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大唐国际发电股份有限公司
DATANG INTERNATIONAL POWER GENERATION CO., LTD.

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

(Stock Code: 00991)

ANNOUNCEMENT OF 2011 ANNUAL RESULTS

OPERATING AND FINANCIAL HIGHLIGHTS:

- Operating revenue amounted to approximately RMB72,382 million, representing an increase of approximately 19.3% over 2010.
- Net profit attributable to equity holders of the Company amounted to approximately RMB1,971 million, representing a decrease of approximately 23.29% over 2010.
- Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.15, representing a decrease of approximately RMB0.06 per share over 2010.
- The Board has recommended the distribution of a final dividend of RMB0.11 per share (tax included) for the year of 2011.

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 2011 (the “Year”), together with the audited consolidated operating results of the year of 2010 (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 RMB72,382 million, representing an increase of approximately 19.30% as compared to the Previous Year. Net profit attributable to equity holders of the Company was approximately RMB1,971 million, representing a decrease of approximately 23.29% as compared to the Previous Year. Basic earnings per share attributable to equity holders of the Company amounted to approximately RMB0.15, representing a decrease of approximately RMB0.06 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 RMB0.11 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 generation company in the People's Republic of China (the "PRC"). In 2011, the Group adhered to implementing the strategy of "focusing in the power generation business whilst complementing with synergistic diversifications". It established an innovative management mechanism to enhance its control capabilities. Faced with a challenging situation in its production and operation, it unleashed its potential according to its benchmarks, created excellence and improved efficiency, constantly enhanced economic benefits and shareholder returns of the Company as well as resource conservation and environmental protection, and earnestly fulfilled its social responsibilities, thereby successfully achieving the business targets set for the Year.

1. Safe Production was Stably Maintained

The Company aims to build a fundamentally safe enterprise and to further deepen the establishment of a long-term mechanism for safe production. The Company has experienced no significant incidents at its facilities and no casualties during the Year. It has fulfilled its role of securing power supply during the Year.

2. Overall Accomplishment of Operation Targets

The Company's power generation amounted to 203.7156 billion kWh for the Year, representing an increase of 14.14% year-on-year. Consolidated operating revenue amounted to approximately RMB72,382 million, representing an increase of approximately 19.30% over the Previous Year. Net profit attributable to equity holders of the Company amounted to approximately RMB1,971 million, representing a decrease

of approximately 23.29% over the Previous Year. As at 31 December 2011, total consolidated assets of the Group amounted to RMB247,697 million, representing an increase of 16.34% year-on-year. Net assets attributable to the parent company of the Company amounted to RMB38,941 million, representing an increase of 26.23% year-on-year. The assets-to-liabilities ratio was 79.52%, representing a decrease of 2.43 percentage points year-on-year.

3. Breakthrough on Preliminary Works

For the Year, fourteen power generation projects were approved, including three coal-fired power projects, four hydropower projects, five wind power projects and two photovoltaic power projects, with total approved generation capacity of 3,270.6 MW. Phase 2 of Shengli Coal Mine East Unit 2, with a capacity of 20 million tonnes per year, was approved and was also the first approved largest single open-pit coal mine in the PRC.

4. Frequent Reports of Success in Commencement of Project Construction

Total generating capacity recorded an increase of 2,183.9 MW. As at 31 December 2011, the Group's installed capacity amounted to 38,484.2 MW, representing an increase of 6.02% year-on-year. Of such capacity, coal-fired power amounts to 32,360 MW, accounting for 84.08%; hydropower amounts to 4,825.6 MW, accounting for 12.54%; wind power amounts to 1,268.6 MW, accounting for 3.30%; and photovoltaic power amounts to 30 MW, accounting for 0.08%.

5. Energy Conservation and Emissions Reduction Proceeded in an Orderly Manner

In 2011, the Group achieved coal consumption for power supply of 319.69 g/kWh, a decrease of 3.90 g/kWh year-on-year. The emission rates of sulphur dioxide, nitrogen oxides, smoke ash and waste water of the Group have decreased by 9.90%, 5.01%, 6.06% and 20.48% year-on-year to 0.38g/kWh, 1.33g/kWh, 0.12g/kWh and 60g/kWh respectively, which are substantially lower than the national average levels.

6. Capital Operation Reaped Better Results

In 2011, the Company completed the acquisition of equity interests in Sichuan Jinkang Hydropower Development Co., Ltd., increasing its installed hydropower capacity in operation and under construction by 380 MW. The Company successfully completed the non-public issuance of an additional one billion A shares, with net proceeds raised from the issue amounting to RMB6,740 million. The Company successfully issued RMB3,000 million of corporate bonds carrying a rate of 23% lower than the lending rate during the same period, the lowest level against comparable interest rates during the same period in China.

7. Ongoing Innovation of Management Mechanism

The Company's management system "overall accountability management and all-staff performance appraisal" officially came online in 2011 which realized the coverage of performance orientation and accountability management. The Company established its internal controls in full swing by systematically making smooth the business processes in various fields, identifying various types of risks at all levels and setting up an information management platform for internal controls in a regulated manner. The concept of project-based management was introduced to the Company by establishing a regular scheduling mechanism that shaped a unique pattern of project-based management.

8. Winning Honours in the Capital Market

The Company once again ranked among the "Top 250 Global Energy Company Rankings" by Platts Energy Information, ranking 162th in the general ranking and 8th among independent power generation enterprises around the world. It ranked 17th among the "Top 50 Chinese Domestic Companies" in the rankings of the "Top 100 Chinese Corporations' Corporate Social Responsibility", published by Fortune, the only independent power generation company in the rankings. It received a "Titanium Award for Corporate Governance, Social and Environmental Responsibility and Investor Relations Management" from The Asset Magazine, the only large-scale power generation company in the PRC that ever won this award.

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 generation company in the PRC. As at the end of 2011, the Group managed a total installed capacity of approximately 38,484.2 MW. 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, Qinghai, and Sichuan.

In 2011, the PRC's overall economy operated with a good momentum, reaching a year-on-year 9.2% Gross Domestic Product (GDP) growth. Both power generation and power consumption nationwide continued to grow in a stable manner. According to the relevant statistics, during the Year, the nationwide capacity of power generating facilities grew by approximately 9.2% year-on-year. Social power consumption increased by 11.7%

over the Previous Year, while nationwide power generation increased by approximately 11.7% over the Previous Year. Overall, the power supply was tight across the country in 2011, with shortages more severe in certain areas and during certain periods primarily due to a number of factors such as the decline in hydropower output, tension in the supply of thermal coal, imbalance in the structure of power resources and power grid as well as rapid growth in the economy and power demand. Although the utilisation hours of power generating facilities continued to rise, the profitability of coal-fired power enterprises was significantly undermined as the prices of coal for power generation increased substantially and stayed high. The Group maintained a certain level of profitability despite the impact on its power generation business under such a challenging business environment.

