



華潤電力控股有限公司

China Resources Power Holdings Company Limited

(Stock Code : 836)

Seize Opportunity with Insight

Interim Report **2010**





Electric power generation is our business.

"**We do everything at our best efforts**" is the cornerstone of our business philosophy. Our company mission is to become one of the **leading independent power producers** ("IPP"s) in the world and the best IPP in China. We are committed to accomplishing this mission.

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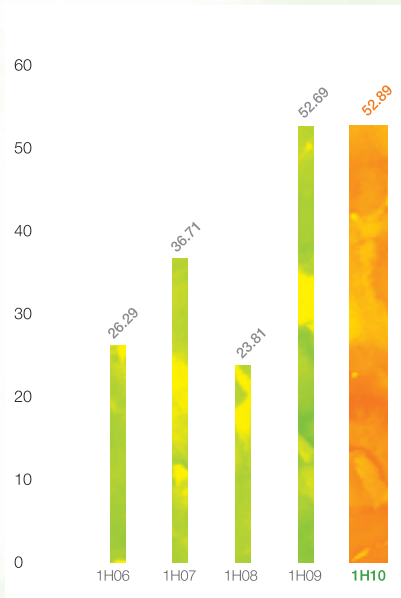
Performance Highlights

	1H2010	1H2009	1H2008	1H2007	1H2006
Earnings per share (HK cents)					
Basic	52.89	52.69	23.81	36.71	26.29
Diluted	52.03	51.41	23.28	35.10	25.81
Turnover (HK\$'000)	21,161,937	13,992,295	12,143,757	6,628,010	3,767,656
Profit attributable to owners of the Company (HK\$'000)	2,459,835	2,268,010	1,005,894	1,411,452	1,001,950
Generation volume of operating power plants (MWh)					
Total gross generation	70,223,751	49,870,688	52,507,535	37,585,705	26,819,508
Total net generation	65,681,662	46,605,132	49,111,384	35,218,775	25,184,623

	30/6/2010	30/6/2009	30/6/2008	30/6/2007	30/6/2006
Condensed consolidated statement of financial position (HK\$'000)					
Non-current assets	108,411,713	72,452,713	61,898,078	36,929,846	24,871,779
Current assets	23,452,236	14,843,059	12,862,129	6,561,684	6,127,631
Current liabilities	(34,412,280)	(24,764,292)	(20,345,896)	(10,723,976)	(6,168,687)
Non-current liabilities	(50,806,136)	(29,738,712)	(24,809,112)	(14,033,439)	(10,180,832)
Non-controlling interests	(7,652,736)	(3,551,403)	(2,954,361)	(1,972,160)	(1,114,553)
Equity attributable to owners of the Company	38,992,797	29,241,365	26,650,838	16,761,955	13,535,338
Total assets	131,863,949	87,295,772	74,760,207	43,491,530	30,999,410
Bank balances and cash	6,639,656	5,779,062	5,238,644	2,893,094	4,016,461
Bank and other borrowings and corporate bonds	67,812,587	42,087,162	33,788,480	19,125,562	12,767,282
Key financial ratios					
Current ratio (times)	0.68	0.60	0.63	0.61	0.99
Quick ratio (times)	0.62	0.54	0.57	0.55	0.93
Net debt to shareholders' equity (%)	156.9	124.2	107.1	96.8	64.7
EBITDA interest coverage (times)	4.31	5.44	3.87	5.21	5.09
Attributable operational generation capacity (MW)					
Eastern China	7,877	4,490	4,403	3,380	2,676
Southern China	4,004	3,201	3,096	1,863	1,086
Central China	3,695	3,277	2,995	2,961	1,911
Northern China	2,193	1,197	927	537	537
Northeastern China	1,125	1,525	1,509	—	—
Total	18,894	13,690	12,930	8,741	6,210

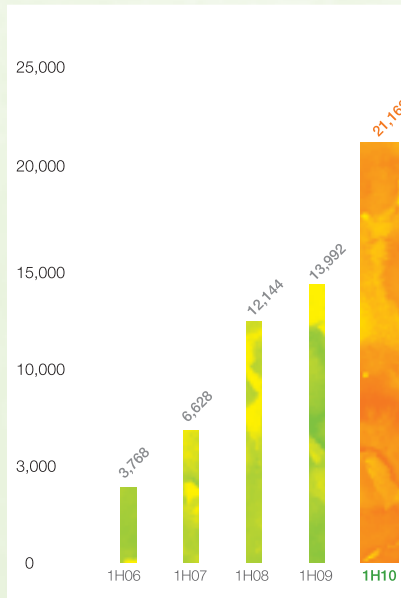
Basic earnings per share

(HK\$ cents)



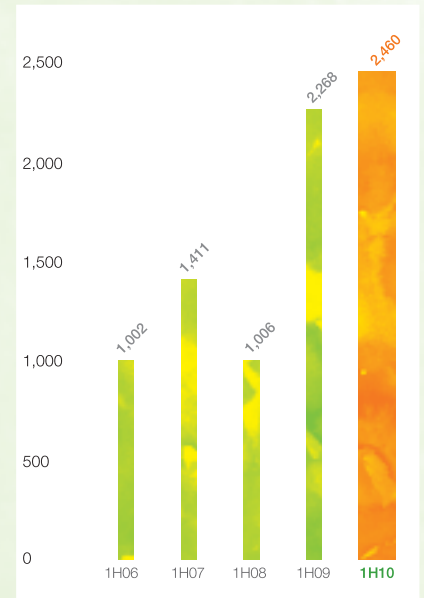
Turnover

(HK\$ million)



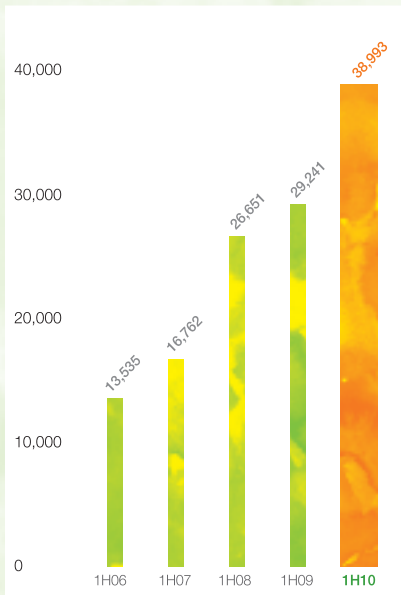
Profit attributable to owners of the Company

(HK\$ million)



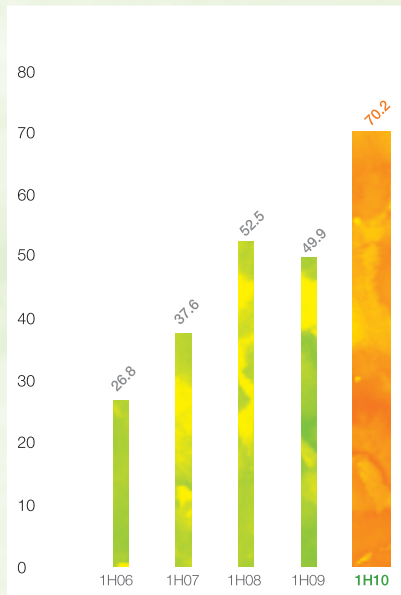
Equity attributable to owners of the Company

(HK\$ million)



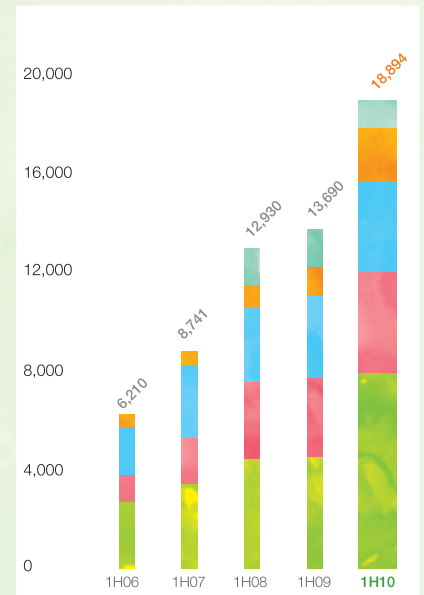
Net generation volume of operating power plants

(million MWh)



Attributable operational generation capacity

(MW)



