華潤電力控股有限公司
China Resources Power Holdings Company Limited

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 836)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2011

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 2011.

For the six months ended 30 June 2011, the Group recorded a profit attributable to owners of the Company ("net profit") of HK$2,484.1 million, representing an increase of HK$24.3 million or 1.0% from a net profit of HK$2,459.8 million for the six months ended 30 June 2010. Basic earnings per share for the six months ended 30 June 2011 is HK53.00 cents, representing an increase of 0.2% from basic earnings per share of HK52.89 cents for the six months ended 30 June 2010.

The Board resolved to declare an interim dividend of HK6 cents per share for the six months ended 30 June 2011.

	For the six months ended 30 June 2011	30 June 2010
Turnover *(HK$'000)*	29,032,879	21,161,937
Profit attributable to owners of the Company *(HK$'000)*	2,484,053	2,459,835
Basic earnings per share *(HK cents)*	53.00	52.89
Interim dividend per share *(HK cents)*	6.00	6.00
	As at 30 June 2011	**As at 31 December 2010**
Equity attributable to owners of the Company *(HK$'000)*	44,561,132	42,164,218
Total assets *(HK$'000)*	160,526,620	143,010,547
Bank balances and cash (HK$'000)	7,304,739	6,801,707
Bank and other borrowings and corporate bonds *(HK$'000)*	77,550,163	74,911,153
Net debt to shareholders' equity *(%)*	157.6	161.5
EBITDA interest coverage *(times)*	5.27	4.38

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

BUSINESS REVIEW FOR THE FIRST HALF OF 2011

Growth of generation capacity

As at 30 June 2011, we had 35 coal-fired power plants, 1 hydro-electric plant, 1 gas-fired plant and 16 wind farms in commercial operation with a total attributable operational generation capacity of 21,059MW. As a comparison, our attributable operational generation capacity was 18,894MW and 19,358MW, respectively, as at 30 June 2010 and 31 December 2010.

As at 30 June 2011, coal-fired generation capacity amounted to 19,958MW, accounting for 94.8% of our total generation capacity. Wind, gas-fired and hydro capacity amounted to 877MW, 77MW and 147MW, respectively, and together accounting for 5.2% of our total generation capacity.

During the first half of 2011, we commissioned a 600MW coal-fired generation unit in Heze Power Plant in Shandong Province, a 300MW heat and power co-generation unit in Nanjing Chemical Industrial Park and a 600MW heat and power co-generation unit in Nanjing Thermal Power Plant in Jiangsu Province. In addition, we commissioned a number of wind farms in Guangdong, Shandong and Hebei Provinces, which collectively added a total of 231MW of new wind generation capacity.

The following table sets out the attributable operational generation capacity of our power plants in the context of geographical distribution as at 30 June 2011:

	Attributable operational generation capacity	
	MW	%
Eastern China	10,252	48.7
Southern China	3,749	17.8
Central China	3,695	17.5
Northern China	2,438	11.6
Northeastern China	925	4.4
Total	21,059	100.0

Generation volume

Total gross generation volume of our operating power plants amounted to 82,055,142MWh in the first half of 2011, representing an increase of 16.8% from 70,245,099MWh in the first half of 2010. Total gross generation volume of our 44 consolidated operating power plants amounted to 57,360,881MWh in the first half of 2011, representing an increase of 23.5% from 46,431,734MWh in the first half of 2010.

Total net generation volume of our operating power plants amounted to 76,989,669MWh in the first half of 2011, representing an increase of 17.2% from 65,702,714MWh in the first half of 2010. Total net generation volume of our 44 consolidated operating power plants amounted to 53,791,176MWh in the first half of 2011, representing an increase of 24.1% from 43,330,555MWh in the first half of 2010.

The increase in gross and net generation volume was primarily due to the growth of attributable operational generation capacity from 18,894MW as at 30 June 2010 to 21,059MW as at 30 June 2011.

For the 30 coal-fired power plants which were in commercial operation for the entire first half of 2010 and 2011, gross and net generation volume for the first half of 2011 increased by 1.8% and 2.0%, respectively, from the first half of 2010. The average full-load equivalent utilization hours for the first half of 2011 of these 30 coal-fired power plants amounted to 3,010 hours, representing an increase of 3.4% from 2,912 hours for the first half of 2010.

Fuel costs

Average unit fuel cost for our consolidated operating power plants in the first half of 2011 was RMB 271.5/MWh, representing an increase of 11.7% in comparison to the first half of 2010. Average standard coal cost for our consolidated operating power plants in the first half of 2011 increased by 16.2% in comparison to the first half of 2010.

Tariff increase

In the second quarter of 2011, the National Development and Reform Commission announced that on-grid tariffs for coal-fired power plants in a number of provinces in China were adjusted with adjustment magnitudes and effective dates varying from province to province. A number of provinces also received retroactive tariff adjustments effective from 1 January 2010.