(i) Maintenance of Safe and Stable Power Production

During the Year, total power generation of the Group amounted to 203.7156 billion kWh, representing an increase of 14.14% over the Previous Year. The accumulative on-grid power generation amounted to 192.1434 billion kWh, representing an increase of 14.22% 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 2,183.9 MW. Utilisation hours of power generation amounted to 5,376 hours, an increase of 379 hours year-on-year. No casualties or material damage to the facilities occurred to the Group during the course of power production during the Year. The equivalent availability coefficient of the operational generating units amounted to 93.64%.

(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 generating 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 319.69 g/kWh, representing a decrease of approximately 3.90 g/kWh over the Previous Year. Consolidated electricity consumption rate of power plants was 5.74%, representing a decrease of 0.08 percentage-point year-on-year. The desulphurisation facilities operation rate and an overall desulphurisation efficiency rate amounted to 99.54% and 93.76%, 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 9.90%, 5.01%, 6.06% and 20.48% year-on-year to 0.38 g/kWh, 1.33 g/kWh, 0.12 g/kWh and 60 g/kWh, respectively, which were lower than the national average levels.

(iii) Reinforced Economic Analysis and Improved Operational Management Efficiency

During the Year, the Company continued to encounter various unfavourable situations such as rising and high coal prices and inability to realize tariff adjustments target. Faced with such an ongoing challenging operating environment, the Company closely monitored the market situation, actively conducted researches on budget plans, strengthened internal management and adjusted its strategies to adapt the external environment for pushing forward production and operation in a rigorous manner: (1) Management accountability was implemented level-by-level, and targets of power generation were achieved. The accumulated utilisation hours of generating units amounted to 5,376 hours, an increase of 379 hours year-on-year; (2) Through measurements such as developing economical coal to secure fuel supply, enhancing coal blending and mixed burning and setting up an improved platform on fuel management indices, fuel costs were effectively controlled; (3) Cash allocation and capital availability according to needs were improved, loans were repaid on a timely basis to reduce capital sedimentation, optimise loan portfolio and lower capital costs.

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

During the Year, 14 power projects of the Company were approved by the State including three coal-fired power projects with an approved total capacity of 1,834 MW, four hydropower projects with an approved total capacity of 1,054.6 MW, five wind power projects with an approved total capacity of 342 MW, and two photovoltaic power projects with an approved total capacity of 40 MW. Details on the approved projects are as follows:

- Coal-fired power projects: two 350 MW generating units at Shizhu Coal-fired Power Project in Chongqing; two 452 MW generating units at Jiangbin Gas Thermal Power Project in Shaoxing; and two 115 MW generating units at Xincheng Gas Thermal Power Project in Jiangshan.
- Hydropower projects: 850 MW generating units at Huangjinping Hydropower Station Project in Sichuan; 9.6 MW generating units at Bodui Hydropower Station Project in Tibet; 125 MW generating units at Haokou Hydropower Station Project in Chongqing; and 70 MW generating units at Jiaomutang Hydropower Station Project in Guizhou.
- Wind power projects: 150 MW generating units at Wanshengyong Wind Power Project in Hebei; the Phase 3 project for 48 MW generating units at Faku Wind Power in Liaoning; the Phase 1 project for 48 MW generating units at Shengjiadun Wind Power in Qingtongxia, Ningxia; the Phase 1 project for 48 MW generating units at Jishang Wind Power in Jiangxi; and 48 MW generating units at Songmenshan Wind Power Project in Jiangxi.

- Photovoltaic power projects: the Phase 2 project for 20 MW generating units at Qingtongxia Photovoltaic Power in Ningxia and the Phase 1 project for 20 MW generating units at Golmud Photovoltaic Power in Qinghai.
- Coal mine projects: Phase 2 project with annual output of 20 million tonnes for Shengli Coal Mine East Unit 2 in Xilinhaote, Inner Mongolia.

In 2011, a number of major power generation projects of the Company commenced operation one after another, with newly installed capacity amounting to approximately 2,183.9 MW:

- Coal-fired power project: newly installed capacity of 600 MW, including two 300 MW generating units at Linfen Thermal Power Company;
- Hydropower projects: newly installed capacity of 989.7 MW, including four 150 MW hydropower generating units at Yinpan Hydropower Station in Chongqing, 150 MW hydropower generating units at Ligu, in Chengdu, one 100 MW hydropower generating units at Malutang and two 65 MW hydropower generating units at Shimenkan of Yunnan Electric Power Company Limited and a 9.7 MW hydropower generating units at Yuneng Group;
- Wind power projects: newly installed capacity of 834.2 MW, including 345 MW generating units at Hebei Wind Power Company, 194.25 MW generating units at Inner Mongolia Wind Power Company, 246 MW generating units at Liaoning Wind Power Company, 28 MW generating units at Fujian Wind Power Company, and 21 MW generating units at Shanxi Zuoyun Wind Power Company; and
- Photovoltaic power projects: newly installed capacity of 30 MW, including 30 MW generating units at Qingtongxia Photovoltaic Power Project in Ningxia.

As at the end of 2011, the generation capacities of coal-fired power, hydropower, wind power and photovoltaic power accounted for 84.08%, 12.54%, 3.30% and 0.08% of the Company's installed power generation capacity, respectively. As compared to the Previous Year, the proportion of capacity in clean and renewable energy increased to 15.92%, representing an increase of 4.10 percentage points year-on-year, making the Company's power generation structure further optimised.

(2) Major Financial Indicators and Analysis

(i) Operating Revenue

During the Year, revenues from electricity sales and heat sales of the Group accounted for approximately 89.92% of the consolidated operating revenue of the Group. Of which, revenue from electricity sales accounted for 88.93% of the consolidated operating revenue.

During the Year, revenues from electricity sales and heat sales of the Group amounted to approximately RMB64,367 million and RMB719 million, respectively, representing increases of approximately 20.10% and 33.23% 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 5.1% over the Previous Year, and the operating revenue from electricity increased by approximately RMB3,150 million accordingly. The increase in on-grid power generation resulted in the increase of approximately RMB7,623 million in the Group's revenue.

(ii) Operating Costs

During the Year, the power fuel expenses incurred by the Group amounted to RMB41,160 million, representing an increase of RMB9,695 million as compared to RMB31,465 million in the Previous Year. The increase is mainly due to: 1) an increase of RMB4,435 million in fuel cost caused by the increase of 21.946 billion kWh in on-grid coal-fired power generation over the Previous Year; 2) an increase of RMB5,260 million in fuel cost caused by the increase of RMB29.61/MWh in unit fuel cost over the Previous Year.