Service Areas

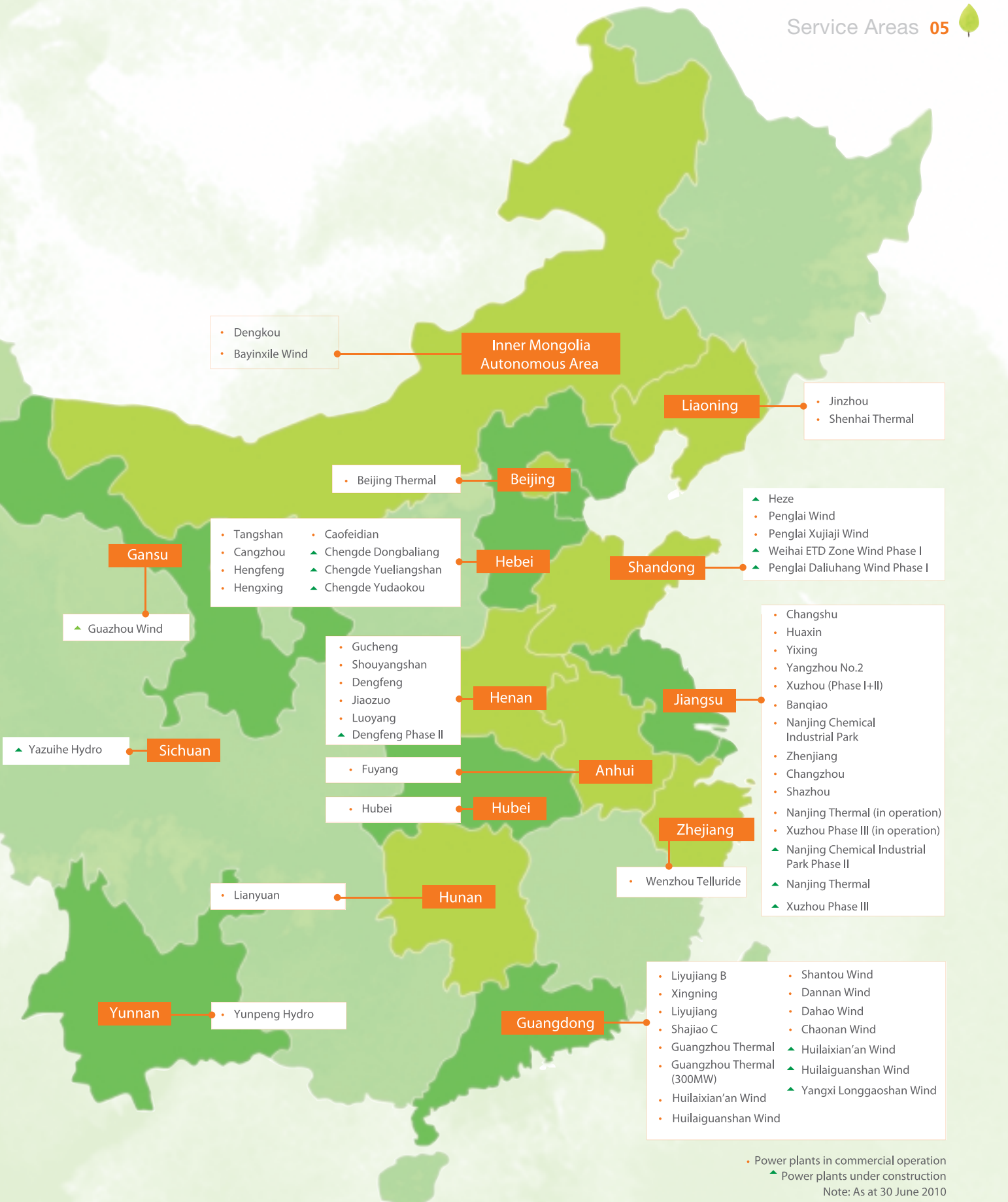
PROVINCE/ AUTONOMOUS AREA	POWER PLANT /WIND FARM / HYDRO ELECTRIC PLANT	CAPACITY (MW)	INSTALLED CAPACITY (MW)	EQUITY INTEREST	ATTRIBUTABLE CAPACITY (MW)
Jiangsu	Changshu	3x650	1,950	100%	1,950
	Huaxin	2x330	660	72%	475
	Yixing	2x60	120	55%	66
	Nanjing Chemical Industrial Park	2x55	110	90%	99
	Banjiao	2x330+2x135	930	65%	605
	Zhenjiang	2x630+2x140+2x137.5	1,815	43%	771
	Yangzhou NO. 2	2x630	1,260	45%	567
	Xuzhou (phase I + phase II)	4x320	1,280	42.65%	546
	Changzhou	2x630	1,260	25%	315
	Shazhou	2x630	1,260	20%	252
	Nanjing Thermal (in operation)	1x600	600	100%	600
	Xuzhou Phase III (in operation)	1x1000	1,000	59.86%	599
	Nanjing Chemical Industry Park (Phase II)	2x300	600	90%	540
	Nanjing Thermal (under construction)	1x600	600	100%	600
	Xuzhou Phase III (under construction)	1x1000	1,000	59.86%	599
Guangdong	Liyujiang	2x315	630	60%	378
	Liyujiang B	2x650	1,300	100%	1,300
	Xingning	2x135	270	100%	270
	Guangzhou Thermal	2x180	360	100%	360
	Guangzhou Thermal (300MW)	2x300	600	100%	600
	Shajiao C	3x660	1,980	36%	713
	Dannan Wind	24	24	55%	13.2
	Shantou Wind	29.25	29.25	100%	29.25
	Chaonan Wind	99	99	100%	99
	Huilixian'an Wind (in operation)	36.75	36.75	100%	36.75
	Dahao Wind	18	18	100%	18
	Huiliguanshan Wind (in operation)	40	40	100%	40
	Yangxi Longgaoshan Wind	49.3	49.3	100%	49.3
	Huilixian'an Wind (under construction)	0.75	0.75	100%	0.75
Huiliguanshan (under construction)	10	10	100%	10	
Henan	Gucheng	2x300	600	100%	600
	Shouyangshan	2x600	1,200	85%	1,020
	Dengfeng	2x320	640	85%	544
	Jiaozuo	2x140	280	100%	280
	Luoyang	2x50	100	51%	51
	Dengfeng (Phase II)	2x600	1,200	85%	1,020
Hebei	Tangshan	1x200	200	80%	160
	Cangzhou	2x325	650	95%	618
	Caofeidian	2x300	600	90%	540
	Hengfeng	2x300	600	25%	150
	Hengxing	2x300	600	25%	150
	Chengde Yudaokou Wind	48	48	100%	48
	Chengde Yueliangshan Wind	49.5	49.5	100%	49.5
Chengde Dongbaliang Wind	49.5	49.5	100%	49.5	
Liaoning	Jinzhou	4x200	800	100%	800
	Shenhai Thermal	3x200	600	54.115%	325
Shandong	Penglai Wind	47.6	47.6	95%	45.22
	Penglai Xujiaji Wind	44.6	44.6	95%	42.37
	Weihai ETD Zone Wind Phase I	49.8	49.8	100%	49.8
	Penglai Daluhang Wind Phase I	49.8	49.8	100%	49.8
	Penglai Xujiaji Wind	2	2	95%	1.9
	Heze	2x600	1,200	100%	1,200
Inner Mongolia	Dengkou	2x300	600	75%	450
	Bayinxile Wind	49.5	49.5	100%	49.5
Hunan	Lianyuan	2x300	600	100%	600
Hubei	Hubei	2x300	600	100%	600
Anhui	Fuyang	2x640	1,280	55%	704
Zhejiang	Wenzhou Telluride	2x300	600	40%	240
Yunnan	Honghe Hydro	3x70	210	70%	147
Beijing	Beijing Thermal	2x75	150	51%	77
Sichuan	Yazuihe Hydro	260	260	51%	133
Gansu	Guazhou Wind	266	266	100%	266

Note: highlighted in GREEN - Power Plants / Wind Farms / Hydro Electric Plant under construction

Left to Right:

- 1) Yunpeng Hydro Electric Plant
- 2) Xuzhou Power Plant Phase III
- 3) Shantou Wind Farm
- 4) Yunpeng Hydro Electric Plant
- 5) Changshu Power Plant
- 6) Cangzhou Power Plant
- 7) Xingning Power Plant





• Power plants in commercial operation
 ▲ Power plants under construction
 Note: As at 30 June 2010



Major Events 1H2010

January

From **8 January** to **14 January 2010**, China Resources Power Investment Co., Ltd (“CR Power Investment”), a wholly-owned subsidiary of China Resources Power Holdings Co., Ltd (“CR Power”), completed a RMB3.8 billion up to ten-year corporate bond issue (the “Issuance”), proceeds of which will be used to invest in power projects, repay debts and supplement working capital. The Issuance allows us to lock in and lower long-term funding costs, hence mitigating the impact of any potential future interest rate hike. In addition, through setting up an onshore financing platform and the Issuance, CR Power has established a new funding channel, which is beneficial for its long-term development.

On **21 January 2010**, the first 600MW coal-fired heat and power co-generation unit of CR Nanjing Thermal Plant passed a 168-hour full load pilot run and commenced commercial operation. CR Power wholly owns the plant.

Twelve units of 2MW wind turbine generators in Shandong Penglai Xujiaji Wind Farm commenced commercial operation in **January 2010**. CR Power owns a 95% equity interest.

February

On **9 February 2010**, China Resources Power Investment Co., Ltd., a wholly-owned subsidiary of CR Power, entered into an Acquisition Agreement with Jiaozuo Electricity Group Co., Ltd. in relation to an acquisition of a 40% equity interest in Jiaozuo Thermal Plant, for a consideration of RMB58,018,500 (approximately HK\$65,930,114). The acquisition enables CR Power to increase its shareholding in Jiaozuo Thermal Plant to 100%.

CR Huilai Guanshan Wind Farm commenced commercial operation in **February 2010**, with an installed capacity of 49.6MW. The wind farm comprises 23 units of 2MW and 2 units of 1.8MW wind turbine generators. CR Power wholly owns the wind farm.

April

On **9 April 2010**, China Resources Power Logistics (Tianjin) Co., Ltd. (“CR Power Logistics”), a non-wholly owned subsidiary of CR Power, has entered into the Master Coal Supply Agreement with China Resources Cement Investments Limited (“CR Cement Investments”), a wholly-owned subsidiary of China Resources Cement Holdings Limited (“CR Cement”). Pursuant to the Master Coal Supply Agreement, CR Power Logistics has agreed to supply coal to CR Cement Investments (on behalf of certain subsidiaries of CR Cement which are engaged in the production of clinker in the PRC) on a continuing basis for a term from **9 April 2010** to **31 December 2012**.



 Changshu Power Plant



 Hengfeng Power Plant

May

Shenzhen Nanguo Energy Co., Ltd. ("Shenzhen Nanguo"), a wholly-owned subsidiary of CR Power, has entered into the Acquisition Agreement with Liulin Liansheng Energy Investment Co., Ltd. ("Liulin Liansheng") on **11 May 2010**. Pursuant to the Acquisition Agreement, Shenzhen Nanguo has agreed to acquire from Liulin Liansheng an 8% equity interest in Shanxi China Resources Liansheng Energy Investment Co., Ltd. ("CR Liansheng") for a consideration of RMB354 million. CR Liansheng is a joint venture company which is currently owned by Shenzhen Ruihua Energy Investment Co., Ltd. (a 74.14% owned subsidiary of Shenzhen Nanguo) as to 58% and by Liulin Liansheng as to 42%.

Four units of 2MW and 7 units of 1.8MW wind turbine generators in Shandong Penglai Xujiaji Wind Farm commenced commercial operation in **May 2010**. CR Power owns a 95% equity interest.



Huilaguanshan Wind Farm



Dengfeng Power Plant

June

On **22 June 2010**, the first 1,000MW ultra super critical coal-fired generation unit of Xuzhou Power Plant Phase III has successfully passed a 168-hour full load pilot run, and commenced commercial operation. The plant is fully equipped with environmental facilities, including desulphurization and denitration facilities. CR Power owns an effective 59.86% equity interest.

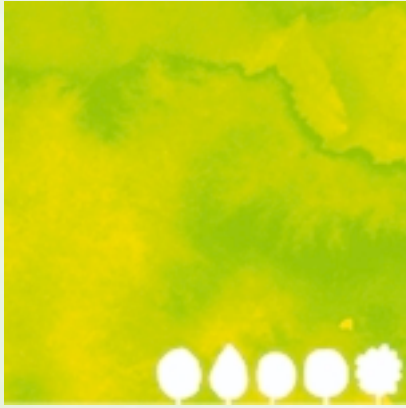
CR Bayinxile Wind Farm commenced commercial operation in **June 2010**. Bayinxile Wind Farm has a total installed capacity of 49.5MW and comprises 33 units of 1.5MW wind turbine generators. CR Power wholly owns the wind farm.

In **June 2010**, CR Yangxi Longgaoshan Wind Farm, CR Penglai Daliuhang Wind Farm phase I and CR Weihai Economic and Technical Development Zone ("ETD Zone") Wind Farm phase I obtained approval for construction from Guangdong Provincial Development & Reform Commission and Shandong Provincial Development & Reform Commission, respectively. The three wind farms have total installed capacity of 49.3MW, 49.8MW and 49.8MW, respectively. CR Power wholly owns the three wind farms.



CR Liansheng

Company Profile



China Resources Power Holdings Company Limited (the “Company” or “CR Power”) is a fast-growing independent power producer which invests, develops, operates and manages power plants and invests, operates and manages coal mine projects in the more affluent regions with abundant coal resources in China.

As at 30 June 2010, CR Power has 46 power plants in commercial operation. The total attributable operational generation capacity of the company is 18,894 MW, with 42% located in Eastern China, 21% located in Southern China, 20% located in Central China, 12% located in Northern China, and 6% located in Northeastern China.

Corporate Structure





Chairman's Statement

Dear Shareholders

On behalf of the Board, I am pleased to present the interim results of the Group for the six months ended **30 June 2010**.



RESULTS HIGHLIGHTS

CR Power recorded a consolidated turnover of HK\$21,160 million for the six months ended 30 June 2010, representing an increase of 51.2% when compared with the same period last year. Profit attributable to shareholders of the Company increased by 8.5% to HK\$2,460 million from HK\$2,270 million for the same period last year.

Basic earnings per share was HK52.89 cents, an increase of 0.4% from HK52.69 cents for the same period last year. The Board has resolved to declare an interim dividend of HK6.0 cents per share.

REVIEW OF THE FIRST HALF OF 2010

As at 30 June 2010, we had 46 power plants in commercial operation with an attributable operational capacity of 18,894MW, representing an increase of 1,141MW or 6.4% from 17,753MW as at the end of 2009. In the first half of 2010, we commissioned two large coal-fired generation units, including a 600MW supercritical heat and power co-generation unit of Nanjing Thermal Power Plant and our first 1,000MW ultra-supercritical coal-fired generation unit of Xuzhou Power Plant Phase III. In addition, three new wind farms commenced commercial operation, including Shandong Penglai Xujiaji Wind Farm, Huilaiguanshan Wind Farm and Bayinxile Wind Farm, which collectively added a total of 131.87MW of new wind generation capacity.