Our power plants located in Henan, Hebei, Hubei, Shandong, Guangdong, Liaoning, Inner Mongolia, Hunan and Anhui received tariff adjustments. The following table sets out the tariff (inclusive of value added tax) of these power plants before and after the tariff adjustments announcement of the Chinese government:

Service area	**Power plants**	**Tariff before adjustments** *(RMB/MWh)*	**Tariff after adjustments** *(RMB/MWh)*
Henan	CR Dengfeng	391.20	411.20(1)
	CR Luoyang	391.20	411.20(1)
	CR Jiaozuo	391.20	411.20(1)
	CR Shouyangshan	391.20	411.20(1)
	CR Gucheng	391.20	411.20(1)
Hebei South	Hengfeng	419.20	434.10(1)
	Hengfeng Phase II	386.00	400.90(1)
	CR Cangzhou	386.80	401.70(1)
Hebei North	CR Caofeidian	386.40	401.30(1)
	CR Tangshan	389.70	404.60(1)
Hubei	CR Hubei	525.63	545.63(1)
Shandong	CR Heze (Unit #1)	397.40	421.90(1)
Guangdong	CR Liyujiang	502.70	504.50(1)
	CR Liyujiang B	496.20	498.00(1)
	CR Guangzhou Thermal	496.20	498.00(1)
	Shajiao C	515.00	516.80(1)
	CR Xingning	516.20	531.20(1)
Liaoning	CR Jinzhou	380.30	382.50(1)
	CR Shenhai (Unit #1 & #2)	391.00	393.20(1)
	CR Shenhai (Unit #3)	390.00	392.20(1)
Inner Mongolia	CR Dengkou	284.90	287.90(1)
Hunan	CR Lianyuan	440.50	464.40(2)
Anhui	CR Fuyang	398.00	418.00(3)

Notes:

(1) Tariff adjustment effective from April 10, 2011

(2) Tariff adjustment effective from May 1, 2011

(3) Tariff adjustment effective from June 1, 2011

Environmental expenses

For the six months ended 30 June 2011, environmental fees incurred by each of the subsidiaries were in the range from RMB0.1 million to RMB16.8 million. The total amount of environmental fees incurred by our subsidiaries was RMB128.3 million, as compared with RMB90.5 million for the six month period ended 30 June 2010. The increase in environmental expenses is mainly due to the increase in coal-fired generation capacity from 17,937MW as at 30 June 2010 to 19,958MW as at 30 June 2011.

Development of coal mine operations

During the first half of 2011, our coal mine operations in Shanxi, Jiangsu, Henan and Hunan Provinces produced a total of 7.7 million tonnes of coal (aggregation of each mine production on a 100% basis), representing an increase of 63.2% in comparison to the first half of 2010. Our subsidiary coal mines produced a total of 6.7 million tonnes of coal. In particular, our coal mines in Lüliang District in Shanxi Province produced a total of 5.1 million tonnes of coal in the first half of 2011 (aggregation of each mine production on a 100% basis), representing an increase of 97.1% in comparison to the first half of 2010.

On 11 March 2011, China Resources Coal Holdings Company Limited ("CR Coal Holdings"), a wholly-owned subsidiary of the Company, entered into an acquisition agreement whereby it acquired a 56% equity interest in Shanxi Asian American-Daning Energy Co., Ltd. ("Shanxi Asian American-Daning") which operates the Daning Coal Mine for a total consideration of US$669 million (the "Acquisition"). Shanxi Asian American-Daning also holds equity interests in three associated companies, namely Yangcheng Asian American-Daning Railroad Spur Operation Company Limited (陽城亞美大寧鐵路專線運營公司), Shanxi Lanhua Daning Power Generation Company Limited (山西蘭花大寧發電有限公司) and Lanhua Daning Coal Company Limited (山西蘭花煤炭有限公司). The total remaining coal reserve of the coal bed from which Daning Coal Mine produces coal is approximately 215,930,000 tonnes. Pursuant to an approval issued by Shanxi provincial government in November 2009, Shanxi Asian American-Daning has been permitted to extract from an additional of two coal beds. Currently, Daning Coal Mine is designed to have a production capacity of approximately four million tonnes per year.

Daning Coal Mine suspended its operation and production since 1 January 2011 pending its applications for the renewal of the mining license certificate (採礦許可證) and safety production license certificate (安全生產許可證). The mining license (採礦許可) of Daning Coal Mine is valid till 15 April 2027. Nonetheless, Shanxi Asian American-Daning is required to obtain a new license certificate to reflect the changes of certain technical information pursuant to the requirements of Shanxi provincial government. To the best of the Directors' knowledge, information and belief, such incident was due to the disagreements among the shareholders of Shanxi Asian American-Daning prior to the Acquisition in respect of their shareholdings in Shanxi Asian American-Daning.

On 30 July 2011, Asian-American Coal Inc. ("AACI(HK)"), a wholly owned subsidiary of CR Coal Holdings, and Shanxi Lanhua Science and Technology Company Ltd.("Shanxi Lanhua") signed a letter of intent, whereby AACI(HK) has agreed, subject to the signing of the final sales and purchase agreement, to transfer a 5% equity interest in Shanxi Asian American-Daning to Shanxi Lanhua for a total consideration of US$59,732,143. Prior to the transfer, AACI(HK) owns 56% equity interest of Shanxi Asian American-Daning. Upon execution and completion of the final legal agreement, our effective interest in Daning Coal Mine will be reduced to 51%. AACI(HK) and Shanxi Lanhua has agreed that in the meantime, both parties will procure that the various license application and renewal processes will commence immediately with an aim to enable Daning Coal Mine to resume commercial production as soon as possible in the near future.

PROSPECTS FOR THE SECOND HALF OF 2011

The China Electricity Council forecasted a full year power consumption growth of 2011 to be approximately 12%. Along with the macroeconomic development, the electricity demand in the first half of this year was strong and the year-on-year power consumption growth in China was 12.2%. While monetary policy tightening in China may have some impact on the growth of Chinese economy and hence power consumption in the country, we still expect power consumption growth in China to remain relatively strong in the second half of the year.

Coal prices remained relatively stable in recent months with coal inventory in major ports in the country continues to increase. Spot coal price, especially for coal delivered from ports by sea in the country decreased in recent weeks, but overall we still expect coal prices to remain at relatively high levels in the country in the second half of the year. As there is a significant gap between spot and contract prices in the country, it is our major task in the second half of 2011 to increase contract coal fulfillment rate.