(iii) Operating Profit

During the Year, operating profit from electricity and heat amounted to approximately RMB11,022 million, while the gross profit margin was approximately 16.93%, representing a decrease of approximately 2.82% 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 advanced technologies in the world including the technology of vaporising coal ash, the syngas purification technology, the large-scale ethanol synthesis technology, the technology to convert methanol to propylene, and the propylene polymerisation technology to produce chemical products. The final product of the project is 460,000 tonnes/year of polypropylene and other by-products.

In the first half of 2011, the Duolun Coal Chemical Project succeeded in the first trial run of two gasifiers. The accomplishment of certain critical phases such as the successful operation of the response system of the methanol-to-propylene (MTP) facility on the first attempt and the production of alkene with qualified constituents marked significant breakthroughs in the development of the core technologies of the Duolun

Coal Chemical Project. In June 2011, the project produced qualified methanol, and on 28 September 2011, the project's entire device was ready for full operation to produce qualified polypropylene end-product. On 16 March 2012, the Duolun Coal Chemical Project underwent trial production. It is expected that the project will become a new profit growth point of the Group upon its successful development and operation.

- (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 Keshiketeng Qi, Chifeng City, the Inner Mongolia Autonomous Region. Upon its completion, the major supply targets of the project are Beijing City and cities along the gas transmission pipeline. As a political, cultural and financial centre of the PRC, Beijing City 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 City and the cities along the gas transmission pipeline, thereby increasing the overall profitability of the Company.

During the Year, the Keqi Coal-based Natural Gas Project achieved its targets for the trial operation of air separation and ignition of the first gasifier. On 26 August 2011, the No. 8 gasifier at gasification plant was ignited successfully on its first attempt, and on 28 November 2011, the air separation plant made a successful test run and produced oxygen and nitrogen that met the required standards. Other construction works are proceeding at an accelerated speed, with the aim of launching the project for 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. During the Year, the Fuxin Coal-based Natural Gas Project successfully hoisted its first gasifier. Other construction works are proceeding at an accelerated speed, with the aim of launching the project for operation in 2013.

- (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 was fully completed and is currently achieving continuous production of alumina and the quality of product has been verified by a professional assessment institution. The project provides technical support to the Group's deployment of its recycling 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. In particular, the annual production capacity of Phase 1 project amounted to 10 million tonnes. The Phase 2 project with an annual production capacity of 20 million tonnes was approved by the National Development and Reform Commission in March 2011, and was the first approved largest single open-pit coal mine in the PRC. During the Year, the raw coal output of the Shengli Coal Mine East Unit 2 reached 10.71 million tonnes.

During the Year, Inner Mongolia Baoli Coal Mine, in which the Company has controlling interests, produced 1.31 million tonnes of coal. 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 increase the self-sufficiency ratio of coal consumption of the Company's power plants.

The Tashan Coal Mine and the Yuzhou Coal Mine, constructed by the Company with holding interests, produced 23 million tonnes and 7.2 million tonnes of raw 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 further increased. During the Year, operating revenue from the coal business after consolidation elimination amounted to approximately RMB2,938 million, accounting for 4.06% of the Group's total operating revenue, representing an increase of approximately 4.05% over the Previous Year.

(ii) **Operating Costs**

During the Year, operating costs in the coal business amounted to approximately RMB2,331 million, representing a decrease of approximately RMB363 million over the Previous Year. The decrease in operating costs was mainly attributable to the increase in coal exports of its self-owned coal mines and the decrease in the unit cost of coal per tonne.

(iii) **Operating Profit**

During the Year, operating profit from the coal business amounted to approximately RMB606 million, while the gross profit margin was approximately 20.63%, representing an increase of approximately 16.05% over the Previous Year.

C. Management's Review on Consolidated Operating Results

1. Operating Revenue

During the Year, consolidated operating revenues of the Group amounted to approximately RMB72,382 million, representing an increase of approximately 19.30% over the Previous Year. Of the operating revenue, revenue from electricity sales increased by approximately RMB10,773 million.

2. Operating Costs

During the Year, total operating costs of the Group amounted to approximately RMB62,829 million, representing an increase of approximately RMB11,360 million, or approximately 22.07%, over the Previous Year. Among the operating costs, fuel costs accounted for approximately 70.80%, and depreciation accounted for approximately 13.70% of the operating costs.

3. Net Finance Costs

During the Year, the Group's finance costs amounted to approximately RMB7,102 million, representing an increase of approximately RMB1,729 million or approximately 32.17% over the Previous Year. The significant increase was mainly due to an increase in borrowings and the cessation 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 RMB3,710 million, representing a decrease of approximately 21.07% over the Previous Year. Net profit attributable to equity holders of the Company amounted to approximately RMB1,971 million, representing a decrease of 23.29% over the Previous Year. The decrease in the Group's profit was mainly due to the increase in fuel costs and finance costs.

5. Financial Position

As at 31 December 2011, total assets of the Group amounted to approximately RMB247,697 million, representing an increase of approximately RMB34,782 million as compared to the end of 2010. 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 RMB196,965 million, representing an increase of approximately RMB22,483 million over the end of the Previous Year. Of the total liabilities, non-current liabilities increased by approximately RMB13,351 million over the end of the Previous Year. The increase in total liabilities was mainly due to an increase in the Group's borrowings so as to meet the needs of daily operations and infrastructure construction. Equity attributable to equity holders of the Company amounted to approximately RMB38,941 million, representing an increase of approximately RMB8,091 million over the end of the Previous Year. Net asset value per share attributable to equity holders of the Company amounted to RMB2.93, representing an increase of approximately RMB0.42 per share over the end of the Previous Year.

6. Liquidity

As at 31 December 2011, the asset-to-liability ratio of the Group was approximately 79.52%. The net debt-to-equity ratio [i.e. (loans + short-term bonds + long-term bonds – cash and cash equivalents)/total equity] was approximately 315.88%.

As at 31 December 2011, the cash and cash equivalents held by the Group amounted to approximately RMB4,467 million, of which deposits equivalent to approximately RMB308 million were foreign currency deposits. During the Year, the Group had no entrusted deposits or overdue fixed deposits.