In the first half of 2010, the total net generation from our subsidiary power plants amounted to 43.3 billion kWh, representing an increase of 37.6% from 31.5 billion kWh for the same period last year. The average utilization hours of our 23 coal-fired power plants, which were in full commercial operation for the first six months of 2009 and 2010, registered an increase of 322 hours to 2,935 hours from 2,613 hours recorded in the same period last year. During the same period, the average utilization hours of coal-fired power generation units across the country were 2,534 hours. The average utilization hours of our subsidiary power plants exceeded the national average by 401 hours.

In the first half of 2010, the unit fuel cost of our subsidiary power plants was RMB243.0/MWh, representing an increase of 19.8% as compared with RMB202.8/MWh for the same period last year, and an increase of 16.8% against the full year average of 2009. Average standard coal cost for our subsidiary power plants increased by 19.1% when compared with the same period last year, and increased by 17.6% if compared with the full year average of 2009.

During the first half of 2010, our coal mines located in Shanxi, Jiangsu, Henan and Hunan provinces produced a total of 4.7 million tonnes of coal, including 2.6 million tonnes of coal produced by the coal mines which we acquired in the second half of 2009 in the Lüliang District in Shanxi province which gradually resumed commercial productions in the first half of 2010.

In January 2010, we completed the issuance of 10-year corporate bonds in an aggregate amount of RMB3.8 billion in China, the proceeds of which was used for investment in power projects, repayment of bank loans and replenishment of working capital. This issuance of RMB-denominated corporate bond not only established new financing channels for the Company, but also locked in and reduced its long-term financing costs, whilst mitigating the impact of any potential interest rate hike.



As at 30 June 2010, total bank and other borrowings of the Company amounted to HK\$67.8 billion, an increase of 61.1% when compared with HK\$42.1 billion for the same period last year. In the first half of 2010, finance costs of the Company increased by 67.0% to HK\$1.25 billion when compared with HK\$750 million for the same period last year. Average interest rate increased to 4.80% from 4.54% for the same period last year.

PROSPECTS FOR THE SECOND HALF OF 2010

We believe that the power demand for the whole year of 2010 will exhibit a trend of “growing rapidly at first and stabilizing towards the end”, that is, the year-on-year increase of national power consumption will slow down in the second half of the year. China Electricity Council forecasts that the national power demand for the whole year of 2010 would increase by up to 12%. It is expected that our power plants will continue to register high utilization hours, which is substantially higher than the average utilization hours of national average utilisation hours for coal fired generation units.



At the end of June, the central government issued a notice restricting contracted coal price hikes. National coal price has hovered at a relatively stable level and showed a slightly downward trend since the end of June. Following the decline of coal price in the spot market, we expect that the fulfillment rate of contracted coal will increase correspondingly, which is also conducive to the stabilization and control of our coal cost in the second half of the year.

Our second 1,000MW ultra-supercritical generation unit of Xuzhou Power Plant Phase III commenced operation in early July. In addition, two wind farms with a total attributable capacity of 98MW also commenced commercial operations in July. As of 30 July, our attributable operational capacity in wind power amounted to 471MW. The attributable wind power capacity is expected to exceed 1,000MW by the end of the year.

Moreover, recently we have obtained approval from Chinese government to construct large coal-fired generation units in Hubei, Guangxi and Shandong provinces. We will continue to identify and develop new power projects that are in line with our business strategy in target markets, including large efficient coal-fired generation units and renewable energy and clean energy projects, in order to speed up our investment in China’s clean energy and renewable energy industries.

In the second half of 2010, whilst steadily pressing ahead with our external expansion, we will focus more on cultivating and developing our core competence, endeavor to promote streamlined management, and realize quality and sustainable growth. Building on the establishment of China Resources Coal Holdings Company Limited and China Resources New Energy Holdings Company Limited, we will continue to optimize our business structure and resources allocation, fully implement standardized and streamlined management, develop professional and prominent operational capabilities, and ensure the steady enhancement of earnings from coal-fired power operations. We will also expedite acquisition of quality coal resources and facilitate transformation of resources into benefits through management upgrades, and fully explore the new energy sector for strategic planning for CR Power's future development. In the process of business development, we will endeavor to adjust the Company's organizational structure and to reform and optimize its management and control approach, with an aim to consistently bolster the leadership of the management team, continually improve the Company's corporate governance, optimize its financial structure, strengthen risk prevention and control, and ensure business growth and safeguard its ever-thriving foundation with its core competence that keep advancing with times.

We have commenced the planning of CR Power's "12th five-year plan", and will carry out work on planning in a scientific and prudent manner. Adhering to our strategic development plan, we will keep ourselves abreast with times and lead the way into the future, striving to lay a solid foundation for the quality and sustainable growth of CR Power in the next five years.

With the trust and support from shareholders and various sectors of society, coupled with the concerted efforts of our team, we believe CR Power will achieve remarkable performance and reward its shareholders with fruitful results.

APPRECIATION

I would like to take this opportunity to thank the Directors, management team and staff members for their valuable contributions and dedications to the success of our Group. My gratitude also goes to our shareholders for their continuous support.

Yours sincerely,



Chairman of the Board
WANG SHUAI TING

Hong Kong, 23 August 2010



Management's Discussion and Analysis

BUSINESS REVIEW FOR THE FIRST HALF OF 2010

Growth of generation capacity

As at 30 June 2010, we had 46 power plants in commercial operation with a total attributable operational generation capacity of 18,894MW. As a comparison, our attributable operational generation capacity was 13,690MW and 17,753MW, respectively, as at 30 June 2009 and 31 December 2009.

As at 30 June 2010, coal-fired generation capacity amounted to 17,937MW, accounting for 94.9% of our total generation capacity. Wind, gas-fired and hydro capacity amounted to 374MW, 436MW and 147MW, respectively, and together accounting for 5.1% of our total generation capacity.

During the first half of 2010, we commissioned two large coal-fired generation units, a 600MW unit in Nanre Power Plant, and our first 1000MW ultra-supercritical unit of Xuzhou Power Plant Phase III. In addition, we commissioned three new wind farms, namely, Shandong Penglai Xujiaji Wind Farm, Bayinxile Wind Farm and Huilaiguanshan Wind Farm, which collectively added a total of 132MW 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 2010:

	Attributable operational generation capacity	
	MW	%
Eastern China	7,877	41.7
Southern China	4,004	21.2
Central China	3,695	19.6
Northern China	2,193	11.6
Northeastern China	1,125	5.9
Total	18,894	100.0

Generation volume

Total gross generation volume of our 46 operating power plants amounted to 70,223,751MWh in the first half of 2010, representing an increase of 40.8% from 49,870,688MWh in the first half of 2009. Total gross generation volume of our 37 consolidated operating power plants amounted to 46,410,386MWh in the first half of 2010, representing an increase of 37.9% from 33,665,662MWh in the first half of 2009.

Total net generation volume of our 46 operating power plants amounted to 65,681,662MWh in the first half of 2010, representing an increase of 40.9% from 46,605,132MWh in the first half of 2009. Total net generation volume of our 37 consolidated operating power plants amounted to 43,309,502MWh in the first half of 2010, representing an increase of 37.6% from 31,463,569MWh in the first half of 2009.

The increase in gross and net generation volume was primarily due to the growth of attributable operational generation capacity from 13,690MW as at 30 June 2009 to 18,894MW as at 30 June 2010.

For the 23 coal-fired power plants which were in commercial operation for the entire first half of 2009 and 2010, gross and net generation volume for the first half of 2010 increased by 9.9% and 10.0%, respectively, from the first half of 2009. The average full-load equivalent utilisation hours for the first half of 2010 of these 23 coal-fired power plants amounted to 2,935 hours, representing an increase of 12.3% from 2,613 hours for the first half of 2009.

Fuel costs

Average unit fuel cost for our consolidated operating power plants in the first half of 2010 was RMB243.0/MWh, representing an increase of 19.8% in comparison to the first half of 2009. Average standard coal cost for our consolidated operating power plants in the first half of 2010 increased by 19.1% in comparison to the first half of 2009.

Environmental expenses

For the six months ended 30 June 2010, environmental fees incurred by each of the subsidiaries were in the range from RMB0.1 million to RMB22.9 million. The total amount of environmental fees incurred by our subsidiaries was RMB90.5 million, as compared with RMB74.7 million for the six month period ended 30 June 2009. The increase in environmental expenses is mainly due to the increase in coal-fired generation capacity from 13,033MW as at 30 June 2009 to 17,937MW as at 30 June 2010, mitigated by the fact that two 200MW generation units in Jinzhou Power Plant ceased operations in the beginning of the year.

Development of coal mine operations

During the first half of 2010, our coal mine operations in Shanxi, Jiangsu, Henan and Hunan provinces produced a total of 4.7 million tonnes of coal (each mine counting on a 100% basis). The coal mines we acquired in the second half of 2009 in Lüliang District in Shanxi province gradually resumed commercial productions in the first half of 2010 and produced a total of 2.6 million tonnes of coal (each mine counting on a 100% basis).

In addition, Taiyuan China Resources Coal Co., Ltd ("CR Taiyuan") entered into 10 asset transfer agreements for consolidation and restructuring on 31 May 2010 with Shanxi Jinye Coal Coking Group Co., Ltd ("Jinye Group") in relation to the acquisitions of 10 entities under Jinye Group. These 10 entities include three coal mines, namely, Yuanxiang coal mine, Zhongshe coal mine and Hongyatou coal mine, and seven coal mine-related enterprises (comprising two coke plants, one coal washing plant, one coal gangue power plant, one transportation company, one railway dispatching station, and one chemical plant). The primary product of these three coal mines is coking coal, and their total reserve and recoverable reserve are approximately 457 million tonnes and 255 million tonnes, respectively.

CR Taiyuan has a registered capital of RMB4 billion. Shanxi CR Liansheng Energy Investment Co., Ltd, ("Shanxi CR Liansheng"), CITIC Trust Co., Ltd, and Jinye Group owns 49%, 31% and 20% of the equity interest in CR Taiyuan, respectively. Shanxi CR Liansheng is an indirect subsidiary of the Company. Shenzhen Nanguo Energy Co., Ltd ("Shenzhen Nanguo"), a wholly-owned subsidiary of the Company, has an option to purchase the 31% equity interest held by CITIC Trust Co., Ltd.

Shanxi China Resources Coal Co., Ltd ("Shanxi CR Coal") is in the process of acquiring 18 coal mines located in the Gujiao district, Taiyuan, Shanxi province. Shanxi CR Coal has entered into agreements to acquire 10 of these 18 coal mines. It is anticipated that the acquisition of the remaining 8 coal mines will be completed by the end of 2010. Pursuant to the provisions issued by the Shanxi government, the operations of these 18 coal mines will be consolidated into, and operated as, 10 coal mines. These 18 coal mines produce mainly coking coal and meager lean coal, and their total reserve and recoverable reserve are approximately 143.0 million tonnes and 71.6 million tonnes, respectively. Shanxi CR Coal has a registered capital of RMB0.8 billion. Shanxi CR Liansheng and CITIC Trust Co., Ltd. each owns a 50% equity interest in Shanxi CR Coal. Shenzhen Nanguo has an option to purchase the 50% equity interest held by CITIC Trust Co., Ltd.