We have successfully offset some coal price increase by improving our operational efficiency, in particular, by reducing coal consumption rate for power generation in the first half of the year. Our average standard coal consumption rate for the first half of 2011 is 325.56g/kWh, decreased by 9.02g/kWh or 2.7% from 334.58g/kWh for the first half of 2010. We will continue to improve our operational efficiency and aim to further reduce coal consumption rate in the second half of the year by adopting standardized lean management throughout all our operational plants.

We expect that more generation units will be commissioned in the second half of 2011; in particular, the second 600MW unit in our Heze Power Plant was commissioned in August and the first 600MW unit in Dengfeng Phase II is expected to be completed and commissioned. A number of our wind farms which are currently under constructions are also expected to be commissioned in the second half of this year.

We have recently obtained approval from the Chinese government for the construction of Shanwei Haifeng Power Plant, a 2x1000MW coal-fired plant in Guangdong Province. In light of the regulatory environment in the country for the coal-fired power generation sector, we will strictly select our investment projects to ensure that we only invest in coal-fired projects which in our view are highly competitive and can generate value for our shareholders in the future. We have also increased our investments in the clean and renewable energy sectors in the country. In addition to wind farms, we are also exploring opportunities to enter into other new sectors, for example, waste to energy sector in the country.

To secure our fuel supply at competitive costs and to offset rising coal costs in the country, we aim to increase the production volume of coal from our own coal mines, especially from our coal mines in Shanxi Province, including coal mines located in Lüliang District, Taiyuan District and Daning Coal Mine. We aim to procure that Daning Coal Mine as well as some coal mines located in Taiyuan District will resume commercial production in the second half of 2011.

As we anticipate that coal production volume from our own coal mines as well as coal consumption volume from our own coal-fired power plants will continue to increase in the future years, we have increased our effort in the improvement of our logistics management and arrangement. We are currently carrying out further studies in the area of future logistics plan for the Group and may commence implementation in the near future.

In May 2011, we completed an issuance of US$750 million of the perpetual subordinated guaranteed capital securities ("Prepetual Capital Securities"). This is to ensure that while we identify and widen our funding channels with an aim to secure long-term low cost capital to support our business development, we also have to monitor our capital structure and balance sheet on an on-going basis to ensure that we will always have a stable capital structure to support the Group's operations and various development plans. In this regard, we will increase our efforts and effectiveness in the allocation of resources, including both financial and human resources, to ensure that resources allocation is strictly based on business strategies which focus on value creation for shareholders.

OPERATING RESULTS

The results of operations for the six months ended 30 June 2011, 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 2011	**30 June 2010**
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Turnover	29,032,879	21,161,937
Operating expenses		
Fuel	(17,348,021)	(12,348,459)
Repairs and maintenance	(411,168)	(288,650)
Depreciation and amortisation	(2,440,460)	(1,958,568)
Others	(5,060,421)	(2,792,173)
Total operating expenses	(25,260,070)	(17,387,850)
Other income	630,077	236,661
Other gains and losses	486,368	56,908
Profit from operations	4,889,254	4,067,656
Finance costs	(1,280,894)	(1,252,061)
Share of results of associates	279,986	408,096
Share of results of jointly controlled entities	6,470	(8,879)
Profit before taxation	3,894,816	3,214,812
Taxation	(667,552)	(334,485)
Profit for the period	3,227,264	2,880,327
Profit for the period attributable to:		
Owners of the Company	2,484,053	2,459,835
Non-controlling interests		
- Perpetual capital securities	59,916	—
- Others	683,295	420,492
	743,211	420,492
	3,227,264	2,880,327
Earnings per share		
— basic (HK cents)	53.00	52.89
— diluted (HK cents)	52.47	52.03

Condensed consolidated statement of comprehensive income

	For the six months ended	
	30 June 2011	**30 June 2010**
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Profit for the period	3,227,264	2,880,327
Other comprehensive income and expense:		
Exchange differences from translation	998,584	332,526
Share of changes in translation reserve of associates and jointly controlled entities	338,516	107,770
Fair value change on cash flow hedges	5,975	(84,035)
Other comprehensive income for the period	1,343,075	356,261
Total comprehensive income for the period	4,570,339	3,236,588
Total comprehensive income for the period attributable to:		
Owners of the Company	3,627,378	2,743,875
Non-controlling interests		
- Perpetual capital securities	59,916	—
- Others	883,045	492,713
	942,961	492,713
	4,570,339	3,236,588

Condensed consolidated statement of financial position

	As at 30 June 2011 *HK$'000* *(unaudited)*	As at 31 December 2010 *HK$'000* *(audited)*
Non-current assets		
Property, plant and equipment	89,260,197	84,273,757
Prepaid lease payments	1,924,532	1,891,805
Mining rights	10,272,205	9,939,938
Exploration and resources rights	151,650	148,218
Interests in associates	17,906,554	12,279,541
Interests in jointly controlled entities	1,631,020	935,595
Goodwill	3,796,731	3,796,731
Investments in investee companies	1,145,090	1,093,160
Deposit paid for acquisition of property, plant and equipment	2,290,119	1,145,815
Deposit paid for acquisition of mining/exploration rights	2,667,203	2,794,700
Deposit paid for land use rights	128,517	111,741
Other non-current deposits paid	284,767	158,170
Deferred taxation assets	105,383	107,084
	131,563,968	118,676,255
Current assets		
Inventories	3,604,320	2,006,017
Trade receivables, other receivables and prepayments	13,293,780	10,763,185
Amounts due from associates	3,013,471	2,853,053
Amounts due from jointly controlled entities	1,287,902	1,417,034
Amounts due from related companies	130,719	159,293
Financial assets at fair value through profit or loss	3,627	3,544
Restricted bank balances	60,003	58,641
Pledged bank deposits	264,091	271,818
Bank balances and cash	7,304,739	6,801,707
	28,962,652	24,334,292

