilities, indices of energy conservation and emissions reduction, and technical skills and qualifications of personnel. Owing to its outstanding advantages of having expanding capacity in generating units located along the southeastern coastal region and having large-capacity generating units, the Company is in a

favourable position amidst the fierce competition in the electricity market. Fourthly, given the successive commencements of operation and developments in the Company's non-power businesses such as coal, railway, port, shipping, petrochemical and recycle economy, achievements of the Company's diversified developments will gradually be seen.

As far as challenges are concerned, firstly, the impact of the global financial crisis is profound and long-lasting, and the post-financial-crisis era will bring about various risks. Secondly, the current successive implementation of policies regarding upward adjustments of the deposit-reserve ratio and increases of interest rates has further tightened the availability of funds for power generation enterprises. Thirdly, there are uncertainties in the coal and electricity markets, and fuel coal prices are still expected to rise and to remain at a high level, thus rendering the operating situation severe for power enterprises which have coal-fired generating units as their major assets. Fourthly, the pressure on energy conservation and emissions reduction will continuously increase.

Faced with the above-mentioned complicated and volatile situations, the Company will continue to adhere to the strategy of "focusing in the power generation business whilst complementing with synergistic diversifications", and will keep on implementing the development strategy of "enhancing its coal-fired power, aggressively expanding its hydropower, continuously developing wind power, strategically developing nuclear power, appropriately developing solar power, focusing on suitable coal operations, actively and steadily developing coal-to-chemical business, pushing forward the development of alumina, and securing a complementary development of railway, port and shipping". It will seize new opportunities, overcome new challenges, realize new breakthroughs, stride ahead and build up new strengths.

1. Endeavour to be a "Four-feature Enterprise"

The Company will place emphasis on establishing a new type of enterprise featuring fundamental safety, resources conservation, green environment and technology innovation. It will continue to further implement a comprehensive accountability management system and a performance appraisal system for all staff, building a "four-feature" enterprise with a focus on fundamental safety.

2. Enhance Profitability

The Company will further improve the comprehensive budget management system, with the objective of enhancing profits. Focusing on capital flows and emphasising cost controls, and through advance analysis and forecast, on-the-spot control and post-incident appraisals, the Company will effectively

control and monitor budget execution and promptly discover and rectify any existing deviations in the course of execution. It will increase power generation with all efforts and to control coal prices by applying various measures, with an aim to enhance the profitability of the Company. In 2011, the Company will strive to accomplish a power generation of 190 billion kWh and realize an increase in sales revenue of more than 15% year-on-year.

3. Continuously Adjust and Optimise the Development Structure

The Company will continue to strengthen its power generation business, excel in its non-power businesses and promote synergistic diversification. In respect of its power generation business, the Company will actively take part in the development of low-carbon power generation, integrated utilisation, distributed energy sources and construction of high-efficiency power plants. In respect of its non-power businesses, it will strive to obtain coal resources through all means, and achieve the target of realising continued profits through stabilising coal sources. In particular, it will speed up the promotion and application of the core coal-to-chemical technology, push forward the deployment of the coal-to-chemical business with full efforts, and further expand the room of development for the Company in the regions with resource advantages.

4. Actively Push Forward Capital Operation

The Company will further leverage its financing platform as a listed company, strengthen the direct financing function and actively pursue acquisitions of good-quality assets, with a view to achieving maximum investment returns for the Company.

5. Continuously Intensify Energy Conservation and Emissions Reduction

The Company will further enhance the benchmark management of energy consumption, strive to enable more than 20% of the economic indices for generating units to be in leading positions nationwide. The Company will further enhance environmental protection and supervision to realise a normalised management of environmental protection assessments.

6. Comprehensively Strengthen Risks Prevention and Control

In 2011, the Company will comprehensively implement the State's "Basic Standards for Enterprise Internal Control", as well as its application guidelines, evaluation guidelines and auditing guidelines. According to the principle of integrating "job duties, mechanisms and systems, standards and criteria, operation flows, evaluation and auditing and performance appraisal", the

Company will accomplish the top-level design and ensure advancement in good order, so as to fully implement the comprehensive accountability management system, the comprehensive budget management system and the comprehensive risk management system.

III. SHARE CAPITAL AND DIVIDENDS

1. Share Capital

As at 31 December 2010, the total share capital of the Company amounted to 12,310,037,578 shares, divided into 12,310,037,578 shares carrying a nominal value of RMB 1.00 each.

2. Shareholding of Substantial Shareholders

So far as the directors of the Company are aware, as at 31 December 2010, the persons listed below hold the interests or underlying shares or short positions in the 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 Laws of Hong Kong):

Name of Shareholder	Class of Shares	Number of shares held (share)	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	3,959,241,160	32.16	44.02	—
	H shares	480,680,000(L)	3.91(L)	—	14.50(L)
Hebei Construction Investment (Group) Company Limited	A shares	1,299,872,927	10.56	14.45	—
Beijing Energy Investment (Group) Company Limited	A shares	1,278,988,672	10.39	14.22	—
Tianjin Jinneng Investment Company	A shares	1,212,012,600	9.85	13.48	—

(L) means long position

3. Dividends

The Board recommends the proposed distribution of cash dividends totalling approximately RMB861.703 million. Based on the total of 12,310,037,578 shares of the Company as at 31 December 2010, the proposed distribution of cash dividends is approximately RMB0.07 per share (tax included).

Further details about the distribution of dividends will be announced by the Company in due course.

4. Shareholding of the directors and supervisors

As at 31 December 2010, 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 interest, underlying shares and equity and short positions in the debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) that were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) under the provisions of Divisions 7 and 8 of Part XV of the SFO, or required to be recorded in the register mentioned in the SFO pursuant to section 352 or otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in Appendix 10 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”).