PROSPECTS FOR THE SECOND HALF OF 2010

As electricity demand in the second half of 2009 registered very strong year-on-year growth compared to the first half of 2009, we expect that year-on-year power consumption growth in China in the second half of the year will slow down. However, the China Electricity Council still forecasts a full year power consumption growth of 2010 to be approximately 12%.

We expect coal prices to remain relatively stable for most of the second half of 2010 and as coal production volume growth continues to outpace power consumption growth, we expect that coal prices may show signs of decrease in the second half of the year. Depending on the pace of economic development in the PRC and seasonal factors, coal prices may show more fluctuations towards the end of the year.

We commissioned our second 1,000MW ultra-supercritical unit in our Xuzhou Power Plant Phase III in early July. We also commissioned a total of two wind farms with 98MW of generation capacity in July. We expect to commission more wind farms in the second half of this year and increase our total wind generation capacity to approximately 1,000MW by the end of this year.

We have also obtained approval from the Chinese government for the construction of a number of large scale coal-fired generation units in Hubei, Guangxi and Henan. In our target markets, we will continue to identify and develop new power projects in line with our business strategies, including both large-scale, efficient coal-fired generation units as well as renewable and clean energy projects, with an aim to speed up our investment in the clean and renewable energy sectors in the country.

In addition, we will continue to develop our coal mine projects in the PRC in order to secure our long-term fuel supply at competitive costs. We aim to increase the production volume from our coal mines, especially the production volume of our coal mines in Shanxi province which we acquired in the second half of last year and first half of this year. We continue to identify and secure quality coal reserves in the country and aim to increase the total coal resources which we control in the country.

In August 2010, we completed an issuance of US\$500 million five-year corporate bond. We will continue to identify and widen our funding channels with an aim to secure long-term low cost capital to support our business development, stabilize our capital structure and enhance our profitability. We will 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.

OPERATING RESULTS

The results of operations for the six months ended 30 June 2010, 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 2010	30 June 2009
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Turnover	21,161,937	13,992,295
Operating expenses		
Fuel	(12,348,459)	(7,545,897)
Repair and maintenance	(288,650)	(254,356)
Depreciation and amortisation	(1,958,568)	(1,439,606)
Others	(2,792,173)	(1,723,702)
Total operating expenses	(17,387,850)	(10,963,561)
Other income	253,275	95,787
Profit from operations	4,027,362	3,124,521
Fair value gain on derivative financial instruments	40,294	20,662
Finance costs	(1,252,061)	(749,812)
Share of results of associates	408,096	338,411
Share of results of jointly controlled entities	(8,879)	—
Profit before taxation	3,214,812	2,733,782
Taxation	(334,485)	(148,332)
Profit for the period	2,880,327	2,585,450
Profit for the period attributable to:		
Owners of the Company	2,459,835	2,268,010
Non-controlling interests	420,492	317,440
	2,880,327	2,585,450
Earnings per share		
– basic (HK cents)	52.89	52.69
– diluted (HK cents)	52.03	51.41

Condensed consolidated statement of comprehensive income

	For the six months ended	
	30 June 2010 HK\$'000 (unaudited)	30 June 2009 HK\$'000 (unaudited)
Profit for the period	2,880,327	2,585,450
Other comprehensive income and expense:		
Exchange differences from translation	332,526	(50,927)
Share of changes in translation reserve of associates	107,770	(5,754)
Fair value change on cash flow hedges	(84,035)	39,689
Other comprehensive income and expense for the period	356,261	(16,992)
Total comprehensive income for the period	3,236,588	2,568,458
Total comprehensive income for the period attributable to:		
— owners of the Company	2,743,875	2,251,893
— non-controlling interests	492,713	316,565
	3,236,588	2,568,458

Condensed consolidated statement of financial position

	As at 30 June 2010 HK\$'000 (unaudited)	As at 31 December 2009 HK\$'000 (audited)
Non-current assets		
Property, plant and equipment	74,765,361	71,552,710
Prepaid lease payments	1,644,092	1,486,211
Mining rights	7,864,073	188,213
Exploration and resources rights	249,184	355,468
Interests in associates	12,694,982	9,107,332
Interests in jointly controlled entities	593,485	—
Goodwill	3,796,731	3,756,835
Investments in investee companies	1,070,072	201,053
Deposit paid for acquisition of subsidiaries	—	1,657,899
Deposit paid for acquisition of additional interest in a subsidiary	20,611	134,390
Deposit paid for establishment of an associate	77,942	77,942
Deposit paid for acquisition of property, plant and equipment	1,231,045	1,076,532
Deposit paid for acquisition of mining/exploration rights	4,095,796	10,023,947
Deposit paid for land use rights	201,592	161,305
Pledged bank deposits	—	37,218
Deferred taxation assets	106,747	111,086
	108,411,713	99,928,141
Current assets		
Inventories	2,170,260	1,431,955
Trade receivables, other receivables and prepayments	10,179,339	8,288,090
Amounts due from non-controlling shareholders of subsidiaries	114,840	3,023
Loan to an associate	2,561,966	—
Loan to a jointly controlled entity	1,148,400	—
Amounts due from associates	212,022	931,621
Amounts due from jointly controlled entities	182,757	—
Amounts due from group companies	175,645	164,790
Financial assets at fair value through profit or loss	6,601	5,844
Restricted bank balances	57,305	1,503,229
Pledged bank deposits	3,445	407,306
Bank balances and cash	6,639,656	6,261,931
	23,452,236	18,997,789



	As at 30 June 2010 HK\$'000 (unaudited)	As at 31 December 2009 HK\$'000 (audited)
Current liabilities		
Trade payables, other payables and accruals	14,010,740	12,763,230
Amounts due to associates	993,373	3,249,297
Amounts due to group companies	765	2,002
Amounts due to non-controlling shareholders of subsidiaries	1,079,182	167,384
Taxation payable	166,385	62,298
Bank and other borrowings - repayable within one year	18,161,835	23,494,165
Derivative financial instruments	—	17,467
	34,412,280	39,755,843
Net current liabilities	(10,960,044)	(20,758,054)
Total assets less current liabilities	97,451,669	79,170,087
Non-current liabilities		
Bank and other borrowings - repayable after one year	45,286,832	32,990,302
Accrued retirement benefit cost	306,587	294,337
Derivative financial instruments	377,291	316,083
Deferred taxation liabilities	471,506	413,983
Corporate bonds	4,363,920	—
	50,806,136	34,014,705
	46,645,533	45,155,382
Capital and reserves		
Share capital	4,702,478	4,683,431
Share premium and reserves	34,290,319	32,910,548
	38,992,797	37,593,979
Non-controlling interests	7,652,736	7,561,403
	46,645,533	45,155,382

Overview

For the six months ended 30 June 2010, our net profit increased by 8.5% to HK\$2,459.8 million from HK\$2,268.0 million for the same period last year. Our turnover increased by 51.2% from HK\$13,992.3 million for the first half of 2009 to HK\$21,161.9 million for the first half of 2010.

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

- Significant increase in turnover — Turnover in the first half of 2010 increased by 51.2%, mainly as a result of a 37.6% increase in net generation volume of our 37 consolidated operating power plants and an increase of coal production volume by our consolidated coal mines; and
- Increase in profit contribution from our coal mining division — Profit contribution from our coal mining division in the first half of 2010 amounted to HK\$846.3 million (before deducting corporate expenses and other overheads at the holding company level), increased by approximately HK\$761.8 million or 901.5% from the first half of 2009.

This is partly offset by the following:

- Significant increase in fuel costs for our coal-fired power plants — Fuel costs for the first half of 2010 amounted to HK\$12,348.5 million, increased by 63.6% from HK\$7,545.9 million for the first half of 2009. Average unit fuel cost for our consolidated operating power plants in the first half of 2010 was RMB243.0/MWh, showing an increase of 19.8% compared to the first half of 2009. Average standard coal cost for our consolidated operating power plants in the first half of 2010 increased by 19.1% compared to the first half of 2009; and
- Significant increase in finance costs — Total bank and other borrowings and corporate bonds as at 30 June 2010 amounted to HK\$67,812.6 million, representing an increase of HK\$25,725.4 million or 61.1% in comparison with HK\$42,087.2 million as at 30 June 2009. Finance costs charged to the income statement for the first half of 2010 was HK\$1,252.1 million, increased by HK\$502.3 million or 67.0% as compared with HK\$749.8 million for the first half of 2009.

Basis of preparation of the condensed consolidated financial statements

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 (the "Listing Rules") and with Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Group had net current liabilities as at 30 June 2010. The directors of the Company (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. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

Principal accounting policies

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

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 2009 except as described below.

During the current interim period, the Group has entered into joint venture arrangements and accordingly has adopted the following accounting policy.

Joint ventures

Joint venture arrangements that involve the establishment of a separate entity in which the venturers have joint control over the economic activity of the entity are referred to as jointly controlled entity.

The results and assets and liabilities of jointly controlled entity are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investment in jointly controlled entity is carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the jointly controlled entity, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and separate financial statements
HKAS 39 (Amendment)	Eligible hedged items
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions
HKFRS 3 (Revised)	Business combinations
HK(IFRIC) - INT 17	Distributions of non-cash assets to owners

Except as described below, the application of these new and revised HKFRSs had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

HKFRS 3 (Revised 2008) "Business combinations"

HKFRS 3 (Revised 2008) "Business combinations" has been applied prospectively from 1 January 2010. Its application has affected the accounting for the acquisition of Hunan Coal Mining Group Tang Dong Coal Ltd. ("Tang Dong Coal") in the current period.

HKFRS 3 (Revised 2008) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as minority interests). In the current period, in accounting for the acquisition of Tang Dong Coal, the Group has elected to measure the non-controlling interests at fair value of the identifiable assets acquired and the liabilities assumed.

HKAS 27 (Revised 2008) "Consolidated and separate financial statements"

The application of HKAS 27 (Revised 2008) has resulted in changes in the Group's accounting policies regarding increases or decreases in ownership interests in subsidiaries of the Group. In prior years, in the absence of specific requirements in HKFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. The impact of decreases in interests in subsidiaries that did not involve loss of control (being the difference between the consideration received and the carrying amount of the share of net assets disposed of) was recognised in profit or loss. Under HKAS 27 (Revised 2008), all increases or decreases in such interests are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised standard requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date the control is lost. A gain or loss on loss of control is recognised in profit or loss as the difference between the proceeds, if any, and these adjustments.

In respect of the acquisitions during the period of additional interest in China Resources Power (Tongshan) Co., Ltd, Guangzhou China Resources Thermal Power Co., Ltd, Shanxi CR Liansheng and China Resources (Jiaozuo) Thermal Power Co., Ltd, the impact of the change in policy has been that the difference of HK\$51,038,000 between the consideration paid and the decrease in the carrying amount of the non-controlling interests has been recognised directly in equity. In addition, the aggregate cash consideration of HK\$470,326,000 paid during the period to the non-controlling shareholders of Guangzhou China Resources Thermal Power Co., Ltd, Shanxi CR Liansheng and China Resources (Jiaozuo) Thermal Power Co., Ltd is presented as cash flow used in financing activities. Had the previous accounting policy been applied, the cash consideration would have been presented as cash flow used in investing activities. The total consideration for the acquisition of the additional interest in the three companies is HK\$604,716,000 in which HK\$134,390,000 was paid as at 31 December 2009 which was presented as deposits paid for acquisition of additional interest in subsidiaries on the condensed consolidated statement of financial position. The additional interest in China Resources Power (Tongshan) Co., Ltd was acquired when the Group acquired a subsidiary.