	As at 30 June 2011 *HK$'000* *(unaudited)*	As at 31 December 2010 *HK$'000* *(audited)*
Current liabilities		
Trade payables, other payables and accruals	17,364,838	14,682,456
Amounts due to associates	735,010	1,092,917
Amounts due to related companies	3,835,615	116,386
Taxation payable	266,203	149,198
Bank and other borrowings — repayable within one year	19,618,190	20,667,961
	41,819,856	36,708,918
Net current liabilities	(12,857,204)	(12,374,626)
Total assets less current liabilities	118,706,764	106,301,629
Non-current liabilities		
Bank and other borrowings — repayable after one year	57,931,973	54,243,192
Accrued retirement benefit cost	286,124	286,801
Derivative financial instruments	307,031	323,885
Deferred taxation liabilities	462,622	493,655
Deferred consideration payables	534,092	693,987
	59,521,842	56,041,520
	59,184,922	50,260,109
Capital and reserves		
Share capital	4,736,840	4,719,501
Share premium and reserves	39,824,292	37,444,717
Equity attributable to owners of the Company	44,561,132	42,164,218
Non-controlling interests		
- Perpetual capital securities	5,895,666	—
- Others	8,728,124	8,095,891
	14,623,790	8,095,891
	59,184,922	50,260,109

Condensed consolidated statement of cash flows

	For the six months ended	
	30 June 2011	**30 June 2010**
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Net cash from operating activities	2,538,601	4,944,241
Net cash used in investing activities		
Release of restricted bank balances	—	1,446,291
Dividend received from associates	278,208	21,951
Decrease in pledged bank deposits	15,145	441,572
Net cash outflow on acquisition of interest in an associate	(4,412,932)	—
Net cash outflow from acquisition of assets through acquisition of subsidiaries	—	(175,931)
Purchase and deposit paid for acquisition of property, plant and equipment	(4,824,376)	(5,136,841)
Purchase and deposit paid for acquisition of mining rights and exploration and resources rights	(401,017)	(399,444)
Capital contribution to associates	(33,793)	(2,472,747)
Capital contribution to jointly controlled entities	(579,373)	(598,116)
Advance to associates	(88,094)	(1,694,302)
Repayment from (advance to) jointly controlled entities	167,803	(1,324,747)
Acquisition of a subsidiary	—	(119,161)
Other investing cash inflows	58,905	35,976
	(9,819,524)	(9,975,499)

	For the six months ended	
	30 June	**30 June**
	2011	**2010**
	HK$'000	*HK$'000*
	(unaudited)	*(unaudited)*
Net cash from financing activities		
New bank and other borrowings raised	28,884,979	21,187,994
Proceeds from issue of corporate bonds	—	4,315,812
Net proceeds from issue of perpetual capital securities	5,789,818	—
Advance from non-controlling interests	81,172	909,679
Advance from (repayment to) group companies	3,634,881	(1,262)
Capital contribution from non-controlling shareholders	—	85,318
Repayment of bank and other borrowings	(27,550,594)	(14,774,010)
Dividend paid	(1,267,613)	(1,503,979)
Interest paid	(1,301,960)	(1,338,281)
Repayment to associates	(387,733)	(2,748,298)
Dividend paid to non-controlling shareholders of subsidiaries	(250,812)	(401,446)
Acquisition of additional interests in subsidiaries	—	(470,326)
Other financing cash inflows	76,137	80,090
	7,708,275	5,341,291
Net increase in cash and cash equivalents	427,352	310,033
Cash and cash equivalents at beginning of the period	6,801,707	6,261,931
Effect of foreign exchange rate changes	75,680	67,692
Cash and cash equivalents at end of the period	7,304,739	6,639,656
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	7,304,739	6,639,656

Overview

For the six months ended 30 June 2011, our net profit increased by 1.0% to HK$2,484.1 million from HK$2,459.8 million for the same period last year. Our turnover increased by 37.2% from HK$21,161.9 million for the first half of 2010 to HK$29,032.9 million for the first half of 2011.

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

- Significant increase in turnover — Turnover in the first half of 2011 increased by 37.2%, mainly as a result of a 24.1% increase in net generation volume of our 44 consolidated operating power plants and an increase of 63.6% in coal production volume by our consolidated coal mines. In addition, a number of our plants received retroactive tariff adjustments from 1 January 2010, which amounts to approximately HK$160 million. These tariff adjustments result in approximately HK$136 million in contribution to net profit;

- Increase in other gains and losses — Other gains and losses increased significantly by HK$429.5 million from HK$56.9 million for the first half of 2010 to HK$486.4 million for the first half of 2011. This is mainly due to a gain on foreign exchange of HK$466.9 million included in the first half results of 2011, as compared to HK$16.6 million for the first half of 2010;

- Increase in profit contribution from our coal mining division — Profit contribution from our coal mining division in the first half of 2011 amounted to HK$1,278.3 million (before deducting corporate expenses and other overheads at the holding company level), increased by approximately HK$432.0 million or 51.0% from the first half of 2010;

- Increase in other income — Other income increased by HK$393.4 million from HK$236.7 million for the first half of 2010 to HK$630.1 million for the first half of 2011. This is mainly due to an increase of approximately RMB125 million government grant and subsidies received by our coal-fired power plants. In addition, income from sales of scrap materials which amounted to approximately HK$141.6 million was reclassified as other income, while it was included under revenue for the same period last year;