As at 31 December 2011, short-term loans of the Group amounted to approximately RMB21,524 million, bearing annual interest rates ranging from 1.31% to 8.50%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB117,654 million and long-term loans repayable within one year amounted to approximately RMB15,202 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1% to 7.76%. Loans of approximately RMB1,570 million were denominated in US dollar, and loans equivalent of approximately RMB563 million were 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 2011, the number of staff of the Group totalled 19,365. During the Year, the costs of salaries and staff welfare of the Group amounted to RMB2,367 million. The Group adopts the basic salary system on the basis of position-points salary distribution. The Group carries out comprehensive accountability management and the performance appraisal for all staff of its subordinated enterprises based on a profit accountability system. The Group is concerned about personal growth and occupational training of its staff, and implements a reward mechanism of “unification of training, usage and remuneration”. Led by the strategy of developing a strong corporation with talents, the Group relies on a three-tier management organizational structure and implements an all-staff training scheme for various levels.

D. Outlook for 2012

The year 2012 marks the final year for the Company to achieve the targets for the second phase of its medium-term development plan, a year for both opportunities and challenges. The Company will meet new challenges and make new strides by leveraging new opportunities under new situations.

Looking forward to 2012, the Company will encounter opportunities while facing challenges at the same time. With respect to challenges, firstly, China’s economic growth will slow down due to the impact of the structural adjustment of the macro economy. Secondly, the development of enterprises will be limited due to lack of funds. Thirdly, the State issued higher standards on energy conservation and emissions reduction. With respect to opportunities, firstly, pressure on the Company’s operations is expected to be alleviated. Secondly, the advantage of diversified businesses will be revealed gradually. Thirdly, the efficiency of management will be further improved.

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 “optimising 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”. The Company will commit effort into the following six areas to reach its annual work targets.

1. Deepen the Building of a “Four-feature” Enterprise

The Company will accelerate the establishment of 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 strive to increase power generation, strictly control the price of thermal coal, strengthen cost controls, strive for policy concessions and to turn loss into profit for loss-making enterprises. It will further improve the comprehensive budget management, with the objective of enhancing profits. Focusing on capital flows and emphasising cost controls, 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 2012, the Company will strive to accomplish a power generation of 205 billion kWh and realize an increase in sales revenue of more than 15% year-on-year.

3. Continuously Optimise the Business Structure

The Company will continue to strengthen its power generation business, excel in its non-power businesses and promote synergistic diversification. In its power generation business, the Company will step up the development and exploration of alternative energy, clean energy and renewable energy to increase their proportion in the total installed capacity. 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. The Company will accelerate the commercial operation of the Duolun Coal Chemical Project, Keqi Coal-based Natural Gas Project and the project of alumina-extraction from high-aluminium pulverised fuel ash by the renewable energy company, to increase their contribution to the overall profitability of the Company and further propel the Company into the regions with resources advantages.

4. Actively Push Forward Capital Operation

The Company will further leverage its financing platform as a listed company, strengthen the direct financing function, step up efforts in the integration of the Company’s internal assets, further optimise the Company’s equity structure and actively pursue acquisitions of quality assets, with a view to achieving maximum investment returns for the Company.

5. Continuously Intensify Energy Conservation and Emissions Reduction

Adapting the plan of energy conservation and emissions reduction during the “Twelfth Five-year” period, the Company is accelerating the construction of key projects, enhancing the comparison and selection of technologies in environmental protection and efficiency improvement, and participating in market research with regard to the trading of carbon emission and pollution discharge rights. Focusing on the denitration transformation, the Company will manage and schedule energy conservation for coal-fired generating units, basins for hydropower stations and regional optimization for wind farms.

6. Establish Comprehensive Internal Control System

In 2012, 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 of “job duties, mechanisms and systems, standards and criteria, operation flows, evaluation and auditing and performance appraisal,” the Company will complete the establishment of operation flow management system to optimise the flow, and will complete the compilation of the “Internal Control Management Manual”, “Risk Control Manual” and “Internal Control Evaluation Manual” to carry out comprehensive internal control evaluations and audits so as to carry out a transformation from external supervision to internal supervision.

III. SHARE CAPITAL AND DIVIDENDS

1. Share Capital

As at 31 December 2011, the total share capital of the Company amounted to 13,310,037,578 shares, divided into 13,310,037,578 shares carrying a nominal value of RMB1.00 each.

2. Shareholding of Substantial Shareholders

So far as the directors of the Company are aware, as at 31 December 2011, 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	4,138,977,414	31.10	41.41	—
	H shares	480,680,000(L)	3.61(L)	—	14.50(L)
Tianjin Jinneng Investment Company	A shares	1,296,012,600	9.74	12.97	—
Hebei Construction Investment (Group) Company Limited	A shares	1,281,872,927	9.63	12.83	—
Beijing Energy Investment (Group) Company Limited	A shares	1,260,988,672	9.47	12.62	—

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

3. Dividends

The Board recommends the proposed distribution of cash dividends totalling approximately RMB1,464 million. Based on the total of 13,310,037,578 shares of the Company as at 31 December 2011, the proposed distribution of cash dividends is approximately RMB0.11 per share (tax included).

4. Shareholding of the directors and supervisors

As at 31 December 2011, 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 2011 second extraordinary general meeting of the Company held on 26 August 2011, the Company distributed a 2010 cash dividend of RMB0.07 per share (tax included) to all shareholders on the basis of the total share capital of 13,310,037,578 shares as at 31 May 2011.
2. Pursuant to the resolutions passed at the seventh meeting of the seventh session of the supervisory committee held on 25 October 2011, the supervisory committee approved the nomination of Mr. Zhou Xinnong as the candidate of shareholders’ representative of the seventh session of the supervisory committee of the Company. Due to the work arrangement, Mr. Fu Guoqiang would no longer assume the office of supervisor of the Company. The afore-mentioned matters regarding the change of supervisors were submitted to the 2011 fourth extraordinary general meeting of the Company held on 6 December 2011 for consideration and approval.
3. 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. [2010]1842) issued by the China Securities Regulatory Commission on 16 December 2010, the Company completed the non-public offering of A shares in May 2011. Upon completion of the non-public issue of A shares, the total issued share capital of the Company amounted to 13,310,037,578 shares with newly issued A shares of 1,000,000,000 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 2011.