IV. SIGNIFICANT EVENTS

1. Pursuant to the resolutions passed at the 2009 annual general meeting of the Company held on 11 June 2010, the Company distributed a 2009 cash dividend of RMB0.07 per share (tax included) to all shareholders on the basis of the total share capital of 12,310,037,578 shares as at 19 April 2010.
2. Pursuant to the resolutions passed at the thirty-seventh meeting of the sixth session of the Board held on 29 June 2010, the Board approved the nominations of Liu Shunda, Cao Jingshan, Hu Shengmu, Fang Qinghai, Zhou Gang, Liu Haixia, Guan Tiangang, Su Tiegang, Ye Yonghui and Li Gengsheng as candidates of non-independent directors of the seventh session of the Board of the Company; the nominations of Li Yanmeng, Zhao Zunlian, Li Hengyuan, Zhao Jie and Jiang Guohua as candidates of independent directors of the seventh session

of the Board of the Company; the afore-mentioned matters regarding the election of the new session of the Board were submitted to the 2010 second extraordinary general meeting of the Company held on 19 August 2010 for consideration and approval; the afore-mentioned candidates were approved by the shareholders to form the seventh session of the Board and the term of office of the seventh session of the Board commenced from 20 August 2010 to 30 June 2013.

3. Pursuant to the resolutions passed at the seventeenth meeting of the sixth session of the supervisory committee held on 29 June 2010, the supervisory committee approved the nominations of Zhang Xiaoxu and Fu Guoqiang as candidates of shareholders' representatives of the seventh session of the supervisory committee of the Company. Mr. Qiao Xinyi and Mr. Guan Zhenquan were elected as supervisors representing staff of the seventh session of the supervisory committee of the Company at the staff representatives meeting; the afore-mentioned matters regarding the election of the new session of the supervisory committee were submitted to the 2010 second extraordinary general meeting of the Company held on 19 August 2010 for consideration and approval; the nominated supervisors as shareholders' representatives were approved by the shareholders and the term of office of the seventh session of the supervisory committee commenced from 20 August 2010 to 30 June 2013.
4. Pursuant to the approval by "Reply on the Approval of Non-public Offering of Shares by Datang International Power Generation Co., Ltd." (CSRC Approval No. [2009]1492) issued by the China Securities Regulatory Commission, the Company completed the non-public offering of A shares in March 2010. Upon completion of the non-public issue of A shares, the total issued share capital of the Company amounted to 12,310,037,578 shares with newly issued A shares of 530,000,000 shares.

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 complied with all the code provisions under the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules during the Year.

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 for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules during the Year.

VIII.AUDIT COMMITTEE

In accordance with the Listing Rules, the Company has set up an Audit Committee, comprising 3 independent non-executive directors and 2 non-executive directors. The committee is responsible for, amongst other things, reviewing the Company's financial reporting procedures and internal controls.

The Audit Committee has reviewed the accounting principles and methods adopted by the Group with the management of the Company. They have also discussed matters regarding internal controls and the annual financial statements, including the review of the financial statements for the 12 months ended 31 December 2010.

The Audit Committee considers that the 2010 annual financial report of the Group has complied with the applicable accounting standards, and that the Company has made appropriate disclosure thereof.

By Order of the Board
Liu Shunda
Chairman

Beijing, the PRC, 22 March 2011

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, Su Tiegang, 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 2010

	<i>Note</i>	2010 RMB'000	2009 RMB'000 <i>(restated)</i>
Operating revenue	4	60,672,375	47,942,923
Operating costs			
Fuel for power generation		(32,143,481)	(22,147,443)
Fuel for coal sales		(2,693,996)	(4,860,370)
Depreciation		(7,381,972)	(7,521,873)
Repairs and maintenance		(1,897,715)	(1,809,210)
Salaries and staff welfare		(2,047,788)	(1,822,231)
Local government surcharges		(395,380)	(382,296)
Others		(4,908,348)	(2,754,701)
Total operating costs		(51,468,680)	(41,298,124)
Operating profit		9,203,695	6,644,799
Shares of profits of associates		718,231	462,112
Shares of profits/(losses) of jointly controlled entities		1,104	(52,685)
Investment income		10,015	6,245
Other gains		102,377	148,441
Interest income		38,215	33,124
Finance costs	6	(5,373,337)	(4,110,557)

	<i>Note</i>	2010 <i>RMB'000</i>	2009 <i>RMB'000</i> <i>(restated)</i>
Profit before tax		4,700,300	3,131,479
Income tax expense	7	(871,355)	(614,926)
Profit for the year		3,828,945	2,516,553
Other comprehensive income after tax:			
Reclassification adjustments for amounts transferred to profit or loss upon disposal of available-for-sale investments, net of tax		(10,955)	—
Fair value (loss)/gain on available-for-sale investments, net of tax		(41,340)	10,955
Share of other comprehensive income of associates, net of tax		(25,900)	(29,494)
Foreign currency translation differences		17,610	655
Other comprehensive income for the year, net of tax		(60,585)	(17,884)
Total comprehensive income for the year		3,768,360	2,498,669
Profit for the year attributable to:			
Owners of the Company		2,569,734	1,536,554
Non-controlling interests		1,259,211	979,999
		3,828,945	2,516,553
Total comprehensive income for the year attributable to:			
Owners of the Company		2,513,417	1,516,479
Non-controlling interests		1,254,943	982,190
		3,768,360	2,498,669
Proposed dividends	8	861,703	861,703
Dividends paid		861,703	1,295,804
		RMB	RMB <i>(restated)</i>
Earnings per share			
Basic	9	0.21	0.13