The Group has not early applied new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The Directors anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

**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 businesses is presented below.

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

For the six months ended 30 June 2009

	Sales of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue				
External sales	13,558,449	433,846	—	13,992,295
Inter-segment sales	—	48,564	(48,564)	—
Total	13,558,449	482,410	(48,564)	13,992,295
Segment profit	3,097,434	84,482	—	3,181,916
Unallocated corporate expenses				(93,945)
Interest income				36,550
Fair value gain on derivative financial instruments				20,662
Finance costs				(749,812)
Share of results of associates				338,411
Profit before taxation				2,733,782

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 2010 was HK\$21,161.9 million, representing a 51.2% increase from HK\$13,992.3 million for the six months ended 30 June 2009. 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 37 consolidated operating power plants amounted to 43,309,502MWh in the first half of 2010, representing an increase of 37.6% from 31,463,569MWh in the first half of 2009; and
- (2) increase in turnover from the coal mining division. During the first half of 2010, our consolidated coal mines (including coal mines located in Shanxi, Jiangsu and Hunan) produced a total of 4.1 million tonnes of coal, as compared to 1.3 million tonnes for the first half of 2009. As a result, turnover from the coal mining division increased from HK\$433.8 million (excluding inter-segment sales) to HK\$1,976.0 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\$17,387.9 million for the six months ended 30 June 2010, representing a 58.6% or HK\$6,424.3 million increase from HK\$10,963.6 million for the six months ended 30 June 2009.

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 2010 amounted to HK\$12,348.5 million, representing an increase of 63.6% or HK\$4,802.6 million from HK\$7,545.9 million for the six months ended 30 June 2009.

Average unit fuel cost for our consolidated operating power plants in the first half of 2010 was RMB243.0/MWh, representing an increase of 19.8% in comparison to the first half of 2009. Average standard coal cost for our consolidated operating power plants in the first half of 2010 increased by 19.1% in comparison to the first half of 2009. Fuel costs accounted for approximately 71.0% of the total operating expenses for the first half of 2010, compared with 68.8% for the first half of 2009.

Depreciation and amortisation increased from HK\$1,439.6 million for the first half of 2009 to HK\$1,958.6 million for the first half of 2010, representing an increase of HK\$519.0 million or 36.1%. This is mainly due to the fact that our total attributable operational generation capacity increased to 18,894MW as at 30 June 2010 from 13,690MW as at 30 June 2009.

Other operating expenses increased from 1,723.7 million for the first half of 2009 to HK\$2,792.2 million for the first half of 2010. 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. 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\$335.5 million in the first half of 2010.

Other income

Other income amounted to HK\$253.3 million for the six months ended 30 June 2010, representing a 164.4% increase from HK\$95.8 million for the first half of 2009. Other income for the first half of 2010 mainly comprises interest income on bank balances, income from disposal of fixed assets, exchange gain from translation and government grants. The increase in other income is mainly due to a significant increase in interest income in the first 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\$4,027.4 million for the six months ended 30 June 2010, representing a 28.9% increase from HK\$3,124.5 million for the six months ended 30 June 2009. The increase is mainly due to the increase in profit contribution from the coal mining division as well as increase in our operational 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 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. Change in fair value of interest rate swaps for ineffective portion amounting to HK\$40.3 million was recognised in profit and loss in the current period.

Finance costs

Finance costs amounted to HK\$1,252.1 million for the six months ended 30 June 2010, representing a 67.0% increase from HK\$749.8 million for the six months ended 30 June 2009.

Total bank and other borrowings and corporate bonds as at 30 June 2010 amounted to HK\$67,812.6 million, representing an increase of HK\$25,725.4 million or 61.1% as compared with HK\$42,087.2 million as at 30 June 2009.

Average interest rate (including capitalised interest expenses) for the Group increased to 4.80% in the first half of 2010 from 4.54% in the first half of 2009.

	For the six months ended	
	30 June 2010 HK\$'000	30 June 2009 HK\$'000
Interest on bank and other borrowings		
– repayable within five years	1,144,097	555,889
– not repayable within five years	257,376	348,696
Interest on corporate bonds	89,503	—
	1,490,976	904,585
Less: Interest capitalised in property, plant and equipment	(238,915)	(154,773)
	1,252,061	749,812

Share of results of associates

Share of results of associates in the first half of 2010 amounted to HK\$408.1 million, representing a 20.6% increase compared to HK\$338.4 million in the first half of 2009. The increase is mainly due to an increase in share of results from associate power plants under China Resources Power (Jiangsu) Investment Company Limited, namely Zhenjiang Power Plant, Changzhou Power Plant and Shazhou Power Plant, the acquisition of which was completed in the second half of 2009, offset by a decrease in profitability of Yangzhou Power Plant and loss incurred by CR Taiyuan.

Taxation

Taxation charge for the first half of 2010 was HK\$334.5 million, representing a 125.6% increase from HK\$148.3 million for the first half of 2009. The increase in PRC enterprise income tax is mainly related to tax paid by Shanxi CR Liansheng and Tianneng. As Shanxi CR Liansheng commenced production and increased production volume and both Shanxi CR Liansheng and Tianneng benefited from rising coal prices in the country, the increase in profitability resulted in higher PRC enterprise income tax payable. Our coal mining operations pay a standard tax rate of 25%. Details of the taxation charge for the six months ended 30 June 2009 and 2010 are set out below:

	For the six months ended	
	30 June 2010	30 June 2009
	HK\$'000	HK\$'000
The Company and its subsidiaries		
Current tax - PRC Enterprise Income Tax	315,153	128,713
Deferred taxation	19,332	19,619
	334,485	148,332

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 2010	30 June 2009
	HK\$'000	HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	1,863,580	1,417,216
Less: Depreciation of property, plant and equipment capitalised in construction in progress	—	(4,072)
	1,863,580	1,413,144
Amortisation of prepaid lease payments	29,955	22,030
Amortisation of mining rights	65,033	4,432
Total depreciation and amortisation	1,958,568	1,439,606
and after crediting:		
Interest income	130,591	36,550



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 2010 increased to HK\$2,459.8 million, representing an 8.5% increase compared to HK\$2,268.0 million for the first half of 2009.

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 2010 HK\$'000	30 June 2009 HK\$'000
Profit attributable to owners of the Company	2,459,835	2,268,010

	Number of ordinary shares	
	1 January 2010 to 30 June 2010	1 January 2009 to 30 June 2009
Weighted average number of ordinary shares for the purposes of basic earnings per share	4,650,635,367	4,304,295,133
Effect of dilutive potential ordinary shares:		
– share options	77,263,077	107,411,323
Weighted average number of ordinary shares for the purposes of diluted earnings per share	4,727,898,444	4,411,706,456

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the period from 1 January 2009 to 30 June 2009 has been adjusted to reflect the rights issue of shares completed in July 2009.

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 2010 (2009: HK6 cents per share).

The interim dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company on Friday, 24 September 2010. The register of members of the Company will be closed from Monday, 20 September 2010 to Friday, 24 September 2010 (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, 17 September 2010. The dividend will be payable on or about 11 October 2010.

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\$10,960.0 million as at 30 June 2010. 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 2010 denominated in local currency and foreign currencies amounted to HK\$883.4 million, RMB4,889.3 million and US\$18.2 million, respectively.

The bank and other borrowings of the Group as at 31 December 2009 and 30 June 2010 were as follows:

	As at 30 June 2010 HK\$'000	As at 31 December 2009 HK\$'000
Secured bank loans	3,383,968	6,159,953
Unsecured bank loans	60,057,303	49,863,124
Other loans	7,396	461,390
	63,448,667	56,484,467

The maturity profile of the above loans is as follows:

	As at 30 June 2010 HK\$'000	As at 31 December 2009 HK\$'000
Within 1 year	18,161,835	23,494,165
More than 1 year, but not exceeding 2 years	26,685,014	9,578,244
More than 2 years, but not exceeding 5 years	9,880,787	17,163,792
More than 5 years	8,721,031	6,248,266
	63,448,667	56,484,467

The bank and other borrowings as at 30 June 2010 denominated in local currency and foreign currency amounted to HK\$12,257.8 million, RMB43,235.5 million and US\$197.3 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 2010, loans of HK\$6,619,000,000 which were provided using floating rates were swapped to fixed interest rates at a range from 2.075% to 4.520% per annum.

In January 2010, China Resources Power Investment Co., Ltd., a wholly owned subsidiary of the Company, issued RMB3.8 billion ten-year corporate bonds ("Corporate Bonds"). The Corporate Bonds are divided into two tranches: 5+5 years and 7+3 years, with investors' put option and issuer's coupon adjustment option at the end of 5 and 7 years, respectively. The 5+5 tranche is RMB3.3 billion and has a coupon of 4.70% in the first 5 years. The 7+3 tranche is RMB0.5 billion and has a coupon of 4.95% in the first 7 years. Coupons are paid annually with no amortization during the life of the Corporate Bonds.

As at 30 June 2010, the Group's ratio of net debt to shareholders' equity was 156.9%. 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 2010, the Group's primary sources of funding included loans provided by the PRC domestic commercial banks, net cash inflow from operating activities, proceeds from the issuance of corporate bonds, release of restricted bank balances and advances from non-controlling interests, which amounted to HK\$21,188.0 million, HK\$4,944.2 million, HK\$4,315.8 million, HK\$1,446.3 million and HK\$909.7 million, respectively. The Group's funds were primarily used in repayment of short-term bank borrowings, purchase and deposit paid for acquisition of property, plant and equipment, repayment to associates, capital contribution to associates, loan advanced to associates, payment of dividend, payment of interest, and loan advanced to jointly controlled entities, which amounted to HK\$14,774.0 million, HK\$5,136.8 million, HK\$2,748.3 million, HK\$2,472.7 million, HK\$1,694.3 million, HK\$1,504.0 million, HK\$1,338.3 million and HK\$1,324.7 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 2010 HK\$'000	As at 31 December 2009 HK\$'000
0 - 30 days	5,224,302	5,010,516
31 - 60 days	280,635	90,186
Over 60 days	203,503	86,344
	5,708,440	5,187,046

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 2010 HK\$'000	As at 31 December 2009 HK\$'000
0 - 30 days	3,009,051	1,674,656
31 - 60 days	468,613	584,550
Over 60 days	459,001	259,613
	3,936,665	2,518,819

Key financial ratios of the Group

	As at 30 June 2010	As at 31 December 2009
Current ratio (times)	0.68	0.48
Quick ratio (times)	0.62	0.44
Net debt to shareholders' equity (%)	156.9	133.6
EBITDA interest coverage (times)	4.31	5.01

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 2010, the Group had HK\$883.4 million and US\$18.2 million cash at bank, and HK\$12,257.8 million and US\$197.3 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 2010.

Employees

As at 30 June 2010, the Group had approximately 24,700 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 restricted share award scheme in order to attract and retain the best available personnel and to provide additional incentives to employees.