The Audit Committee considers that the 2011 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, 23 March 2012

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 2011

	<i>Note</i>	2011	2010
		<u>RMB'000</u>	<u>RMB'000</u>
Operating revenue	4	72,381,865	60,672,375
Operating costs			
Fuel for power and heat generation		(42,152,791)	(32,143,481)
Fuel for coal sales		(2,331,552)	(2,693,996)
Depreciation		(8,604,808)	(7,381,972)
Repairs and maintenance		(1,898,832)	(1,897,715)
Salaries and staff welfare		(2,367,473)	(2,047,788)
Local government surcharges		(568,654)	(395,380)
Others		(4,904,592)	(4,908,348)
Total operating costs		<u>(62,828,702)</u>	<u>(51,468,680)</u>
Operating profit		9,553,163	9,203,695
Shares of profits of associates		945,970	718,231
Shares of profits of jointly controlled entities		94,229	1,104
Investment income		50,191	10,015
Other gains		58,564	102,377
Interest income		109,820	38,215
Finance costs	6	<u>(7,102,202)</u>	<u>(5,373,337)</u>
Profit before tax		3,709,935	4,700,300
Income tax expense	7	<u>(667,786)</u>	<u>(871,355)</u>
Profit for the year		<u>3,042,149</u>	<u>3,828,945</u>

	<i>Note</i>	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Other comprehensive income after tax:			
Reclassification adjustments for amounts transferred to profit or loss upon disposals of available-for-sale investments		(4)	(14,605)
Fair value loss on available-for-sale investments		(28,519)	(55,120)
Share of other comprehensive income of associates		(63,516)	(25,900)
Foreign currency translation differences		21,825	17,610
Income tax relating to components of other comprehensive income		7,131	17,430
Other comprehensive income for the year, net of tax		(63,083)	(60,585)
Total comprehensive income for the year		2,979,066	3,768,360
Profit for the year attributable to:			
Owners of the Company		1,971,200	2,569,734
Non-controlling interests		1,070,949	1,259,211
		3,042,149	3,828,945
Total comprehensive income for the year attributable to:			
Owners of the Company		1,908,050	2,513,417
Non-controlling interests		1,071,016	1,254,943
		2,979,066	3,768,360
Proposed dividends	8	1,464,104	861,703
Dividends paid		961,703	861,703
		<i>RMB</i>	<i>RMB</i>
Earnings per share			
Basic and diluted	9	0.15	0.21

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2011

	<i>Note</i>	2011 RMB'000	2010 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		200,923,064	179,233,770
Investment properties		502,302	211,866
Intangible assets		2,644,303	2,498,329
Investments in associates		5,289,166	4,591,838
Investments in jointly controlled entities		3,585,867	2,649,778
Available-for-sale investments		2,710,073	2,304,158
Deferred housing benefits		102,839	132,530
Deferred tax assets		1,453,359	972,760
Other non-current assets		412,628	428,477
		217,623,601	193,023,506
Current assets			
Inventories		6,093,786	4,011,713
Accounts and notes receivables	10	10,208,546	8,158,622
Prepayments and other receivables		8,877,100	4,101,545
Short-term entrusted loans to a jointly controlled entity		365,198	100,153
Tax recoverable		61,586	76,820
Cash and cash equivalents		4,467,372	3,442,976
		30,073,588	19,891,829
TOTAL ASSETS		247,697,189	212,915,335

	<i>Note</i>	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	13,310,038	12,310,038
Reserves		23,037,968	15,343,804
Retained earnings			
Proposed dividends	8	1,464,104	861,703
Others		1,128,582	2,334,526
Equity attributable to owners of the Company		38,940,692	30,850,071
Non-controlling interests		11,791,362	7,582,760
Total equity		50,732,054	38,432,831
Non-current liabilities			
Long-term loans		117,654,356	109,585,377
Long-term bonds		8,937,277	5,949,018
Deferred income		504,071	460,989
Deferred tax liabilities		585,488	439,226
Provisions		41,680	41,603
Other non-current liabilities		5,827,268	3,723,182
		133,550,140	120,199,395
Current liabilities			
Accounts payables and accrued liabilities	12	23,940,013	18,930,066
Taxes payables		771,475	1,165,696
Dividends payables		154,881	2,336
Short-term loans		21,523,709	19,374,828
Short-term bonds		1,400,000	—
Current portion of non-current liabilities		15,624,917	14,810,183
		63,414,995	54,283,109
Total liabilities		196,965,135	174,482,504
TOTAL EQUITY AND LIABILITIES		247,697,189	212,915,335
Net current liabilities		(33,341,407)	(34,391,280)
Total assets less current liabilities		184,282,194	158,632,226

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 (“IFRSs”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong and by the Hong Kong Companies Ordinance. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain available-for-sale investments.

At 31 December 2011, a significant portion of the funding requirements of the Group for capital expenditures was satisfied by short-term borrowings. Consequently, at 31 December 2011, the Group had net current liabilities of approximately RMB33.34 billion. The Group had significant undrawn borrowing facilities, subject to certain conditions, amounting to approximately RMB145.35 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 that are relevant to its operations and effective for its accounting year beginning on 1 January 2011. 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.

Related party disclosures

IAS 24 (Revised) “Related Party Disclosures” revises the definition of a related party and provides a partial exemption of disclosing related party transactions for government-related entities.

A related party is a person or entity that is related to the Group.

(A) A person or a close member of that person’s family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

- (B) An entity is related to the Group (reporting entity) if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (A).
 - (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

IAS 24 (Revised) exempts an entity from the disclosure requirements in relation to related party transactions and outstanding balances, including commitments, with

- a government that has control, joint control or significant influence over the entity; and
- another entity that is a related party because the same government has control, joint control or significant influence over both entities.

The entity that applies the exemption is required to disclose the following:

- the name of the government and the nature of its relationship with the entity (i.e. control, joint control or significant influence); and
- the following information in sufficient detail to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements:
 - i. the nature and amount of each individually significant transaction; and
 - ii. for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent.

The revision of the definition of a related party has no material impact on the financial statements of the Group. The partial disclosure exemption relating to transactions between the Group and government-related entities has been applied retrospectively. The Group discloses only individually or collectively significant transactions with government-related entities.

The Group has not applied the new IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new IFRSs but is not yet in a position to state whether these new IFRSs would have a material impact on its results of operations and financial position.

3. MAJOR ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Business combinations other than under common control

On 31 March 2011, the Group acquired 100% of the respective issued capital of Chengdu Ligu Energy Company Limited, Chengdu Qingjiangyuan Energy Company Limited and Chengdu Zhongfu Energy Company Limited in order to gain 54.44% indirect equity interest in Sichuan Jinkang Electricity Development Company Limited (“Jinkang Company”) for a total cash consideration of RMB996,835 thousand. Jinkang Company was engaged in hydropower generation during the year.