- Increase in profit contribution from wind farm operations — Profit contribution from our wind farm operations (before deducting corporate expenses and other overheads at the holding company level) increased by 177.4% in the first half of 2011 in comparison to the same period last year; and

This is offset by the following:

- Significant increase in fuel costs for our coal-fired power plants — Fuel costs for the first half of 2011 amounted to HK$17,348.0 million, increased by 40.5% from HK$12,348.5 million for the first half of 2010. This is due to an increase in unit fuel cost as well as total volume consumed by our plants. Average unit fuel cost for our consolidated operating power plants in the first half of 2011 was RMB271.5/MWh, an increase of 11.7% compared to the first half of 2010. Average standard coal cost for our consolidated operating power plants in the first half of 2011 increased by 16.2% compared to the first half of 2010; and

- Significant increase in other operating costs — Other operating costs for the first half of 2011 amounted to HK$5,060.4 million, increased by 81.2% from HK$2,792.2 million for the first half of 2010. This is mainly due to an increase in costs of the coal mine operations which increased in 2011 in line with an increase in total production volume of 63.6% by our subsidiary coal mines.

Basis of preparation of financial statements and principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The condensed consolidated 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 and with Hong Kong Accounting Standard 34 "Interim financial reporting" by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Group had net current liabilities as at 30 June 2011. 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, that is for at least the next 12 months commencing from the date of the condensed consolidated financial statements. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010 except as described below.

During the current interim period, the Group has issued Perpetual Capital Securities and accordingly has adopted the following accounting policy:

Perpetual Capital Securities issued by the Group are classified as equity instruments and are initially recorded at the net proceeds received.

In the current interim period, the Group has applied, for the first time, a number of new or revised standards and interpretations ("new and revised HKFRSs") issued by the HKICPA.

The application of these new and revised HKFRSs has had no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

SEGMENT INFORMATION

The Group is currently engaged in two operating divisions — sales of electricity (inclusive of supply of heat generated by co-generation power plants) and coal mining.

Segment information about these operating divisions is presented below.

For the six months ended 30 June 2011

	Sales of electricity *HK$'000*	**Coal mining** *HK$'000*	**Eliminations** *HK$'000*	**Total** *HK$'000*
Segment revenue				
External sales	25,323,753	3,709,126	—	29,032,879
Inter-segment sales	—	215,731	(215,731)	—
Total	25,323,753	3,924,857	(215,731)	29,032,879
Segment profit	3,655,500	1,278,306	—	4,933,806
Unallocated corporate expenses				(234,365)
Interest income				178,933
Fair value gain on derivative financial instruments				10,880
Finance costs				(1,280,894)
Share of results of associates				279,986
Share of results of jointly controlled entities				6,470
Profit before taxation				3,894,816

For the six months ended 30 June 2010

	Sales of electricity *HK$'000*	Coal mining *HK$'000*	Eliminations *HK$'000*	Total *HK$'000*
Segment revenue				
External sales	19,185,902	1,976,035	—	21,161,937
Inter-segment sales	—	54,592	(54,592)	—
Total	19,185,902	2,030,627	(54,592)	21,161,937
Segment profit	3,214,862	846,293	—	4,061,155
Unallocated corporate expenses				(164,384)
Interest income				130,591
Fair value gain on derivative financial instruments				40,294
Finance costs				(1,252,061)
Share of results of associates				408,096
Share of results of jointly controlled entities				(8,879)
Profit before taxation				3,214,812

Inter-segment sales are charged at prevailing market rates.

Geographical segments

Substantially all of the Group's non-current assets are located in the People's Republic of China ("PRC"), and operations for the period were substantially carried out in the PRC.

Turnover

Turnover represents the net amount received and receivable for sales of electricity, heat generated by thermal power plants and coal, net of sales related taxes, during the period.

Turnover for the six months ended 30 June 2011 was HK$29,032.9 million, representing a 37.2% increase from HK$21,161.9 million for the six months ended 30 June 2010. The increase in turnover was mainly due to the following factors:

(1) increase in net generation volume of our consolidated operating power plants. Total net generation volume of our 44 consolidated operating power plants amounted to 53,791,176MWh in the first half of 2011, representing an increase of 24.1% from 43,330,555MWh in the first half of 2010; and

(2) increase in turnover from the coal mining division. During the first half of 2011, our consolidated coal mines (including coal mines located in Shanxi, Jiangsu and Hunan) produced a total of 6.7 million tonnes of coal, as compared to 4.1 million tonnes for the first half of 2010. Average sales price for our subsidiary coal mines increased by approximately 10.0%, as compared to the first half of 2010. As a result, turnover from the coal mining division increased from HK$1,976.0 million (excluding inter-segment sales) to HK$3,709.1 million (excluding inter-segment sales).

Operating expenses

Operating expenses mainly comprise fuel costs, repair and maintenance, depreciation and amortisation, and other administrative costs such as staff costs, environmental fees, entertainment expenses, and office rent. Operating expenses amounted to HK$25,260.1 million for the six months ended 30 June 2011, representing a 45.3% or HK$7,872.2 million increase from HK$17,387.9 million for the six months ended 30 June 2010.

The increase in operating expenses was mainly due to an increase in fuel costs, other operating expenses and depreciation and amortisation.

Fuel costs for the six months ended 30 June 2011 amounted to HK$17,348.0 million, representing an increase of 40.5% or HK$4,999.5 million from HK$12,348.5 million for the six months ended 30 June 2010.

Average unit fuel cost for our consolidated operating power plants in the first half of 2011 was RMB271.5/MWh, representing an increase of 11.7% in comparison to the first half of 2010. Average standard coal cost for our consolidated operating power plants in the first half of 2011 increased by 16.2% in comparison to the first half of 2010. Fuel costs accounted for approximately 68.7% of the total operating expenses for the first half of 2011, compared with 71.0% for the first half of 2010.