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2010

	At 31 December 2010	At 31 December 2009	At 1 January 2009
<i>Note</i>	<u>RMB'000</u>	<u>RMB'000</u> (restated)	<u>RMB'000</u> (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	179,233,770	157,440,059	136,090,312
Investment properties	211,866	—	—
Intangible assets	2,498,329	2,122,836	2,031,470
Investments in associates	4,591,838	3,772,537	2,050,393
Investments in jointly controlled entities	2,649,778	1,636,674	1,302,097
Available-for-sale investments	2,304,158	1,339,829	675,849
Deferred housing benefits	132,530	163,384	193,469
Long-term entrusted loans to associates	—	130,194	50,104
Deferred tax assets	972,760	767,899	711,096
Other long-term assets	428,477	109,422	80,170
	<u>193,023,506</u>	<u>167,482,834</u>	<u>143,184,960</u>
Current assets			
Inventories	4,011,713	1,840,510	2,142,781
Accounts and notes receivable	8,158,622	6,634,917	4,312,697
Prepayments and other receivables	4,101,545	6,574,901	2,486,512
Short-term entrusted loans to related parties	100,153	17,000	31,330
Tax recoverable	76,820	91,216	—
Restricted cash	—	—	460,477
Fixed deposits over three months	—	—	30,000
Cash and cash equivalents	3,442,976	1,506,435	5,078,032
Assets of disposal group classified as held for sale	—	—	992,146
	<u>19,891,829</u>	<u>16,664,979</u>	<u>15,533,975</u>
TOTAL ASSETS	<u><u>212,915,335</u></u>	<u><u>184,147,813</u></u>	<u><u>158,718,935</u></u>

		At 31 December 2010	At 31 December 2009	At 1 January 2009
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(restated)</i>	<i>RMB'000</i> <i>(restated)</i>
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	11	12,310,038	11,780,038	11,780,038
Reserves		15,343,804	12,692,473	11,769,363
Retained earnings				
Proposed dividends	8	861,703	861,703	1,295,804
Others		2,334,526	788,508	1,406,306
Equity attributable to owners of the Company		30,850,071	26,122,722	26,251,511
Non-controlling interests		7,582,760	6,649,510	4,654,462
Total equity		38,432,831	32,772,232	30,905,973
Non-current liabilities				
Long-term loans		109,585,377	99,506,545	69,026,422
Long-term bonds		5,949,018	5,938,544	—
Deferred income		460,989	475,788	499,328
Deferred tax liabilities		439,226	323,789	395,549
Provisions		41,603	36,008	—
Other long-term liabilities		3,723,182	3,701,165	4,170,097
		120,199,395	109,981,839	74,091,396

		At 31 December 2010	At 31 December 2009	At 1 January 2009
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(restated)</i>	<i>RMB'000</i> <i>(restated)</i>
Current liabilities				
Accounts payable and accrued liabilities	12	18,930,066	14,040,020	131,229,560
Taxes payable		1,165,696	380,778	382,216
Dividends payable		2,336	36,909	145
Short-term loans		19,374,828	19,569,023	29,604,108
Short-term bonds		—	—	3,500,000
Current portion of non-current liabilities		14,810,183	7,367,012	6,861,589
Liabilities of disposal group classified as held for sale		—	—	143,948
		<u>54,283,109</u>	<u>41,393,742</u>	<u>53,721,566</u>
Total liabilities		<u>174,482,504</u>	<u>151,375,581</u>	<u>127,812,962</u>
TOTAL EQUITY AND LIABILITIES		<u>212,915,335</u>	<u>184,147,813</u>	<u>158,718,935</u>
Net current liabilities		<u>(34,391,280)</u>	<u>(24,728,763)</u>	<u>(38,187,591)</u>
Total assets less current liabilities		<u>158,632,226</u>	<u>142,754,071</u>	<u>104,997,369</u>

Note:

1. BASIS OF PREPARATION

The consolidated financial statements of Datang International Power Generation Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) have been prepared in accordance with International Financial Reporting Standards and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 2010, a significant portion of the funding requirements of the Group for capital expenditures was satisfied by short-term borrowings. Consequently, at 31 December 2010, the Group had net current liabilities of approximately RMB34.39 billion (2009, as restated: RMB24.73 billion). The Group had significant undrawn borrowing facilities, subject to certain conditions, amounting to approximately RMB145.98 billion (2009: RMB169.00 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 2010. IFRSs comprise International Financial Reporting Standards (“IFRS”); International Accounting Standards (“IAS”); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies and amounts reported for the current year and prior years except as stated below.

- **Business combinations**

IFRS 3 (Revised) “Business Combinations” continues to require acquisition method to be applied to business combinations with some significant changes:

- Contingent consideration is recognised at its acquisition-date fair value and forms part of the cost of acquisition. The previous IFRS 3 requires that a contingent consideration be recognised if it is probable and can be measured reliably.
- In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate goodwill. The previous IFRS 3 does not have a requirement for such fair value measurement.

- There is a choice to measure initially the non-controlling interests in a subsidiary either at their acquisition-date fair value or the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date. The previous IFRS 3 only allows the latter choice.
- If a business combination is accounted for using provisional amounts, the measurement period that the provisional amounts can be adjusted retrospectively is limited to one year from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. The previous IFRS 3 does not have a time limit for adjustments in relation to contingent considerations and deferred tax assets. Subsequent adjustments to contingent considerations and deferred tax assets will adjust goodwill.
- Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. The previous IFRS 3 requires that acquisition-related costs form part of the cost of a business combination.

IFRS 3 (Revised) has been applied prospectively to business combinations for which the acquisition date is on or after 1 January 2010 and resulted in changes in the consolidated amounts reported in the financial statements as follows:

	<u>2010</u>	<u>2009</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>unless otherwise stated</i>	
Decrease in goodwill	(7,860)	—
Increase in operating expenses - others	7,860	—
Decrease in earnings per share (RMB)	—	—

- **Classification of land leases**

Amendments to IAS 17 "Leases" deleted the guidance in IAS 17 that when the land has an indefinite economic life, the land element is normally classified as an operating lease unless title is expected to pass to the lessee by the end of the lease term.