The carrying amount and the fair value of the identifiable assets and liabilities of the above subsidiaries acquired as at their 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	1,323,236	1,387,509	2,710,745
Cash and cash equivalents	86,798	—	86,798
Other current assets	182,415	—	182,415
Loans	(1,140,000)	—	(1,140,000)
Deferred tax liabilities	—	(208,126)	(208,126)
Other current liabilities	(78,338)	—	(78,338)
	<u>374,111</u>	<u>1,179,383</u>	<u>1,553,494</u>
Non-controlling interests	(150,162)	(537,327)	(687,489)
			<u>130,830</u>
Goodwill			
Satisfied by:			
Cash			<u>996,835</u>
Net cash outflow arising on acquisition:			
Cash consideration paid			(996,835)
Cash and cash equivalents acquired			<u>86,798</u>
			<u>(910,037)</u>

The goodwill arising on the acquisition of above subsidiaries is attributable to the anticipated profitability of their hydropower generation operations and the anticipated future operating synergies from the combination.

The above subsidiaries contributed RMB4,835 thousand to the Group's profit for the year between their date of acquisition and the end of the reporting period.

If the above acquisition had been completed on 1 January 2011, total Group revenue for the year would have been RMB72,501,467 thousand, and profit for the year would have been RMB3,044,420 thousand. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2011, nor is intended to be a projection of future results.

Disposal of a subsidiary

On 1 January 2011, the Group disposed of all its 90.43% equity interest in Hebei Datang International Huaze Hydropower Development Company Limited.

Net assets at the date of disposal were as follows:

	<i>RMB'000</i>
Property, plant and equipment	143,936
Cash and cash equivalents	4,164
Other current assets	705
Long-term bank loans	(72,500)
Other current liabilities	(1,040)
Net assets disposed of	75,265
Non-controlling interests	(7,203)
Gain on disposal of a subsidiary	58,239
Total consideration – satisfied by cash	<u>126,301</u>
Net cash inflow arising on disposal:	
Cash consideration received	126,301
Cash and cash equivalents disposed of	(4,164)
	<u>122,137</u>

4. OPERATING REVENUE

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

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Sales of electricity	64,367,360	53,593,750
Heat supply	719,013	539,680
Sales of coal	2,937,638	2,823,291
Sales of chemical products	3,070,651	2,692,513
Others	1,287,203	1,023,141
	<u>72,381,865</u>	<u>60,672,375</u>

5. SEGMENT INFORMATION

Executive directors and certain senior management (including chief accountant) of the Company (collectively referred to as the "Senior Management") perform the function as chief operating decision makers. The Senior Management reviews the internal reporting of the Group in order to assess performance and allocate resources. Senior Management has determined the operating segments based on these reports.

Senior Management considers the business from a product perspective. Senior Management primarily assesses the performance of power generation, coal and chemical separately. Other operating activities primarily include sales of properties and cement products and sales of coal ash, etc., and are included in "other segments".

Senior Management assesses the performance of the operating segments based on a measure of profit before tax prepared under China Accounting Standards for Business Enterprises ("PRC GAAP").

Segment profits or losses do not include dividend income from available-for-sale investments and gain on disposals of available-for-sale investments. Segment assets exclude deferred tax assets and available-for-sale investments. Segment liabilities exclude the current tax liabilities and deferred tax liabilities. Sales between operating segments are marked to market or contracted close to market price and have been eliminated at consolidation level. Unless otherwise noted below, all such financial information in the segment tables below is prepared under PRC GAAP.

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

	Power generation segment	Coal segment	Chemical segment	Other segments	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2011					
Revenue from external customers	65,275,284	2,986,809	3,100,132	1,019,640	72,381,865
Intersegment revenue	425,307	23,512,906	4,500	156,728	24,099,441
Segment profit	1,329,805	1,658,588	471,600	197,314	3,657,307
Depreciation and amortisation	8,425,131	56,425	71,490	98,129	8,651,175
Gain/(loss) on disposals of property, plant and equipment	13,004	—	14	(3)	13,015
Loss on disposal of intangible assets	—	—	—	(419)	(419)
Gain on disposals of long-term investments	58,239	—	—	—	58,239
Interest income	97,324	4,558	4,695	3,243	109,820
Interest expense	6,594,829	315,227	48,755	119,409	7,078,220
Share of profits of associates	2,396	663,761	—	202,760	868,917
Shares of (losses)/profits of jointly controlled entities	(9,076)	57,190	—	—	48,114
Income tax expense	346,797	248,745	49,909	20,356	665,807
Year ended 31 December 2010					
Revenue from external customers	54,122,551	2,825,178	2,712,214	1,012,432	60,672,375
Intersegment revenue	74,030	21,770,917	—	95,186	21,940,133
Segment profit	3,314,713	841,185	331,707	141,885	4,629,490
Depreciation and amortisation	7,036,509	189,173	101,466	102,770	7,429,918
Net gain on disposals of property, plant and equipment	47,810	—	27	10,084	57,921
Gain on disposals of investment properties	—	—	—	26,813	26,813
Gain on disposals of long-term investments	11	—	—	93,800	93,811
Interest income	29,211	1,347	1,670	5,987	38,215
Interest expense	4,800,594	238,386	37,986	126,053	5,203,019
Share of profits of associates	7,653	474,427	—	109,179	591,259
Shares of losses of jointly controlled entities	(14,384)	(2,657)	—	—	(17,041)
Income tax expense	715,456	87,872	83,219	57,906	944,453

	Power generation segment	Coal segment	Chemical segment	Other segments	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December 2011					
Segment assets	173,575,788	22,574,026	49,088,856	11,223,724	256,462,394
Including:					
Investments in associates	505,662	1,927,786	—	2,817,723	5,251,171
Investments in jointly controlled entities	2,506,286	942,342	—	—	3,448,628
Additions to non-current assets (other than financial assets and deferred tax assets)	14,882,988	2,485,568	17,125,982	140,152	34,634,690
Segment liabilities	148,527,057	15,622,773	37,287,079	3,440,531	204,877,440
At 31 December 2010					
Segment assets	152,509,810	16,058,293	39,345,040	10,625,419	218,538,562
Including:					
Investments in associates	490,467	1,682,565	—	2,447,088	4,620,120
Investments in jointly controlled entities	1,693,442	845,959	—	—	2,539,401
Additions to non-current assets (other than financial assets and deferred tax assets)	22,657,532	1,191,307	10,084,264	148,405	34,081,508
Segment liabilities	134,105,377	10,067,614	29,220,166	3,473,751	176,866,908