Depreciation and amortisation increased from HK$1,958.6 million for the first half of 2010 to HK$2,440.5 million for the first half of 2011, representing an increase of HK$481.9 million or 24.6%. This is mainly due to the fact that our total attributable operational generation capacity increased to 21,059MW as at 30 June 2011 from 18,894MW as at 30 June 2010.

Other operating expenses increased from HK$2,792.2 million for the first half of 2010 to HK$5,060.4 million for the first half of 2011. The increase is mainly due to the expansion of our coal mining operations as main production costs (other than repair and maintenance and depreciation and amortisation) for the coal mining operations are included as other operating expenses. For example, total amount of sustainable development fund, environmental compensation fee and safety-related expenses increased to approximately HK$282.7 million, HK$61.1 million and HK$114.5 million in the first half of 2011 from HK$98.4 million, HK$25.9 million and HK$89.1 million, respectively for the first half of 2010. The increase is also due to the expansion of our power generation businesses. Together with the expansion of our coal mining operations, our total salaries and wages increased by HK$496.0 million in the first half of 2011.

Other income and other gains and losses

Other income and other gains and losses amounted to HK$630.1 million and HK$486.4 million, respectively for the first half of 2011. The increase in other income is mainly due to the increase in government grant and subsidies received and income received under the CDM. In addition, income from sales of scrap materials of approximately HK$141.6 million was included in other income, while for the same period last year it was included under revenue.

The increase in other gains and losses is mainly due to a significant increase in the gain on foreign exchange in the first half of 2011 which amounts to HK$466.9 million, as compared to HK$16.6 million for the fist half of 2010.

Profit from operations

Profit from operations represents profit from the Company and its subsidiaries before deduction of finance costs, taxation and non-controlling interests. Profit from operations amounted to HK$4,889.3 million for the six months ended 30 June 2011, representing a 20.2% increase from HK$4,067.7 million for the six months ended 30 June 2010. The increase is mainly due to the increase in gain on foreign exchange, increase in profit contribution from the coal mining division and renewable energy sector, as well as increase in our operational coal-fired generation capacity which resulted in an increase in net generation volume of our consolidated operating power plants, offset by an increase in fuel costs caused by rising coal prices in the country.

Fair value gain on derivative financial instruments

The Group uses interest rate swaps (net quarterly settlement) to minimise its exposure to variability of interest expenses of certain of its floating-rate Hong Kong Dollar and US Dollar bank borrowings by swapping floating interest rates to fixed interest rates. The interest rate swaps and the corresponding bank borrowings have similar matching terms and the Directors considered that the interest rate swaps are highly effective hedging instruments.

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 first half of 2011 amounted to HK$10.9 million and represented the gain relating to the ineffective portion of cash flow hedge recognised in profit and loss.

Finance costs

Finance costs amounted to HK$1,280.9 million for the six months ended 30 June 2011, representing a 2.3% increase from HK$1,252.1 million for the six months ended 30 June 2010.

Total bank and other borrowings and corporate bonds as at 30 June 2011 amounted to HK$77,550.2 million, representing an increase of HK$9,737.6 million or 14.4% as compared with HK$67,812.6 million as at 30 June 2010.

Average interest rate (including capitalised interest expenses) for the Group decreased to 3.79% in the first half of 2011 from 4.80% in the first half of 2010.

	For the six months ended	
	30 June 2011	**30 June 2010**
	HK$'000	*HK$'000*
Interest on bank and other borrowings		
— wholly repayable within five years	1,147,031	1,144,097
— not wholly repayable within five years	185,233	257,376
Interest on corporate bonds	111,835	89,503
	1,444,099	1,490,976
Less: Interest capitalised in property, plant and equipment	(163,205)	(238,915)
	1,280,894	1,252,061

Share of results of associates

Share of results of associates in the first half of 2011 amounted to HK$280.0 million, representing a 31.4% decrease compared to HK$408.1 million in the first half of 2010. The decrease is mainly due to a decrease in share of results of associate power plants mainly Xuzhou and Zhenjiang caused by rising coal costs, share of losses of Shanxi Asian American-Daning and China Resources Taiyuan which have not resumed commercial production in the first half of 2011, and partly offset by increase in share of results of Shajiao C and Yonghua Coal, a coal mine operation in Henan which is owned as to 49% by our Shouyangshan Power Plant.

Share of results of jointly controlled entities

Share of results of jointly controlled entities in the first half of 2011 amounted to HK$6.5 million, as compared to HK$8.9 million in the first half of 2010. Share of results of jointly controlled entities in the first half of 2011 was mainly share of profit from Tianjin Zhonghai Huarun Marine Company Limited.

Taxation

Taxation charge for the first half of 2011 was HK$667.6 million, representing a 99.6% increase from HK$334.5 million for the first half of 2010. The increase in PRC enterprise income tax is mainly due to tax paid by Shanxi CR Liansheng and Changshu. As Shanxi CR Liansheng increased production volume by 97.1% in the first half of 2011, and as coal mine operations pay a standard tax rate of 25%, income tax payable by Shanxi CR Liansheng also increased significantly. Income tax payable by Changshu increased in the first half of 2011 as 2011 will be the last year for Changshu to offset income tax payable using tax credits from the purchase of PRC domestically manufactured equipment. Changshu has booked the full amount of tax payable (before offsetting against tax credits) in the first half of the year. Details of the taxation charge for the six months ended 30 June 2010 and 2011 are set out below:

	For the six months ended	
	30 June 2011	**30 June 2010**
	HK$'000	*HK$'000*
The Company and its subsidiaries		
Current tax - PRC Enterprise Income Tax	680,690	315,153
Deferred taxation	(13,138)	19,332
	667,552	334,485

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

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

Profit for the period

	For the six months ended	
	30 June 2011	**30 June 2010**
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	2,272,335	1,863,580
Amortisation of prepaid lease payments	27,355	29,955
Amortisation of mining rights	140,770	65,033
Total depreciation and amortisation	2,440,460	1,958,568
Salaries and staff welfare	1,523,556	1,027,547
and after crediting:		
Included in other income		
CDM income	68,833	15,387
Government grant	167,416	12,504
Interest income	178,933	130,591
Sales of scrap materials	141,590	6,648
Included in other gains and losses		
Fair value change on derivative financial instruments	10,880	40,294
Net exchange gain	466,885	16,614

Profit for the period attributable to owners of the Company

As a result of the above, the Group's net profit for the first half of 2011 increased to HK$2,484.1 million, representing a 1.0% increase compared to HK$2,459.8 million for the first half of 2010.

Earnings per share

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

	For the six months ended	
	30 June 2011	**30 June 2010**
	HK$'000	*HK$'000*
Profit attributable to owners of the Company	2,484,053	2,459,835

	Number of ordinary shares	
	1 January 2011 to 30 June 2011	**1 January 2010 to 30 June 2010**
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,687,014,527	4,650,635,367
Effect of dilutive potential ordinary shares:		
— share options	47,577,459	77,263,077
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,734,591,986	4,727,898,444

Interim dividend and closure of register of members

The Board resolved to declare an interim dividend of HK6 cents per share for the six months ended 30 June 2011 (2010: HK6 cents per share).

At the board meeting held on 17 March 2011, the directors proposed a final dividend of HK$0.27 per share for the year ended 31 December 2010. Such proposal was subsequently approved by shareholders on 8 June 2011. The 2010 final dividend paid was approximately HK$1,267,613,000 (2009: HK$1,503,979,000).

At the board meeting held on 22 August 2011, the directors declared an interim dividend of HK6 cents per share (2010:interim dividend of HK6 cents per share). Based on the latest number of shares in issue at the date of this announcement, the aggregate amount of the dividend is estimated to be HK$284,324,000 (2010: HK$282,612,000).

The interim dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company on Friday, 23 September 2011. The register of members of the Company will be closed from Monday, 19 September 2011 to Friday, 23 September 2011 (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, 16 September 2011. The dividend will be payable on or about 3 October 2011.

Capital structure management

The Group and the Company manages its capital structure to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through optimizing of the debt and equity structure. The Group's and the Company's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes long-term bank borrowings, short-term bank borrowings and corporate bonds, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated profits.

The Directors review the capital structure on a periodic basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations from the Directors, the Group will balance its overall capital structure through payment of dividends, new share issues and share buy-backs as well as the issue of new debts or the repayment of existing debts.

Liquidity and financial resources and borrowings

The Group had net current liabilities of HK$12,857.2 million as at 30 June 2011. The Directors are of the opinion that, taking into account the presently available banking facilities and internally generated net operating cash inflows of the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months commencing from the date of the condensed consolidated financial statements.

The bank balances and cash as at 30 June 2011 denominated in local currency and foreign currencies amounted to HK$2,566.4 million, RMB3,748.6 million and US$29.7 million, respectively.

The bank and other borrowings of the Group as at 31 December 2010 and 30 June 2011 were as follows:

	As at 30 June 2011 *HK$'000*	As at 31 December 2010 *HK$'000*
Secured bank loans	1,937,925	861,058
Unsecured bank loans	64,790,817	63,294,724
Corporate bonds	10,812,693	10,653,559
Other loans	8,728	101,812
	77,550,163	74,911,153

The maturity profile of the above loans is as follows:

	As at 30 June 2011 *HK$'000*	As at 31 December 2010 *HK$'000*
Within 1 year	19,618,190	20,667,961
More than 1 year, but not exceeding 2 years	12,945,440	24,441,275
More than 2 years, but not exceeding 5 years	21,257,536	16,226,073
More than 5 years	23,728,997	13,575,844
	77,550,163	74,911,153
Pledge of assets *(Note)*	2,348,363	1,843,895

Note: Certain bank loans were secured by the Group's land use rights, buildings, power generating plant and equipment and note receivables with carrying values of HK$1,395,757,000 (2010: HK$65,444,000), HK$0 (2010: HK$128,543,000), HK$930,505,000 (2010: HK$1,418,691,000) and HK$22,101,000 (2010: HK$231,217,000).

The bank and other borrowings as at 30 June 2011 denominated in local currency and foreign currency amounted to HK$18,797.1 million, RMB44,293.7 million and US$705.6 million, respectively.

The Group uses interest rate swaps with net quarterly settlement to minimise its exposure to interest expenses of certain Hong Kong Dollar bank borrowings by swapping floating interest rates to fixed interest rates. As at 30 June 2011, loans of HK$10,941,000,000 which were provided using floating rates were swapped to fixed interest rates at a range from 1.605% to 4.520% per annum.

In May 2011, China Resources Power East Foundation Co., Ltd., a wholly owned subsidiary of the Company, issued US$750 million Perpetual Capital Securities.

As at 30 June 2011, the Group's ratio of net debt to shareholders' equity was 157.6%. In the opinion of the Directors, the Group has a reasonable capital structure, which can support its future development plan and operations.