The adoption of the amendments to IAS 17 has resulted in a change in accounting policy for the classification of leasehold land of the Group. Previously, leasehold land was classified as an operating lease and stated at cost less accumulated amortisation. In accordance with the amendments, leasehold land is classified as a finance lease and stated at cost less accumulated depreciation if substantially all risks and rewards of the leasehold land have been transferred to the Group. As the present value of the minimum lease payments (i.e. the transaction price) of the land held by the Group amounted to substantially all of the fair value of the land as if it were freehold, the leasehold land of the Group has been classified as a finance lease. The amendments have been applied retrospectively to unexpired leases at the date of adoption of the amendments on the basis of information existing at the inception of the leases.

Amendments to IAS 17 has been applied retrospectively and resulted in changes in the consolidated amounts reported in the financial statements as follows:

	At 31	At 31	At 1
	December	December	January
	2010	2009	2009
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Increase in property, plant and equipment	1,990,989	1,523,509	1,269,909
Decrease in land use rights	(1,990,989)	(1,523,509)	(1,269,909)

The Group has not applied 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. MATERIAL BUSINESS COMBINATIONS OTHER THAN UNDER COMMON CONTROL

Acquisitions of Yuneng (Group) Company Limited (“Yuneng Group”)

On 1 January 2010, the Group acquired 100% of the issued capital of Yuneng Group for a cash consideration of RMB1,345,000 thousand, of which RMB549,318 thousand was paid for acquisition of non-controlling shareholders of two subsidiaries of the Company held by Yuneng Group. Yuneng Group and its subsidiaries were engaged in power generation, mining and metallurgy as well as property development during the year.

The carrying amount and the fair value of the identifiable assets and liabilities of Yuneng Group and its subsidiaries acquired as at its date of acquisition are as follows:

	Carrying amount <i>RMB'000</i>	Fair value adjustments <i>RMB'000</i>	Fair value <i>RMB'000</i>
Net assets acquired:			
Property, plant and equipment	2,077,687	17,793	2,095,480
Other non-current assets	457,084	231,882	688,966
Cash and cash equivalents	1,419,070	(33)	1,419,037
Other current assets	1,168,879	347,235	1,516,114
Loans	(2,270,840)	—	(2,270,840)
Other non-current liabilities	(61,820)	(100,027)	(161,847)
Current liabilities	<u>(2,301,832)</u>	<u>120</u>	<u>(2,301,712)</u>
	488,228	496,970	985,198
Non-controlling interests	<u>(102,864)</u>	<u>(104,692)</u>	<u>(207,556)</u>
Goodwill			<u>18,040</u>
Satisfied by:			
Cash			<u><u>795,682</u></u>
Net cash inflow arising on acquisition:			
Cash consideration paid			(795,682)
Cash and cash equivalents acquired			<u>1,419,037</u>
			<u><u>623,355</u></u>

Acquisitions of Yunnan Datang International Deqin Hydropower Development Company Limited (“Datang Deqin”)

At 1 January 2010, Datang Deqin was an associate of the Company in which the Company held 40% equity interests. On 4 March 2010, the Group further acquired 30% of the issued share capital of Datang Deqin for a cash consideration of RMB613 thousand. Datang Deqin is engaged in hydropower generation construction during the year.

The fair value of the identifiable assets and liabilities of Datang Deqin acquired as at its date of acquisition, which has no significant difference from its carrying amount, is as follows:

	<i>RMB'000</i>
Net assets acquired:	
Property, plant and equipment	44,127
Cash and cash equivalents	7,797
Other current assets	355
Long-term loans	(30,000)
Current liabilities	<u>(12,162)</u>
	10,117
Net assets attributable to the owners of the Company	
before acquisition of additional interest	(8,917)
Non-controlling interests	(605)
Goodwill	<u>18</u>
Satisfied by:	
Cash	<u><u>613</u></u>
Net cash inflow arising on acquisition:	
Cash consideration paid	(613)
Cash and cash equivalents acquired	<u>7,797</u>
	<u><u>7,184</u></u>

**Acquisitions of Liaoning Datang International Fuxin Wind Power Company Limited
("Datang Fuxin")**

On 23 March 2010, the Group acquired 100% of the issued share capital of Datang Fuxin for a cash consideration of RMB32,942 thousand. Datang Fuxin is engaged in wind power generation construction during the year.

The carrying amount and the fair value of the identifiable assets and liabilities of Datang Fuxin acquired as at its date of acquisition are as follows:

	Carrying amount RMB'000	Fair value adjustments RMB'000	Fair value RMB'000
Net assets acquired:			
Property, plant and equipment	1,065	—	1,065
Intangible assets	—	14,590	14,590
Cash and cash equivalents	197	—	197
Other current assets	20,738	—	20,738
Other non-current liabilities	<u>—</u>	<u>(3,648)</u>	<u>(3,648)</u>
	<u>22,000</u>	<u>10,942</u>	
Satisfied by:			
Cash			<u>32,942</u>
Net cash outflow arising on acquisition:			
Cash consideration paid			(32,942)
Cash and cash equivalents acquired			<u>197</u>
			<u>(32,745)</u>

Acquisitions of Inner Mongolia Baoli Coal Company Limited (“Baoli Company”)

On 30 April 2010, the Group acquired 70% of the issued share capital of Baoli Company for a cash consideration of RMB188,889 thousand. Baoli Company is engaged in coal mining during the year.