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

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Revenue		
Total revenue of reportable segments	96,481,306	82,612,508
Elimination of intersegment revenue	<u>(24,099,441)</u>	<u>(21,940,133)</u>
Consolidated revenue	<u><u>72,381,865</u></u>	<u><u>60,672,375</u></u>
Profit or loss		
Total profit or loss of reportable segments	3,657,307	4,629,490
Gain on disposals of available-for-sale investments	5	8,212
Dividend income from available-for-sale investments	4,940	40
Elimination of intersegment profits	(9,463)	(13,861)
IFRS adjustment on reversal of general provision on mining funds	86,837	107,273
Other IFRS adjustments	<u>(29,691)</u>	<u>(30,854)</u>
Consolidated profit before tax	<u><u>3,709,935</u></u>	<u><u>4,700,300</u></u>
Assets		
Total assets of reportable segments	256,462,394	218,538,562
Deferred tax assets	1,425,210	944,269
Available-for-sale investments	67,531	91,043
Elimination of intersegment assets	(13,885,059)	(8,818,003)
Reclassification of non-income taxes recoverable	3,426,857	2,022,816
IFRS adjustment on reversal of general provision on mining funds	175,734	82,095
Other IFRS adjustments	<u>24,522</u>	<u>54,553</u>
Consolidated total assets	<u><u>247,697,189</u></u>	<u><u>212,915,335</u></u>
Liabilities		
Total liabilities of reportable segments	(204,877,440)	(176,866,908)
Current tax liabilities	(318,588)	(339,967)
Deferred tax liabilities	(556,624)	(414,377)
Elimination of intersegment liabilities	12,243,238	5,186,413
Reclassification of non-income taxes recoverable	(3,426,857)	(2,022,816)
Other IFRS adjustments	<u>(28,864)</u>	<u>(24,849)</u>
Consolidated total liabilities	<u><u>(196,965,135)</u></u>	<u><u>(174,482,504)</u></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 2011					
Share of profits of associates	868,917	—	77,053	—	945,970
Shares of profits of jointly controlled entities	48,114	—	46,115	—	94,229
Income tax expense	<u>665,807</u>	<u>(2,377)</u>	<u>7,601</u>	<u>(3,245)</u>	<u>667,786</u>
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>
At 31 December 2011					
Investments in associates	5,251,171	—	37,995	—	5,289,166
Investments in jointly controlled entities	<u>3,448,628</u>	<u>—</u>	<u>137,239</u>	<u>—</u>	<u>3,585,867</u>
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>

Geographical information (under IFRS):

During the years ended 31 December 2011 and 2010, all revenues from external customers are generated domestically. At 31 December 2011, non-current assets (excluding financial assets and deferred tax assets) amounted to RMB213,318,898 thousand (2010: RMB189,360,741 thousand) and RMB44,904 thousand (2010: RMB47,444 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:

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Power generation segment		
North China Grid Company Limited	19,658,707	17,948,672
Guangdong Power Grid Corporation	8,298,202	4,822,035
State Grid Corporation of China	6,029,222	5,495,123

6. FINANCE COSTS

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Interest expense on:		
Short-term bank loans	885,719	844,812
Other short-term loans	210,303	194,894
Short-term entrusted loans	—	361
Long-term bank loans		
– Wholly repayable within five years	1,523,851	1,376,004
– Not wholly repayable within five years	5,822,812	4,283,599
Other long-term loans		
– Wholly repayable within five years	174,387	211,696
– Not wholly repayable within five years	89,290	24,674
Short-term bonds	13,975	—
Long-term bonds	394,993	283,474
Finance leases	354,683	190,243
Acquisitions of property, plant and equipment by instalments	1,650	3,354
Discounted notes receivables	52,173	50,092
Others	23,504	—
Total borrowing costs	9,547,340	7,463,203
Amount capitalised	(2,469,120)	(2,083,847)
	7,078,220	5,379,356
Exchange gain, net	(38,107)	(28,069)
Others	61,889	22,050
	7,102,002	5,373,337

Borrowing costs on funds borrowed generally are capitalised at a rate of 6.06% (2010: 5.33%) per annum.

7. INCOME TAX EXPENSE

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Current tax – PRC Enterprise Income Tax		
Provision for the year	1,193,292	1,125,789
Under/(over)-provision in prior years	9,826	(833)
	<u>1,203,118</u>	<u>1,124,956</u>
Deferred tax	(535,332)	(253,601)
	<u>667,786</u>	<u>871,355</u>

The Company and its subsidiaries, other than as stated below, are generally subject to PRC Enterprise Income Tax statutory rate of 25% (2010: 25%).

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

8. PROFIT APPROPRIATION

DIVIDENDS

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Proposed final of RMB0.11 (2010: RMB0.07) per share	<u>1,464,104</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 its 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 RMB1,971,200 thousand (2010: RMB2,569,734 thousand) and the weighted average number of ordinary shares of 12,893,371 thousand (2010: 12,192,421 thousand) in issue during the year.

Diluted earnings per share

During the years ended 31 December 2011 and 2010, the Company did not have any dilutive potential ordinary shares. Therefore, diluted earnings per share is equal to basic earnings per share.

10. ACCOUNTS AND NOTES RECEIVABLES

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

	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Accounts receivables from third parties	9,872,875	7,966,699
Notes receivables from third parties	257,818	190,185
Accounts and notes receivables from related parties	77,853	1,738
	10,208,546	8,158,622

The Group usually grants credit period of approximately 1 month to local power grid customers and coal purchase customers from the month end after sales and sale transactions made, respectively.

The ageing analysis of accounts and notes receivables is as follows:

	2011 RMB'000	2010 <i>RMB'000</i>
Within one year	10,044,753	8,013,428
Between one to two years	74,133	143,990
Between two to three years	89,009	1,096
Over three years	651	108
	10,208,546	8,158,622

11. SHARE CAPITAL

	Number of shares			Amount		
	A shares (i) '000	H shares (i) '000	Total '000	A shares RMB'000	H shares RMB'000	Total RMB'000
Registered, issued and fully paid:						
Shares of RMB1 (2010: RMB1) each						
At 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)	530,000	–	530,000	530,000	–	530,000
At 31 December 2010 and						
1 January 2011 (iii)	8,994,360	3,315,678	12,310,038	8,994,360	3,315,678	12,310,038
Issue of shares (iv)	1,000,000	–	1,000,000	1,000,000	–	1,000,000
At 31 December 2011 (v)	9,994,360	3,315,678	13,310,038	9,994,360	3,315,678	13,310,038

Note:

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

12. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Accounts and notes payables		
Fuel and materials payables to third parties	8,323,277	7,100,568
Fuel and materials payables to related parties	153,138	49,076
Notes payables to third parties	1,685,269	980,127
	10,161,684	8,129,771
Construction payables to third parties	9,462,257	8,132,531
Construction payables to related parties	341,430	209,902
Acquisition considerations payables	164,989	91,627
Receipts in advance from related parties	11,312	591
Receipts in advance from third parties	556,701	621,925
Salaries and welfares payables	64,346	51,444
Interests payables	580,359	390,087
Other payables to related parties	204,789	95,528
Others	2,392,146	1,206,660
	23,940,013	18,930,066