Report on Review of Interim Financial Information

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED

華潤電子控股有限公司

Introduction

We have reviewed the interim financial information set out on pages 32 to 56 which comprises the condensed consolidated statement of financial position of China Resources Power Holdings Company Limited (the “Company”) as of 30 June 2010 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong
23 August 2010

Condensed Consolidated Income Statement

For the six months ended 30 June 2010

	NOTES	1.1.2010 to 30.6.2010 HK\$'000 (unaudited)	1.1.2009 to 30.6.2009 HK\$'000 (unaudited)
Turnover	3	21,161,937	13,992,295
Operating expenses			
Fuel		(12,348,459)	(7,545,897)
Repairs and maintenance		(288,650)	(254,356)
Depreciation and amortisation		(1,958,568)	(1,439,606)
Others		(2,792,173)	(1,723,702)
Total operating expenses		(17,387,850)	(10,963,561)
Other income		253,275	95,787
Profit from operations		4,027,362	3,124,521
Fair value gain on derivative financial instruments	14	40,294	20,662
Finance costs	4	(1,252,061)	(749,812)
Share of results of associates		408,096	338,411
Share of results of joint controlled entities		(8,879)	—
Profit before taxation		3,214,812	2,733,782
Taxation	5	(334,485)	(148,332)
Profit for the period	6	2,880,327	2,585,450
Profit for the period attributable to:			
Owners of the Company		2,459,835	2,268,010
Non-controlling interests		420,492	317,440
		2,880,327	2,585,450
Earnings per share	8		
– basic (HK cents)		52.89	52.69
– diluted (HK cents)		52.03	51.41

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2010

	1.1.2010 to 30.6.2010 HK\$'000 (unaudited)	1.1.2009 to 30.6.2009 HK\$'000 (unaudited)
Profit for the period	2,880,327	2,585,450
Other comprehensive income and expense:		
Exchange differences from translation	332,526	(50,927)
Share of changes in translation reserve of associates	107,770	(5,754)
Fair value change on cash flow hedges	(84,035)	39,689
Other comprehensive income and expense for the period	356,261	(16,992)
Total comprehensive income for the period	3,236,588	2,568,458
Total comprehensive income for the period attributable to:		
Owners of the Company	2,743,875	2,251,893
Non-controlling interests	492,713	316,565
	3,236,588	2,568,458

Condensed Consolidated Statement of Financial Position

At 30 June 2010

	NOTES	30.6.2010 HK\$'000 (unaudited)	31.12.2009 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	9	74,765,361	71,552,710
Prepaid lease payments		1,644,092	1,486,211
Mining rights	9	7,864,073	188,213
Exploration and resources rights		249,184	355,468
Interests in associates	10	12,694,982	9,107,332
Interests in joint controlled entities	11	593,485	—
Goodwill		3,796,731	3,756,835
Investments in investee companies	12	1,070,072	201,053
Deposit paid for acquisition of subsidiaries	13	—	1,657,899
Deposit paid for acquisition of additional interest in subsidiaries		20,611	134,390
Deposit paid for establishment of an associate		77,942	77,942
Deposit paid for acquisition of property, plant and equipment		1,231,045	1,076,532
Deposit paid for acquisition of mining/exploration rights		4,095,796	10,023,947
Deposit paid for land use rights		201,592	161,305
Pledged bank deposits		—	37,218
Deferred taxation assets		106,747	111,086
		108,411,713	99,928,141
Current assets			
Inventories		2,170,260	1,431,955
Trade receivables, other receivables and prepayments	14	10,179,339	8,288,090
Amounts due from non-controlling shareholders of subsidiaries		114,840	3,023
Loan to an associate	15	2,561,966	—
Loan to a jointly controlled entity	15	1,148,400	—
Amounts due from associates		212,022	931,621
Amount due from jointly controlled entities		182,757	—
Amounts due from group companies		175,645	164,790
Financial assets at fair value through profit or loss		6,601	5,844
Restricted bank balances		57,305	1,503,229
Pledged bank deposits		3,445	407,306
Bank balances and cash		6,639,656	6,261,931
		23,452,236	18,997,789
Current liabilities			
Trade payables, other payables and accruals	16	14,010,740	12,763,230
Amounts due to associates		993,373	3,249,297
Amounts due to group companies		765	2,002
Amounts due to non-controlling shareholders of subsidiaries		1,079,182	167,384
Taxation payable		166,385	62,298
Bank and other borrowings - repayable within one year	17	18,161,835	23,494,165
Derivative financial instruments	18	—	17,467
		34,412,280	39,755,843
Net current liabilities		(10,960,044)	(20,758,054)
Total assets less current liabilities		97,451,669	79,170,087

	NOTES	30.6.2010 HK\$'000 (unaudited)	31.12.2009 HK\$'000 (audited)
Non-current liabilities			
Bank and other borrowings - repayable after one year	17	45,286,832	32,990,302
Accrued retirement benefit cost		306,587	294,337
Derivative financial instruments	18	377,291	316,083
Deferred taxation liabilities		471,506	413,983
Corporate bonds	19	4,363,920	—
		50,806,136	34,014,705
		46,645,533	45,155,382
Capital and reserves			
Share capital	20	4,702,478	4,683,431
Share premium and reserves		34,290,319	32,910,548
		38,992,797	37,593,979
Non-controlling interests			
		7,652,736	7,561,403
		46,645,533	45,155,382

The condensed consolidated financial statements on pages 32 to 56 were approved by the Board of Directors and authorised for issue on 23 August 2010 and are signed on its behalf by:

WANG SHUAI TING
DIRECTOR

WANG XIAO BIN
DIRECTOR

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2010

	Attributable to the owners of the Company												
	Share capital HK\$'000	Share premium HK\$'000	General reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Shares held for share award scheme HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Hedging reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2009	4,212,797	10,731,749	536,565	40,782	25,594	(155,340)	3,313,389	355,213	(369,734)	8,524,090	27,215,105	2,945,758	30,160,863
Exchange differences arising from translation	—	—	—	—	—	—	(37,936)	—	—	—	(37,936)	(5,616)	(43,552)
Share of changes in translation reserve of associates	—	—	—	—	—	—	(5,087)	—	—	—	(5,087)	—	(5,087)
Fair value change on cash flow hedges	—	—	—	—	—	—	—	—	60,223	—	60,223	—	60,223
Profit for the year	—	—	—	—	—	—	—	—	—	5,317,392	5,317,392	720,233	6,037,625
Total comprehensive income for the year	—	—	—	—	—	—	(43,023)	—	60,223	5,317,392	5,334,592	714,617	6,049,209
Rights issue of shares at a price of HK\$14.00 per rights share	424,337	5,516,384	—	—	—	—	—	—	—	—	5,940,721	—	5,940,721
Shares issued upon exercise of options	46,297	149,342	—	—	—	—	—	—	—	—	195,639	—	195,639
Recognition of equity settled share based payments	—	—	—	—	—	—	—	53,587	—	—	53,587	—	53,587
Transfer of share option reserve on exercise of share options	—	89,673	—	—	—	—	—	(89,673)	—	—	—	—	—
Purchase of shares under share award scheme	—	—	—	—	—	(526,160)	—	—	—	—	(526,160)	—	(526,160)
Capital contribution by non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	2,851,479	2,851,479
Dividends paid to non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	(191,420)	(191,420)
Acquisition of additional interests in subsidiaries	—	—	—	—	—	—	—	—	—	—	—	(172,283)	(172,283)
Acquired on acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	1,413,252	1,413,252
Dividends paid	—	—	—	—	—	—	—	—	—	(619,505)	(619,505)	—	(619,505)
Transfer of reserves	—	—	450,476	—	—	—	—	—	—	(450,476)	—	—	—
Transfer (Note a)	—	—	—	—	14,094	—	—	—	—	(14,094)	—	—	—
Transfer upon utilisation (Note b)	—	—	—	—	(4,439)	—	—	—	—	4,439	—	—	—
At 31 December 2009	4,683,431	16,487,148	987,041	40,782	35,249	(681,500)	3,270,366	319,127	(309,511)	12,761,846	37,593,979	7,561,403	45,155,382

	Attributable to the owners of the Company												
	Share capital HK\$'000	Share premium HK\$'000	General reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Shares held for share award scheme HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Hedging reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
Exchange differences from translation	–	–	–	–	–	–	260,305	–	–	–	260,305	72,221	332,526
Share of changes in translation reserve of associates	–	–	–	–	–	–	107,770	–	–	–	107,770	–	107,770
Fair value change on cash flow hedges	–	–	–	–	–	–	–	–	(84,035)	–	(84,035)	–	(84,035)
Profit for the period	–	–	–	–	–	–	–	–	–	2,459,835	2,459,835	420,492	2,880,327
Total comprehensive income for the period	–	–	–	–	–	–	368,075	–	(84,035)	2,459,835	2,743,875	492,713	3,236,588
Shares issued upon exercise of options	19,047	61,043	–	–	–	–	–	–	–	–	80,090	–	80,090
Recognition of equity settled share based payments	–	–	–	–	–	–	–	16,377	–	–	16,377	–	16,377
Transfer of share option reserve on exercise of share options	–	33,641	–	–	–	–	–	(33,641)	–	–	–	–	–
Acquisition of a subsidiary (Note 22)	–	–	–	–	–	–	–	–	–	–	–	26,513	26,513
Acquisition of additional interests in subsidiaries (Note 2)	–	–	–	–	(2,285)	–	–	–	–	–	(2,285)	(602,431)	(604,716)
Acquisition of assets (Note 23(b))	–	–	–	–	–	–	–	–	–	–	–	196,459	196,459
Acquisition of additional interest in a subsidiary and acquisition of a subsidiary (Note 23(c))	–	–	–	–	(48,753)	–	–	–	–	–	(48,753)	143,771	95,018
Capital contribution by non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	85,318	85,318
Share of changes in capital reserves of an associate	–	–	–	–	113,493	–	–	–	–	–	113,493	150,436	263,929
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(401,446)	(401,446)
Dividends paid (note 7)	–	–	–	–	–	–	–	–	–	(1,503,979)	(1,503,979)	–	(1,503,979)
Transfer of reserves	–	–	118,862	–	–	–	–	–	–	(118,862)	–	–	–
Transfer (Note a)	–	–	–	–	94,738	–	–	–	–	(94,738)	–	–	–
Transfer upon utilisation (Note b)	–	–	–	–	(42,565)	–	–	–	–	42,565	–	–	–
At 30 June 2010	4,702,478	16,581,832	1,105,903	40,782	149,877	(681,500)	3,638,441	301,863	(393,546)	13,546,667	38,992,797	7,652,736	46,645,533

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2010

	Attributable to the owners of the Company												
	Share capital HK\$'000	Share premium HK\$'000	General reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Shares held for share award scheme HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Hedging reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2009	4,212,797	10,731,749	536,565	40,782	25,594	(155,340)	3,313,389	355,213	(369,734)	8,524,090	27,215,105	2,945,758	30,160,863
Exchange differences from translation	–	–	–	–	–	–	(50,052)	–	–	–	(50,052)	(875)	(50,927)
Share of changes in translation reserve of associates	–	–	–	–	–	–	(5,754)	–	–	–	(5,754)	–	(5,754)
Fair value change on cash flow hedges	–	–	–	–	–	–	–	–	39,689	–	39,689	–	39,689
Profit for the period	–	–	–	–	–	–	–	–	–	2,268,010	2,268,010	317,440	2,585,450
Total comprehensive income for the period	–	–	–	–	–	–	(55,806)	–	39,689	2,268,010	2,251,893	316,565	2,568,458
Shares issued upon exercise of options	30,577	95,619	–	–	–	–	–	–	–	–	126,196	–	126,196
Recognition of equity settled share based payments	–	–	–	–	–	–	–	30,675	–	–	30,675	–	30,675
Transfer of share option reserve on exercise of share options	–	57,566	–	–	–	–	–	(57,566)	–	–	–	–	–
Purchase of shares under share award scheme	–	–	–	–	–	(43,465)	–	–	–	–	(43,465)	–	(43,465)
Capital contribution by non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	395,740	395,740
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(106,660)	(106,660)
Dividends paid (note 7)	–	–	–	–	–	–	–	–	–	(339,039)	(339,039)	–	(339,039)
Transfer of reserves	–	–	83,491	–	–	–	–	–	–	(83,491)	–	–	–
Transfer (Note a)	–	–	–	–	5,486	–	–	–	–	(5,486)	–	–	–
Transfer upon utilisation (Note b)	–	–	–	–	(2,522)	–	–	–	–	2,522	–	–	–
At 30 June 2009	4,243,374	10,884,934	620,056	40,782	28,558	(198,805)	3,257,583	328,322	(330,045)	10,366,606	29,241,365	3,551,403	32,792,768