The carrying amount and the fair value of the identifiable assets and liabilities of Baoli Company acquired as at its date of acquisition are as follows:

	Carrying amount <i>RMB'000</i>	Fair value adjustments <i>RMB'000</i>	Fair value <i>RMB'000</i>
Net assets acquired:			
Property, plant and equipment	275,974	6,283	282,257
Cash and cash equivalents	67,496	—	67,496
Other non-current assets	50,264	172,044	222,308
Other current assets	202,018	—	202,018
Non-current liabilities	—	(44,582)	(44,582)
Current liabilities	(476,136)	—	(476,136)
	119,616	133,745	253,361
Non-controlling interests	<u>(43,061)</u>	<u>(40,123)</u>	(83,184)
Goodwill			<u>18,712</u>
Satisfied by:			
Cash			<u>188,889</u>
Net cash outflow arising on acquisition:			
Cash consideration paid			(188,889)
Cash and cash equivalents acquired			<u>67,496</u>
			<u>(121,393)</u>

The goodwill arising on the acquisition of Yuneng Group, Datang Deqin and Baoli Company is attributable to the anticipated profitability of their power generation or coal mining operations and the anticipated future operating synergies from the combination.

Yuneng Group, Datang Deqin, Datang Fuxin and Baoli Company increased the Group's profit for the year by RMB30,355 thousand, nil, nil and RMB25,101 thousand respectively between the respective dates of acquisition and the end of the reporting period.

If all the above acquisitions had been completed on 1 January 2010, total Group revenue for the year would have been RMB60,748,663 thousand, and profit for the year would have been RMB3,835,570 thousand. The proforma information is for illustrative purposes only and is not necessarily an indication of the turnover and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2010, nor is intended to be a projection of future results.

4. OPERATING REVENUE

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

	2010 RMB'000	2009 RMB'000
Sales of electricity	53,593,750	42,043,163
Heat supply	539,680	382,982
Sales of coal	2,823,291	5,143,707
Transportation service fees	28,444	—
Sales of chemical products	2,692,513	198,817
Others	994,697	174,254
	<u>60,672,375</u>	<u>47,942,923</u>

5. SEGMENT INFORMATION

Executive directors and certain senior management (including chief accountant) of the Company perform the function as chief operating decision makers (collectively referred to as the "Senior Management"). 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, transportation services, 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 PRC GAAP.

Segment profits or losses do not include dividend income from listed 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 continuing operations	Total discontinued operations (coal segment)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2010							
Revenue from external customers	54,122,551	2,825,178	2,712,214	1,012,432	60,672,375	—	60,672,375
Intersegment revenue	<u>74,030</u>	<u>21,770,917</u>	<u>—</u>	<u>95,186</u>	<u>21,940,133</u>	<u>—</u>	<u>21,940,133</u>
Segment profit	<u>3,786,483</u>	<u>369,415</u>	<u>331,707</u>	<u>141,885</u>	<u>4,629,490</u>	<u>—</u>	<u>4,629,490</u>
Depreciation and amortisation	7,036,509	189,173	101,466	102,770	7,429,918	—	7,429,918
Net gain on disposals of property, plant and equipment	47,810	—	27	10,084	57,921	—	57,921
Gain on disposals of investment properties	—	—	—	26,813	26,813	—	26,813
Gain on disposals of long-term investments	11	—	—	93,800	93,811	—	93,811
Interest income	29,211	1,347	1,670	5,987	38,215	—	38,215
Interest expense	4,800,594	238,386	37,986	126,053	5,203,019	—	5,203,019
Share of profits of associates	7,653	474,427	—	109,179	591,259	—	591,259
Shares of losses of jointly controlled entities	(14,384)	(2,657)	—	—	(17,041)	—	(17,041)
Income tax expense	<u>715,456</u>	<u>87,872</u>	<u>83,219</u>	<u>57,906</u>	<u>944,453</u>	<u>—</u>	<u>944,453</u>
Year ended 31 December 2009							
Revenue from external customers	42,553,948	5,190,158	198,817	—	47,942,923	—	47,942,923
Intersegment revenue	<u>5,160</u>	<u>4,824,816</u>	<u>—</u>	<u>—</u>	<u>4,829,976</u>	<u>—</u>	<u>4,829,976</u>
Segment profit, as restated	<u>2,572,761</u>	<u>213,915</u>	<u>20,174</u>	<u>146,553</u>	<u>2,953,403</u>	<u>40,000</u>	<u>2,993,403</u>
Depreciation and amortisation, as restated	7,473,828	48,074	9,426	—	7,531,328	—	7,531,328
Net gain on disposals of property, plant and equipment	32,692	—	—	—	32,692	—	32,692
Gain on disposals of long-term investments	78,316	—	—	30,125	108,441	—	108,441
Gain on disposals of assets and liabilities held for sale	—	—	—	—	—	40,000	40,000
Impairment of property, plant and equipment, as restated	80,473	—	—	—	80,473	—	80,473
Allowance for inventories, as restated	14,667	—	—	—	14,667	—	14,667
Interest income	26,079	1,739	5,306	—	33,124	—	33,124
Interest expense	3,997,440	45,876	—	—	4,043,316	—	4,043,316
Share of (losses)/profits of associates	(29,167)	286,125	(359)	115,523	372,122	—	372,122
Shares of losses of jointly controlled entities	(60,366)	(18,622)	—	—	(78,988)	—	(78,988)
Income tax expense/(credit), as restated	<u>640,512</u>	<u>(4,375)</u>	<u>(7,475)</u>	<u>—</u>	<u>628,662</u>	<u>—</u>	<u>628,662</u>