For the six months ended 30 June 2011, the Group's primary sources of funding included new bank and other borrowings raised, net proceeds from issue of Perpetual Capital Securities, advance from group companies and net cash inflow from operating activities, which amounted to HK$28,885.0 million, HK$5,789.8 million, HK$3,634.9 million and HK$2,538.6 million, respectively. The Group's funds were primarily used in repayment of short-term bank borrowings, net cash outflow on acquisition of interest in an associate, purchase and deposit paid for acquisition of property, plant and equipment, interest paid and dividend paid, which amounted to HK$27,550.6 million, HK$4,412.9 million, HK$4,824.4 million, HK$1,302.0 million and HK$1,267.6 million, respectively.

Trade receivables

Trade receivables are generally due within 60 days from the date of billing.

The following is an ageing analysis based on the invoice date of trade receivables included in trade receivables, other receivables and prepayments at the end of the reporting period:

	As at 30 June 2011	**As at 31 December 2010**
	HK$'000	*HK$'000*
0 — 30 days	5,655,433	6,422,154
31 — 60 days	410,827	271,699
Over 60 days	435,795	71,906
	6,502,055	6,765,759

Trade payables

The following is an ageing analysis based on the invoice date of trade payables included in trade payables, other payables and accruals at the end of the reporting period:

	As at 30 June 2011 *HK$'000*	As at 31 December 2010 *HK$'000*
0 — 30 days	2,329,591	2,307,565
31 — 90 days	309,754	483,608
Over 90 days	197,758	383,171
	2,837,103	3,174,344

Key financial ratios of the Group

	As at 30 June 2011	As at 31 December 2010
Current ratio (times)	0.69	0.66
Quick ratio (times)	0.61	0.61
Net debt to shareholders' equity (%)	157.6	161.5
EBITDA interest coverage (times)	5.27	4.38

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 and corporate bonds at the end of the period - balance of bank balances and cash at the end of the period) / balance of equity attributable to owners 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 denominated in RMB. Dividends received from the Company's subsidiaries and associates are collected in either RMB, US Dollar ("USD") or Hong Kong Dollar ("HKD").

RMB is not a freely convertible currency. Future exchange rates of RMB may vary significantly from the current or historical exchange rates. The exchange rates may also be affected by economic developments and political changes and supply and demand of RMB. The appreciation or devaluation of RMB against HKD or USD may have positive or negative impact on the results of operations of the Group.

As the functional currency of the Company and the Group is RMB and most of our revenue and expenditures are denominated in RMB, the Group does not use derivative financial instruments to hedge its exposure against changes in exchange rates of RMB against HKD and USD.

As at 30 June 2011, the Group had HK$2,566.4 million and US$29.7 million cash at bank, and HK$18,797.1 million and US$705.6 million bank borrowings on its balance sheet, the remaining assets and liabilities of the Group were mainly denominated in RMB.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2011.

Employees

As at 30 June 2011, the Group had approximately 33,705 employees.

The Group has concluded employment contracts with all of its employees. The compensation of employees mainly includes salaries and performance-based bonuses. The Company has also implemented share option schemes and Medium to Long-term Performance Evaluation Incentive Plan in order to attract and retain the best available personnel and to provide additional incentives to employees.

Medium to Long-term Performance Evaluation Incentive Plan

As an incentive to retain and motivate the employees, on 25 April 2008 (the "Adoption Date"), the Board resolved to adopt the Restricted Share Award Scheme which was re-named as "Medium to Long-term Performance Evaluation Incentive Plan (the "Plan") and the Company appointed BOCI-Prudential Trustee Limited as trustee to the Plan (the "Trustee"). Pursuant to the Plan, Company's shares (the "Shares") may be purchased by the Trustee from the market out of cash contribution by the Group and be held in trust for the selected employees until such Shares are vested with the selected employees in accordance with the provisions of the Plan. The Plan does not constitute a share option scheme pursuant to chapter 17 of the Listing Rules and is a discretionary scheme of the Company. The Board will implement the Plan in accordance with the terms of the Plan, including the provision of necessary funds to the Trustee for purchase of Shares up to 2% of the issued share capital of the Company as at the Adoption Date (i.e. 4,150,021,178 Shares). The Plan shall be effective from the Adoption Date and shall continue in full force and effect for a term of 10 years unless terminated at the discretion of the Board at an earlier date.

For the six months ended 30 June 2011, the Trustee did not purchase any Shares from the market.

From the Adoption Date up to 30 June 2011, the Trustee purchased accumulatively a total of 41,230,000 Shares, representing 0.99% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of approximately HK$681,500,000 (including transaction costs). As at the date of this announcement, the purchased Shares have been held in trust by the Trustee on behalf of the Company for selected employees.

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

Company and its subsidiaries did not purchase, sell or redeem any securities of the Company during the six months ended 30 June 2011.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

During the period, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices ("CGP Code") contained in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS ("Model Code")

Company has adopted the Model Code 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 all Directors 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 2011 have been reviewed by Deloitte Touche Tohmatsu and the audit committee of the Company.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

By Order of the Board
CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED
Song Lin
Chairman

Hong Kong, 22 August 2011

As at the date of this announcement, the Board of Directors of the Company consists of five executive directors, namely Mr. Song Lin (Chairman), Mr. Wang Yu Jun (President), Ms. Wang Xiao Bin (Chief Financial Officer and Company Secretary), Mr. Zhang Shen Wen and Mr. Li She Tang, four non-executive directors, namely Mr. Du Wenmin, Mr. Shi Shanbo, Mr. Wei Bin and Dr. Zhang Haipeng, and five independent non-executive directors, namely Mr. Anthony H. Adams, Mr. Chen Ji Min, Mr. Ma Chiu-cheung, Andrew, Ms. Leung Oi-sie, Elsie and Dr. Ch'ien Kuo-fung, Raymond.