Notes:

- (a) Pursuant to regulations in the People's Republic of China ("PRC") relating to the mining industry, the Group is required to transfer an amount as safety fund to a capital reserve account and such amount is calculated based on the volume of coal ore extracted each year and at the applicable rate per tonne of coal ore. The utilisation of the amount in the capital reserve account will be subjected to the rules in the PRC Companies Law and is not available for distribution to shareholders.
- (b) During the period ended 30 June 2010, amount totalling HK\$42,565,000 (1 January 2009 to 30 June 2009: HK\$2,522,000) has been spent on the relevant assets and expenditure as approved by the PRC government, the corresponding amount was then transferred to retained profits.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2010

	NOTES	1.1.2010 to 30.6.2010 HK\$'000 (unaudited)	1.1.2009 to 30.6.2009 HK\$'000 (unaudited)
Net cash from operating activities		4,944,241	6,596,662
Net cash used in investing activities			
Release of restricted bank balances		1,446,291	—
Dividend received from associates		21,951	19,073
Decrease (increase) in pledged bank deposits		441,572	(151,521)
Net cash outflow from acquisition of assets through acquisition of subsidiaries	23	(175,931)	—
Purchase and deposit paid for acquisition of property, plant and equipment		(5,136,841)	(5,881,324)
Purchase and deposit paid for acquisition of mining rights and exploration and resources rights		(399,444)	(23,503)
Capital contribution to associates		(2,472,747)	(41,742)
Loan advanced to associates		(1,694,302)	(670,645)
Loan advanced to jointly controlled entities		(1,324,747)	—
Capital contribution to jointly controlled entities		(598,116)	—
Acquisition of a subsidiary	22	(119,161)	—
Deposits paid for acquisition of subsidiaries		—	(2,340,685)
Other investing cash outflows		35,976	(21,399)
		(9,975,499)	(9,111,746)
Net cash from financing activities			
New bank and other borrowings raised		21,187,994	16,037,434
Proceeds from issue of corporate bonds		4,315,812	—
Advances from non-controlling interests		909,679	—
Repayment to group companies		(1,262)	(96,442)
Capital contribution from non-controlling shareholders		85,318	395,740
Repayment of bank and other borrowings		(14,774,010)	(11,593,381)
Dividend paid		(1,503,979)	(339,039)
Interest paid		(1,338,281)	(1,017,316)
Acquisition of additional interests in subsidiaries		(470,326)	—
Repayment to associates		(2,748,298)	(567,519)
Dividend paid to non-controlling shareholders of subsidiaries		(401,446)	(106,660)
Other financing cash inflows		80,090	154,166
		5,341,291	2,866,983
Net increase in cash and cash equivalents		310,033	351,899
Cash and cash equivalents at beginning of the period		6,261,931	5,467,088
Effect of foreign exchange rate changes		67,692	(39,925)
Cash and cash equivalents at end of the period		6,639,656	5,779,062
Analysis of the balances of cash and cash equivalents:			
Bank balances and cash		6,639,656	5,779,062

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

1. BASIS OF PREPARATION

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" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Group had net current liabilities at 30 June 2010. 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. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

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

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 2009 except as described below.

During the current interim period, the Group has entered into joint venture arrangements and accordingly has adopted the following accounting policy.

Joint ventures

Joint venture arrangements that involve the establishment of a separate entity in which the venturers have joint control over the economic activity of the entity are referred to as jointly controlled entity.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investment in jointly controlled entity is carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the jointly controlled entity, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and separate financial statements
HKAS 39 (Amendment)	Eligible hedged items
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions
HKFRS 3 (Revised)	Business combinations
HK(IFRIC) - INT 17	Distributions of non-cash assets to owners

Except as described below, the application of these new and revised HKFRSs had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.



2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

HKFRS 3 (Revised 2008) “Business combinations”

HKFRS 3 (Revised 2008) “Business combinations” has been applied prospectively from 1 January 2010. Its application has affected the accounting for the acquisition of 湖南煤業集團唐洞煤炭有限公司 (「唐洞煤炭」) (see Note 22) and the acquisition of subsidiaries which are not business (Note 23) in the current period.

HKFRS 3 (Revised 2008) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as “minority” interests). In the current period, in accounting for the acquisition of 唐洞煤炭, the Group has elected to measure the non-controlling interests at the share of the fair value of the identifiable assets acquired and the liabilities assumed.

HKAS 27 (Revised 2008) “Consolidated and separate financial statements”

The application of HKAS 27 (Revised 2008) has resulted in changes in the Group’s accounting policies regarding increases or decreases in ownership interests in subsidiaries of the Group. In prior years, in the absence of specific requirements in HKFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. The impact of decreases in interests in subsidiaries that did not involve loss of control (being the difference between the consideration received and the carrying amount of the share of net assets disposed of) was recognised in profit or loss. Under HKAS 27 (Revised 2008), all increases or decreases in such interests are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised standard requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date the control is lost. A gain or loss on loss of control is recognised in profit or loss as the difference between the proceeds, if any, and these adjustments.

In respect of the acquisitions during the period of additional interest in China Resources Power (Tongshan) Co., Ltd. (“Tongshan”), Guangzhou China Resources Thermal Power Co., Ltd, Shanxi China Resources Liansheng Energy Investment Co., Ltd. and China Resources (Jiaozuo) Thermal Power Co., Ltd, the impact of the change in policy has been that the difference of HK\$51,038,000 between the consideration paid and the decrease in the carrying amount of the non-controlling interests has been recognised directly in equity. In addition, the aggregate cash consideration of HK\$470,326,000 paid during the period to the non-controlling shareholders of Guangzhou China Resources Thermal Power Co., Ltd, Shanxi China Resources Liansheng Energy Investment Co., Ltd. and China Resources (Jiaozuo) Thermal Power Co., Ltd is presented as cash flow used in financing activities. Had the previous accounting policy been applied, the cash consideration would have been presented as cash flow used in investing activities. The total consideration for the acquisition of the additional interest in the three companies is HK\$604,716,000 in which HK\$134,390,000 was paid as at 31 December 2009 and was presented as deposits paid for acquisition of additional interest in subsidiaries on the condensed consolidated statement of financial position. The additional interest in Tongshan was acquired when the Group acquired a subsidiary (see Note 23(c)).

The Group has not early applied new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRS 9 “Financial Instruments” introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group’s financial assets.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

HKAS 27 (Revised 2008) "Consolidated and separate financial statements" (Cont'd)

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the chief operating decision maker reviews operating results and financial information on a group company by company basis. Each company is identified as an operating segment. When the group company operates in similar business model with similar target group of customers, the Group's operating segments are aggregated, resulting in the Group having two reportable segments for financial reporting purposes, comprising sales of electricity (inclusive of supply of heat generated by thermal power plant) and coal mining.

Segment profit represents the profit earned by each segment without allocation of central corporate expenses, interest income, fair value change on derivative financial instruments, finance costs, share of results of associates and share of result of jointly controlled entities.

Segment information about these operating divisions is presented below.

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



3. SEGMENT INFORMATION (Cont'd)

For the six months ended 30 June 2009

	Sales of electricity HK\$'000	Coal mining HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue				
External sales	13,558,449	433,846	—	13,992,295
Inter-segment sales	—	48,564	(48,564)	—
Total	13,558,449	482,410	(48,564)	13,992,295
Segment profit	3,097,434	84,482	—	3,181,916
Unallocated corporate expenses				(93,945)
Interest income				36,550
Fair value gain on derivative financial instruments				20,662
Finance costs				(749,812)
Share of results of associates				338,411
Profit before taxation				2,733,782

Inter-segment sales are charged at prevailing market rates.

4. FINANCE COSTS

	1.1.2010 to 30.6.2010 HK\$'000	1.1.2009 to 30.6.2009 HK\$'000
Interest on bank and other borrowings:		
– wholly repayable within five years	1,144,097	555,889
– not wholly repayable within five years	257,376	348,696
Interest on corporate bonds	89,503	—
Less: Interest capitalised in property, plant and equipment (Note)	1,490,976 (238,915)	904,585 (154,773)
	1,252,061	749,812

Note: Borrowing costs capitalised during the period arose on funds borrowed specifically for the purpose of obtaining qualifying assets and on the general borrowing pool which are calculated by applying a capitalisation rate of 4.48% (1 January 2009 to 30 June 2009: 5.89%) per annum to expenditure on qualifying assets.

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For the six months ended 30 June 2010

5. TAXATION

	1.1.2010 to 30.6.2010 HK\$'000	1.1.2009 to 30.6.2009 HK\$'000
The Company and its subsidiaries		
Current tax:		
PRC Enterprise Income Tax	315,153	128,713
Deferred taxation	19,332	19,619
	334,485	148,332

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

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.

Pursuant to the relevant laws and regulations in the PRC, certain of the Company's PRC subsidiaries are exempted from PRC Enterprise Income Tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three years. In addition, pursuant to CaiShui [2008] No. 46 Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment (財政部、國家稅務總局關於執行公共基礎設施項目企業所得稅優惠目錄有關問題的通知), certain wind power plants of the Group, which are set up after 1 January 2008, entitled to a tax holiday of a three-year full exemption followed by a three-year 50% exemption commencing from their respective first profit-making year.

In addition, certain of the Company's PRC subsidiaries are entitled to a tax benefit ("Tax Benefit"), which is calculated as 40% of the purchase of PRC produced plant and equipment for production use. The Tax Benefit is, however, limited to the amount of increase in enterprise income tax for the current period in which the plant and equipment are acquired as compared with the tax amount of the previous period. The portion of the Tax Benefit that is not utilised in the current period can be carried forward for future application for a period of not more than seven years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, certain subsidiaries of the Company will change the existing tax rates from 15% and 18% to 25% progressively over 5 years from 1 January 2008. The deferred tax has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the assets are realised or the liabilities are settled.



6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	1.1.2010 to 30.6.2010 HK\$'000	1.1.2009 to 30.6.2009 HK\$'000
Depreciation of property, plant and equipment	1,863,580	1,417,216
Less: Depreciation of property, plant and equipment capitalised in construction in progress	—	(4,072)
	1,863,580	1,413,144
Amortisation of prepaid lease payments	29,955	22,030
Amortisation of mining rights	65,033	4,432
Total depreciation and amortisation	1,958,568	1,439,606
and after crediting:		
Interest income	130,591	36,550

7. DIVIDENDS

	1.1.2010 to 30.6.2010 HK\$'000	1.1.2009 to 30.6.2009 HK\$'000
Dividend recognised as distribution during the period		
Final dividend paid in respect of the 2009 financial year of HK\$0.32 (2009: final dividend paid in respect of the 2008 financial year of HK\$0.08) per share on 4,699,935,919 shares (2009: 4,237,982,000 shares)	1,503,979	339,039
Dividend declared after the end of the interim reporting period		
Interim dividend declared in respect of the current financial period	282,396	280,330

Subsequent to the end of the financial period, the Board of Directors resolved to declare an interim dividend of HK\$0.06 per share for the six months ended 30 June 2010 (six months ended 30 June 2009: HK\$0.06). The declared interim dividend for 2010 is based on 4,706,601,443 shares in issue at 20 August 2010.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

8. 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:

	1.1.2010 to 30.6.2010 HK\$'000	1.1.2009 to 30.6.2009 HK\$'000
Profit attributable to owners of the Company	2,459,835	2,268,010
	Number of ordinary shares	
	1.1.2010 to 30.6.2010	1.1.2009 to 30.6.2009
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,650,635,367	4,304,295,133
Effect of dilutive potential ordinary shares: – share options	77,263,077	107,411,323
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,727,898,444	4,411,706,456

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the period from 1 January 2009 to 30 June 2009 has been adjusted to reflect the bonus element of the rights issue of shares completed in July 2009.