	Power generation segment	Coal segment	Chemical segment	Other segments	Total continuing operations	Total discontinued operations (coal segment)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2010							
Segment assets	152,509,810	16,058,293	39,345,040	10,625,419	218,538,562	—	218,538,562
Including:							
Investments in associates	490,467	1,682,565	—	2,447,088	4,620,120	—	4,620,120
Investments in jointly controlled entities	1,693,442	845,959	—	—	2,539,401	—	2,539,401
Additions to non-current assets (other than financial assets and deferred tax assets)	<u>22,657,532</u>	<u>1,191,307</u>	<u>10,084,264</u>	<u>148,405</u>	<u>34,081,508</u>	<u>—</u>	<u>34,081,508</u>
Segment liabilities	<u>134,105,377</u>	<u>10,067,614</u>	<u>29,220,166</u>	<u>3,473,751</u>	<u>176,866,908</u>	<u>—</u>	<u>176,866,908</u>
At 31 December 2009							
Segment assets, as restated	148,230,130	13,517,801	25,056,663	1,923,390	188,727,984	—	188,727,984
Including:							
Investments in associates	484,763	2,694,556	2,278	602,260	3,783,857	—	3,783,857
Investments in jointly controlled entities	695,825	846,237	—	—	1,542,062	—	1,542,062
Additions to non-current assets (other than financial assets and deferred tax assets)	<u>22,960,322</u>	<u>1,759,230</u>	<u>7,743,357</u>	<u>100,000</u>	<u>32,562,909</u>	<u>—</u>	<u>32,562,909</u>
Segment liabilities	<u>128,519,824</u>	<u>7,877,910</u>	<u>19,983,705</u>	<u>—</u>	<u>156,381,439</u>	<u>—</u>	<u>156,381,439</u>

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

	2010 <i>RMB'000</i>	2009 <i>RMB'000</i> <i>(restated)</i>
Revenue		
Total revenue of reportable segments	82,612,508	52,772,899
Elimination of intersegment revenue	<u>(21,940,133)</u>	<u>(4,829,976)</u>
Consolidated revenue	<u>60,672,375</u>	<u>47,942,923</u>
Profit or loss		
Total profit or loss of reportable segments	4,629,490	2,993,403
Gain on disposals of available-for-sale investments	8,212	—
Dividend income from available-for-sale investments	40	200
Elimination of intersegment profits	(13,861)	4,851
IFRS adjustment on reversal of general provision on mining funds	107,273	163,109
Other IFRS adjustments	<u>(30,854)</u>	<u>(30,084)</u>
Consolidated profit before tax	<u>4,700,300</u>	<u>3,131,479</u>
Assets		
Total assets of reportable segments	218,538,562	188,727,984
Deferred tax assets	944,269	739,868
Available-for-sale investments	91,043	18,700
Elimination of intersegment assets	(8,818,003)	(7,498,008)
Reclassification of non-income taxes recoverable	2,022,816	1,991,030
IFRS adjustment on reversal of general provision on mining funds	82,095	83,291
Other IFRS adjustments	<u>54,553</u>	<u>84,948</u>
Consolidated total assets	<u>212,915,335</u>	<u>184,147,813</u>
Liabilities		
Total liabilities of reportable segments	(176,866,908)	(156,381,439)
Current tax liabilities	(339,967)	(48,359)
Deferred tax liabilities	(414,377)	(286,600)
Elimination of intersegment liabilities	5,186,413	7,369,035
Reclassification of non-income taxes recoverable	(2,022,816)	(1,991,030)
Other IFRS adjustments	<u>(24,849)</u>	<u>(37,188)</u>
Consolidated total liabilities	<u>(174,482,504)</u>	<u>(151,375,581)</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 2010					
Share of profits of associates	591,259	—	126,972	—	718,231
Shares of (losses)/profits of jointly controlled entities	(17,041)	—	18,145	—	1,104
Income tax expense	<u>944,453</u>	<u>(60,294)</u>	<u>(9,389)</u>	<u>(3,415)</u>	<u>871,355</u>
Year ended 31 December 2009					
Share of profits of associates	372,122	—	89,990	—	462,112
Shares of losses of jointly controlled entities	(78,988)	—	26,303	—	(52,685)
Income tax expense, as restated	<u>628,662</u>	<u>(21,545)</u>	<u>11,703</u>	<u>(3,894)</u>	<u>614,926</u>
At 31 December 2010					
Investments in associates	4,620,120	—	(28,282)	—	4,591,838
Investments in jointly controlled entities	<u>2,539,401</u>	<u>—</u>	<u>110,377</u>	<u>—</u>	<u>2,649,778</u>
At 31 December 2009					
Investments in associates	3,783,857	—	(11,320)	—	3,772,537
Investments in jointly controlled entities	<u>1,542,062</u>	<u>—</u>	<u>94,612</u>	<u>—</u>	<u>1,636,674</u>

Geographical information (under IFRS):

During the years ended 31 December 2010 and 2009, all revenues from external customers are generated domestically. At 31 December 2010, non-current assets (excluding financial assets and deferred tax assets) amounted to RMB189,360,741 thousand (2009, as restated: RMB165,092,040 thousand) and RMB47,444 thousand (2009: RMB83,348 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:

	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>
Power generation segment		
North China Grid Company Limited	17,948,672	17,088,967
State Grid Corporation of China	5,495,123	5,405,739
Guangdong Power Grid Corporation	<u>4,822,035</u>	<u>2,741,184</u>

6. FINANCE COSTS

	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>
Interest expense on:		
Short-term bank loans	844,812	1,040,391
Other short-term loans	194,894	157,244
Short-term entrusted loans	361	2,651
Long-term bank loans		
- Wholly repayable within five years	1,376,004	1,734,212
- Not wholly repayable within five years	4,283,599	2,997,829
Other long-term loans		
- Wholly repayable within five years	211,696	316,311
- Not wholly repayable within five years	24,674	17,993
Long-term entrusted loan		
- Wholly repayable within five years	—	1,668
Short-term bonds	—	124,215
Long-term bonds	283,474	165,541
Finance leases	190,243	240,162
Acquisitions of property, plant and equipment by instalments	3,354	8,515
Discounted notes receivable	<u>50,092</u>	<u>35,423</u>
 Total borrowing costs	 7,463,203	 6,842,155
Amount capitalised	<u>(2,083,847)</u>	<u>(2,798,839)</u>
	5,379,356	4,043,316
Exchange gain, net	(28,069)	(262)
Loan commitment fees	—	23,865
Others	<u>22,050</u>	<u>43,638</u>
	<u>5,373,337</u>	<u>4,110,557</u>

Borrowing costs on funds borrowed generally are capitalised at a rate of 5.33% (2009: 5.52%) per annum.