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

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Within one year	9,537,844	8,129,771
Between one to two years	623,840	—
	10,161,684	8,129,771

13. EVENTS AFTER THE REPORTING PERIOD

On 8 January 2012, the Company entered into the Zhong Rong — Qiantai Energy Equity Interest Investment Single Trust Fund Agreement with Zhong Rong International Trust Company Limited (“Zhong Rong Trust”), pursuant to which the Company agreed to contribute RMB2 billion to invest in the specific trust scheme set up by Zhong Rong Trust for a term of three years. During the term of the specific trust scheme, Zhong Rong Trust agreed to use such trust fund to make capital contribution to the Inner Mongolia Qiantai Energy Investment Company Limited (“Project Company”) under the name of the trustee for the purpose of integrating the relevant coal mines within Dalate Qi in Erdos City. Zhong Rong Trust will hold 50% equity interest in the Project Company on behalf of the Company upon completion of the increase in capital contribution by the specific trust scheme to the Project Company. Upon expiration of the term of the specific trust scheme and the completion of the integration of the relevant coal mines,

Zhong Rong Trust will transfer 50% equity interest in the Project Company to the Company. The beneficiary and trustor of the specific trust scheme is the Company. The trustee is Zhong Rong Trust. The annual income to be generated from the specific trust scheme is expected to be RMB400 million.

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

1. FINANCIAL HIGHLIGHTS AND FINANCIAL RATIOS

	2011	2010	Variance
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
	<i>(unless</i>	<i>(unless</i>	
	<i>otherwise</i>	<i>otherwise</i>	
	<i>stated)</i>	<i>stated)</i>	
Revenue from operations	72,381,865	60,672,375	19.30%
Profit before taxation and minority interests	3,652,789	4,623,881	(21.00%)
Net profit (attributable to equity holders of the Company)	1,910,111	2,473,684	(22.78%)
Net profit (attributable to equity holders of the Company and excluding non-recurring items)	1,598,958	2,108,452	(24.16%)
Earnings per share (weighted average) (RMB)	0.1481	0.2031	(27.08%)
Earnings per share calculated based on net profit attributable to equity holders of the Company and excluding non-recurring items (weighted average) (RMB)	0.1481	0.1731	(14.44%)
Return on net assets (weighted average)	5.37%	8.37%	(3.00%)
Return on net assets calculated based on net profit attributable to equity holders of the Company and excluding non-recurring items (weighted average)	4.50%	7.13%	(2.63%)
Net cash flows from operating activities	12,934,714	17,509,589	(26.13%)
Net cash flows from operating activities per share (RMB)	0.97	1.42	(31.69%)
Total assets	244,070,076	210,755,870	15.81%
Shareholders' equity (including minority interests)	50,560,662	38,321,031	31.94%
Net assets (attributable to equity holders of the Company) per share (RMB)	2.91	2.50	16.40%

2. PROFIT AND LOSS ACCOUNT

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Operating revenue	72,381,865	60,672,375
Less: Operating costs	(59,844,336)	(49,427,960)
Sales tax and surcharges	(568,654)	(395,380)
Selling expenses	(611,939)	(192,259)
General and administration expenses	(2,189,056)	(1,846,469)
Financial expenses, net	(6,992,182)	(5,335,122)
Asset impairment loss	255	41,815
Add: Investment income	1,025,786	686,610
Operating profit	3,201,739	4,203,610
Add: Non-operating income	500,737	466,271
Less: Non-operating expenses	(49,687)	(46,000)
Profit before taxation and minority interests	3,652,789	4,623,881
Less: Income tax expense	(663,430)	(884,159)
Net profit	2,989,359	3,739,722
Attributable to:		
Equity holders of the Company	1,910,111	2,473,684
Non-controlling interests	1,079,248	1,266,038
Other comprehensive loss	(63,083)	(60,585)
Total comprehensive income	2,926,276	3,679,137
Attributable to:		
Equity holders of the Company	1,846,961	2,417,368
Non-controlling interests	1,079,315	1,261,769
	<i>RMB</i>	<i>RMB</i>
Earnings per share		
Basic	0.1481	0.2031
Diluted	0.1481	0.2031

3. DIFFERENCES BETWEEN FINANCIAL STATEMENTS

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

	<i>Note</i>	Net assets	
		2011	2010
		RMB'000	RMB'000
Net assets attributable to owners of the Company under IFRS		38,940,692	30,850,071
Impact of IFRS adjustments:			
Difference in the commencement of depreciation of property, plant and equipment	(a)	106,466	106,466
Difference in accounting treatment on monetary housing benefits	(b)	(102,839)	(132,530)
Difference in accounting treatment on mining funds	(c)	(175,734)	(82,095)
Applicable deferred tax impact of the above GAAP Differences		715	(3,641)
Non-controlling interests' impact of the above GAAP Differences after tax		18,564	(1,015)
Net assets attributable to owners of the Company under PRC GAAP		<u>38,787,864</u>	<u>30,737,256</u>
	<i>Note</i>	Net profit	
		2011	2010
		RMB'000	RMB'000
Profit for the year attributable to owners of the Company under IFRS		1,971,200	2,569,734
Impact of IFRS adjustments:			
Difference in accounting treatment on monetary housing benefits	(b)	29,691	30,854
Difference in accounting treatment on mining funds	(c)	(86,838)	(107,273)
Applicable deferred tax impact of the above GAAP Differences		4,357	(12,804)
Non-controlling interests' impact of the above GAAP Differences after tax		(8,299)	(6,827)
Net profit for the year attributable to owners of the Company under PRC GAAP		<u>1,910,111</u>	<u>2,473,684</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 remaining average service lives of relevant employees.

(c) **Difference in accounting treatment on mining funds**

Under PRC GAAP, accrual of future development and work safety expenses are included in respective product cost or current period profit or loss and recorded in a specific reserve accordingly. When such future development and work safety expenses are applied and related to revenue expenditures, specific reserve is directly offset when expenses incurred. When capital expenditures are incurred, they are included in construction in progress and transferred to fixed assets when the related assets reach the expected use condition. They are then offset against specific reserve based on the amount included in fixed assets while corresponding amount is recognised in accumulated depreciation. Such fixed assets are not depreciated in subsequent periods.

Under IFRS, coal mining companies are required to set aside an amount to a fund for future development and work safety through transferring from retained earnings to restricted reserve. When qualifying revenue expenditures are incurred, such expenses are recorded in the profit or loss as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Group. Internal equity items transfers take place based on the actual application amount of future development and work safety expenses whereas restricted reserve is offset against retained earnings to the extent of zero.