7. INCOME TAX EXPENSE

	2010 <i>RMB'000</i>	2009 <i>RMB'000</i> (restated)
Current tax - PRC Enterprise Income Tax		
Provision for the year	1,125,789	652,055
(Over)/under-provision in prior years	<u>(833)</u>	<u>59,809</u>
	<u>1,124,956</u>	<u>711,864</u>
Deferred tax	<u>(253,601)</u>	<u>(96,938)</u>
	<u>871,355</u>	<u>614,926</u>

The Company and its subsidiaries, other than as stated below, are generally subject to PRC Enterprise Income Tax statutory rate of 25% (2009: 25%).

- (i) Pursuant to document Guo Ban Fa [2001] 73 issued by the State Council of the PRC (the “State Council”) and document Cai Shui [2001] 202 issued by 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 have been granted a tax concession to pay PRC Enterprise Income Tax at a preferential rate of 15% from 2001 to 2010.
- (ii) 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.
- (iii) Pursuant to document Guo Shui Han [2006] 804 issued by the Yunnan Provincial Office of the State Administration of Taxation, a subsidiary of the Company, as a newly set up domestic invested enterprise engaged in power generation in the western area of the PRC, started to enjoy the exemption from PRC Enterprise Income Tax during the first and second years of operation and the grant of 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 2007.
- (iv) 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.
- (v) A subsidiary of the Company set up in Hong Kong is subject to Hong Kong Profits Tax levied at 16.5% (2009: 16.5%).

- (vi) A subsidiary of the Company set up in the British Virgin Islands is subject to local income tax levied at 0% (2009: 0%).
- (vii) 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.
- (viii) 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.

8. PROFIT APPROPRIATION

DIVIDENDS

	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>
Proposed final of RMB0.07 (2009: RMB0.07) per share	<u>861,703</u>	<u>861,703</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 their net profit under PRC GAAP, after offsetting any prior years' losses, to the statutory surplus reserve. When the balance of such a 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 RMB2,569,734 thousand (2009, as restated: RMB1,536,554 thousand) and the weighted average number of ordinary shares of 12,192,421 thousand (2009: 11,780,038 thousand) in issue during the year.

Diluted earnings per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary shares during the years ended 31 December 2010 and 2009.

10. ACCOUNTS AND NOTES RECEIVABLE

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

	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>
Accounts receivable from third parties	7,966,699	6,459,139
Notes receivables from third parties	190,185	140,273
Accounts receivable from related parties	<u>1,738</u>	<u>35,505</u>
	<u>8,158,622</u>	<u>6,634,917</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 receivable is as follows:

	2010 RMB'000	2009 <i>RMB'000</i>
Within one year	8,013,428	6,447,885
Between one to two years	143,990	186,396
Between two to three years	1,096	636
Over three years	108	—
	<u>8,158,622</u>	<u>6,634,917</u>

11. SHARE CAPITAL

	Number of shares			Amount		
	A shares	(i) H shares	(i) Total	A shares	H shares	Total
	'000	'000	'000	RMB'000	RMB'000	RMB'000
Registered, issued and fully paid:						
Shares of RMB1 (2009: RMB1) each						
At 1 January 2009,						
31 December 2009 and						
1 January 2010	8,464,360	3,315,678	11,780,038	8,464,360	3,315,678	11,780,038
Issue of shares (ii)	<u>530,000</u>	<u>—</u>	<u>530,000</u>	<u>530,000</u>	<u>—</u>	<u>530,000</u>
At 31 December 2010 (iii)	<u>8,994,360</u>	<u>3,315,678</u>	<u>12,310,038</u>	<u>8,994,360</u>	<u>3,315,678</u>	<u>12,310,038</u>

Note:

- (i) Both A shares and H shares rank pari passu to each other.
- (ii) On 23 March 2010, the Company issued 530,000,000 A shares to specific investors by way of non-public offering at a subscription price of RMB6.23 per share for a total cash consideration of RMB3,301,900 thousand. The premium on the issues of shares, amounting to RMB2,718,372 thousand, net of share issue expenses, was credited to the Company's capital reserve account.
- (iii) At 31 December 2010, 530,000,000 (2009: Nil) A shares were subject to lock-up periods and were not freely tradable.

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>
Accounts and notes payable	<u>8,129,771</u>	<u>6,015,519</u>
Other payables and accrued liabilities	<u>10,800,295</u>	<u>8,024,501</u>
	<u>18,930,066</u>	<u>14,040,020</u>

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

	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>
Within one year	8,129,771	5,716,659
Between one to two years	—	127,756
Between two to three years	—	43,857
Over three years	<u>—</u>	<u>127,247</u>
	<u>8,129,771</u>	<u>6,015,519</u>

13. RETROSPECTIVE ADJUSTMENTS

According to document Shen Qi Jue [2010] 468 “Audit Decisions Relating to Financial Affairs of Income and Expenditure of China Datang for the Year 2009” dated 31 December 2010 issued by National Audit Office of the PRC, impairment losses on property, plant and equipment, allowance for inventories and depreciation of property, plant and equipment of the Company for the year ended 31 December 2009 were understated by RMB80,473 thousand, RMB14,667 thousand and RMB4,408 thousand respectively mainly resulting from closure of certain power generating units and their spare parts or delay in transferring certain construction in progress to property, plant and equipment (collectively referred to as the “Prior Year Errors”). The Group has made retrospective adjustments of the comparative figures for the year ended 31 December 2010 to correct the Prior Year Errors.

After retrospective adjustments, operating costs of the Group for the year ended 31 December 2009 increased by RMB99,548 thousand while income tax expense and profit for the year of the Group for the year ended 31 December 2009 decreased by RMB23,785 thousand and RMB75,763 thousand respectively; and deferred tax assets of the Group at 1 January 2010 increased by RMB23,785 thousand while inventories, property, plant and equipment, statutory surplus reserve and retained earnings of the Group at 1 January 2010 decreased by RMB14,667 thousand, RMB84,881 thousand, RMBRMB7,576 and RMB68,187 respectively.

14. EVENTS AFTER THE REPORTING PERIOD

Having obtained the “Approval for the Public Issue of Corporate Bonds by Datang International Power Generation Co., Ltd.” (Zheng Jian Xu Ke [2009] No.654) from the China Securities Regulatory Commission in July 2009 whereby the Company was permitted to issue corporate bonds not exceeding RMB6 billion, the Company issued first tranche of the corporate bonds amounting to RMB3 billion on 19 August 2009.

In view of the status of the capital market and the capital needs of the Company, the Company intended to complete the issue of the remaining corporate bonds in the amount of RMB3 billion within the valid period (i.e. before 21 July 2011) of the authorised document. Up to the date of approval of these financial statements for issue, the Company is actively planning the issue of 2011 first tranche of the corporate bonds.

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

1. FINANCIAL HIGHLIGHTS AND FINANCIAL RATIOS

	2010	2009	Variance
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
	<i>(unless otherwise stated)</i>	<i>(unless otherwise stated)</i>	
		<i>(restated)</i>	
Revenue from operations	60,672,375	47,942,923	26.55%
Profit before taxation and minority interests	4,623,881	2,998,454	54.21%
Net profit (attributable to equity holders of the Company)	2,473,684	1,403,706	76.23%
Net profit/(loss) (attributable to equity holders of the Company and excluding non-recurring items)	2,108,452	1,132,552	86.17%
Earnings per share (weighted average) (RMB)	0.2031	0.1192	70.39%
Earnings/(loss) per share calculated based on net profit attributable to equity holders of the Company and excluding non-recurring items (weighted average) (RMB)	0.1731	0.0961	80.12%
Return on net assets (weighted average)	8.37%	5.36%	3.01%
Return on net assets calculated based on net profit attributable to equity holders of the Company and excluding non-recurring items (weighted average)	7.13%	4.32%	2.81%
Net cash flows from operating activities	17,509,589	11,744,853	49.08%
Net cash flows from operating activities per share (RMB)	1.42	1.00	42.00%
Total assets	210,755,870	181,988,544	15.81%
Shareholders' equity (including minority interests)	38,321,031	32,641,181	17.40%
Net assets (attributable to equity holders of the Company) per share (RMB)	2.50	2.21	13.12%

2. PROFIT AND LOSS ACCOUNT

	2010 <i>RMB'000</i>	2009 <i>RMB'000</i> (restated)
Operating revenue	60,672,375	47,942,923
Less: Operating costs	(49,427,960)	(39,429,475)
Sales tax and surcharges	(395,380)	(382,296)
Selling expenses	(192,259)	(174,043)
General and administration expenses	(1,846,469)	(1,519,997)
Financial expenses, net	(5,335,122)	(4,077,433)
Asset impairment loss	41,815	(95,140)
Add: Investment income	<u>686,610</u>	<u>447,820</u>
Operating profit	4,203,610	2,712,359
Add: Non-operating income	466,271	333,157
Less: Non-operating expenses	<u>(46,000)</u>	<u>(47,062)</u>
Profit before taxation and minority interests	4,623,881	2,998,454
Less: Income tax expense	<u>(884,159)</u>	<u>(607,117)</u>
Net profit	<u>3,739,722</u>	<u>2,391,337</u>
Including: net loss attributable to acquirees before business combinations under common control	—	(14,030)
Attributable to:		
Equity holders of the Company	2,473,684	1,403,706
Non-controlling interests	1,266,038	987,631
Other comprehensive loss	(60,585)	(17,884)
Total comprehensive income	3,679,137	2,373,453
Attributable to:		
Equity holders of the Company	2,417,368	1,383,631
Non-controlling interests	1,261,769	989,822
	RMB	RMB (restated)
Earnings per share		
Basic	0.2031	0.1192
Diluted	0.2031	0.1192

3. DIFFERENCES BETWEEN FINANCIAL STATEMENTS

The consolidated financial statements which are prepared by the Group in conformity with PRC GAAP, differ in certain respects from IFRS. Major differences between PRC GAAP and IFRS (“GAAP Differences”), which affect the net assets and net profit of the Group, are summarised as follows:

<i>Note:</i>		Net assets	
		2010	2009
		RMB'000	RMB'000
			<i>(restated)</i>
Net assets under PRC GAAP		30,737,256	25,997,682
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)	132,530	163,384
Difference in accounting treatment on mining funds	(c)	82,095	83,291
Applicable deferred tax impact of the above GAAP Differences	(d)	3,641	(9,158)
Non-controlling interests' impact of the above GAAP Differences after tax		<u>1,015</u>	<u>(6,011)</u>
Net assets under IFRS		<u>30,850,071</u>	<u>26,122,722</u>

		Net profit	
		2010	2009
		RMB'000	RMB'000
			<i>(Restated)</i>
Profit for the year attributable to owners of the Company under PRC GAAP		2,473,684	1,403,706
IFRS adjustments:			
Difference in accounting treatment on monetary housing benefits	(b)	(30,854)	(30,084)
Difference in accounting treatment on mining funds	(c)	107,273	163,109
Applicable deferred tax impact of the above GAAP Differences	(d)	12,804	(7,809)
Non-controlling interests' impact of the above GAAP Differences after tax		<u>6,827</u>	<u>7,632</u>
Net profit for the year attributable to owners of the Company under IFRS		<u>2,569,734</u>	<u>1,536,554</u>

Note:

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

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

(b) Difference in accounting treatment on monetary housing benefits

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

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

(d) Applicable deferred tax impact on the above GAAP Differences

This represents the deferred tax effect on the above GAAP Differences where applicable