9. PROPERTY, PLANT AND EQUIPMENT / MINING RIGHTS

During the six months ended 30 June 2010, the Group spent HK\$5,136,841,000 (six months ended 30 June 2009: HK\$5,881,324,000) on construction of buildings, power generating plant and equipment, and acquisition of property, plant and equipment.

During the six months ended 30 June 2010, the Group spent HK\$399,444,000 (six months ended 30 June 2009: HK\$23,503,000) on acquisition of mining rights and deposits for acquisition of mining and exploration rights of coal mines.

During the year ended 31 December 2009, the Group entered into several agreements with independent parties to acquire the mining rights to an aggregate area of 10,580 hectares of a coal mine located in Shanxi province and paid deposits amounting to RMB6,550,632,000 (equivalent to HK\$7,439,815,000) as at 31 December 2009. During the period ended 30 June 2010, certain of these acquisitions were completed and the deposits paid amounting to HK\$6,370,561,000 were transferred to mining rights (Note 23(b)). The remaining licence period of the mining rights ranged from 1 to 3 years at date of acquisition. In the opinion of the directors, the Group will be able to renew the mining rights with relevant government authorities at minimal charges upon its expiration.



10. INTERESTS IN ASSOCIATES

During the six months ended 30 June 2010, the Group contributed capital amounting to HK\$2,238,300,000 (equivalent to RMB1,960,000,000) in an associate, 太原華潤煤業有限公司, a company incorporated in the PRC and engaged in coal mining in Shanxi province. The Group and the other two shareholders hold 49%, 31% and 20% equity interest in 太原華潤煤業有限公司, respectively. Under the shareholders' agreement and the Memorandum and Articles of 太原華潤煤業有限公司, it requires two third of the board's approval to decide certain key financial and operating matters. The directors of the Company consider that the Group does not have control over 太原華潤煤業有限公司 but is able to exercise significant influences in the operation thereof. During the six months ended 30 June 2010, the Group also acquired certain associates through acquisition of subsidiaries (Note 23).

11. INTERESTS IN JOINTLY CONTROLLED ENTITIES

The interests in jointly controlled entities represent the Group's interest in 山西華潤煤業有限公司 and 天津中海華潤航運有限公司. The Group have 50% and 49% interest in 山西華潤煤業有限公司 and 天津中海華潤航運有限公司, respectively. 山西華潤煤業有限公司 and 天津中海華潤航運有限公司 are incorporated in the PRC and engaged in coal mining in Shanxi province and provision of logistic services, respectively. Under the shareholders' agreement and the Memorandum and Articles of 山西華潤煤業有限公司 and 天津中海華潤航運有限公司, over two third of the board's approval is required to decide certain key financial and operating matters. The Group and the respective joint venture shareholder each hold 50% of the voting right in each of the jointly controlled entities and hence the directors of the Company consider that the Group and the respective joint venture shareholder exercise joint control over 山西華潤煤業有限公司 and 天津中海華潤航運有限公司.

12. INVESTMENTS IN INVESTEE COMPANIES

During the six months ended 30 June 2010, the Group acquired interest in certain investee companies through acquisition of subsidiaries, Xuzhou Huaxing Investment Co., Ltd ("Xuzhou Huaxing"), Shenzhen Yihe Property Company Limited ("Shenzhen Yihe") and Jiangsu Kunlun Investments Company Limited ("Jiangsu Kunlun") (see Notes 23(a) and 23(c)). The principal activities of these investee companies are the operation of power plants and real estate business in the PRC. Under the shareholders' agreement, it requires two third of the board's approval to decide certain key financial and operating matters. The directors of the Company consider that the Group does not have control nor significant influence in the operation over the investees companies.

13. DEPOSITS PAID FOR ACQUISITION OF SUBSIDIARIES

The acquisition of subsidiaries was completed during the period ended 30 June 2010 (see Notes 22, 23(a) and 23(c)).

14. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

Trade receivables are 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:

	30.6.2010	31.12.2009
	HK\$'000	HK\$'000
0 - 30 days	5,224,302	5,010,516
31 - 60 days	280,635	90,186
Over 60 days	203,503	86,344
	5,708,440	5,187,046

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For the six months ended 30 June 2010

15. LOANS TO AN ASSOCIATE/A JOINTLY CONTROLLED ENTITY

The loan to an associate are unsecured, carry interest at rates ranging from the rate offered by the People's Bank of China ("PBOC") to 120% of the rate offered by the PBOC and are repayable before 30 June 2011.

The loan to a jointly controlled entity are unsecured, carry interest at the rate offered by the PBOC and are repayable before 30 June 2011.

16. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

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:

	30.6.2010 HK\$'000	31.12.2009 HK\$'000
Trade payables		
0 - 30 days	3,009,051	1,674,656
31 - 60 days	468,613	584,550
Over 60 days	459,001	259,613
	3,936,665	2,518,819
The other payables and accruals include:		
Accrued purchases of coal and fuel	443,510	409,247
Payables in respect of purchase of property, plant and equipment and construction	6,486,545	6,695,962
Accrued wages	482,301	550,004
Payable in respect of employee settlement cost	436,651	482,004
Other tax payables	225,537	274,934
Provision for restoration, rehabilitation and environmental expenditure	41,661	38,643
Other payables and accruals	1,957,870	1,793,617
	10,074,075	10,244,411

17. BANK AND OTHER BORROWINGS

During the six months ended 30 June 2010, the Group repaid bank and other borrowings amounting to HK\$14,774,010,000 (six months ended 30 June 2009: HK\$11,593,381,000) and obtained new bank and other borrowings amounting to HK\$21,187,994,000 (six months ended 30 June 2009: HK\$16,037,434,000) which were used as general working capital and for financing the acquisition of property, plant and equipment and subsidiaries.

18. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives under hedge accounting

	30.6.2010 HK\$'000	31.12.2009 HK\$'000
Cash flow hedges - Interest rate swaps	377,291	333,550
Analysis for reporting purposes:		
Current	—	17,467
Non-current	377,291	316,083
	377,291	333,550

18. DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)**Cash flow hedges**

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 bank borrowings by swapping floating interest rates to fixed interest rates. The interest rate swaps and the corresponding bank borrowings have the similar terms and the directors of the Company considered that the interest rate swaps are highly effective hedging instruments. Major terms of the interest rate swaps are set out below:

30 June 2010

Notional amount	Maturity	Swaps
HK\$500,000,000	25 October 2012	From HIBOR to 4.52%
HK\$500,000,000	25 October 2012	From HIBOR to 4.48%
HK\$500,000,000	26 October 2012	From HIBOR to 4.48%
HK\$335,000,000	8 November 2012	From HIBOR to 4.29%
HK\$500,000,000	29 October 2012	From HIBOR to 4.415%
HK\$500,000,000	29 October 2012	From HIBOR to 4.38%
HK\$500,000,000	25 October 2012	From HIBOR to 4.50%
HK\$400,000,000	31 December 2012	From HIBOR to 3.97%
HK\$200,000,000	28 February 2013	From HIBOR to 3.36%
HK\$1,000,000,000	6 May 2015	From HIBOR to 2.12%
HK\$1,184,000,000	6 May 2015	From HIBOR + 0.92% to 2.115%
HK\$500,000,000	8 June 2015	From HIBOR + 1.20% to 2.075%

31 December 2009

Notional amount	Maturity	Swaps
HK\$600,000,000	20 May 2010	From HIBOR + 0.39% to 4.18%
HK\$400,000,000	20 May 2010	From HIBOR + 0.39% to 4.10%
HK\$500,000,000	25 October 2012	From HIBOR to 4.52%
HK\$500,000,000	25 October 2012	From HIBOR to 4.48%
HK\$500,000,000	26 October 2012	From HIBOR to 4.48%
HK\$335,000,000	8 November 2012	From HIBOR to 4.29%
HK\$500,000,000	29 October 2012	From HIBOR to 4.415%
HK\$500,000,000	29 October 2012	From HIBOR to 4.38%
HK\$500,000,000	25 October 2012	From HIBOR to 4.50%
HK\$400,000,000	31 December 2012	From HIBOR to 3.97%
HK\$200,000,000	28 February 2013	From HIBOR to 3.36%

As at 30 June 2010, the fair value loss from the interest rate swaps under cash flow hedge amounted to HK\$393,546,000 (31 December 2009: HK\$309,511,000) has been deferred in equity and are expected to be released to the consolidated income statement when the hedged interest expense is charged to profit or loss quarterly. Change in fair value of interest rate swaps for ineffective portion, amounting to HK\$40,294,000 (1 January 2009 to 30 June 2009: HK\$20,662,000) was recognised in profit or loss in the current period.

The above derivatives are measured at fair value by reference to the market value provided by the counterparty financial institutions.

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19. CORPORATE BONDS

During the six months ended 30 June 2010, China Resources Power Investment Company Limited, a wholly-owned subsidiary of the Company, issued corporate bonds ("Corporate Bonds") in an aggregate amount of RMB3,800,000,000 (equivalent to HK\$4,315,812,000). The maturity of the corporate bonds is 10 years from the date of issue, subject to the right of sale-back described below.

The Corporate Bonds are divided into two tranches, amounting to RMB3,300,000,000 (equivalent to HK\$3,747,942,000) ("Tranche 1") and RMB500,000,000 (equivalent to HK\$567,870,000) ("Tranche 2"), and carry coupon rates of 4.70% and 4.95% for Tranche 1 and Tranche 2, respectively. At the end of the fifth and seventh year from the issue of Corporate Bonds for Tranche 1 and Tranche 2, respectively, the issuer has the right to adjust the coupon rate ("New Coupon Rate") and the Corporate Bonds holders have the right to sell the Corporate Bonds held by them, in whole or in part, to China Resources Power Investment Company Limited at a total consideration equivalent to the total face value of the corresponding Corporate Bonds to be sold within 5 business days after the announcement of the New Coupon Rate.

20. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$1.00 each		
Authorised:		
Balance at 31 December 2009 and 30 June 2010	10,000,000	10,000,000
Issued and fully paid:		
Balance at 31 December 2009 and 1 January 2010	4,683,431	4,683,431
Issue upon exercise of share options	19,047	19,047
Balance at 30 June 2010	4,702,478	4,702,478

21. SHARE OPTIONS

The Company has share option scheme for eligible directors of the Company and employees of the Group and other participants. Options granted are exercisable within a period of ten years within which there is a total vesting period of five years. 20% of the share options will be allowed to exercise upon each of the first five anniversary dates. Details of the share options outstanding during the current period are as follows:

	Number of share options
Outstanding at 1 January 2010	133,617,476
Exercised during the period for share options at an exercise price of:	
– HK\$2.75 per share	(3,234,860)
– HK\$3.919 per share	(5,235,760)
– HK\$4.175 per share	(2,274,920)
– HK\$4.641 per share	(7,514,240)
– HK\$6.925 per share	(608,480)
– HK\$12.21 per share	(178,520)
Outstanding at 30 June 2010	114,570,696

The weighted average closing price of the Company's shares at dates on which the options were exercised during the period was HK\$16.24.



22. ACQUISITION OF A SUBSIDIARY

On 20 January 2010, the Group acquired 77.7726% equity interest in 唐洞煤炭 which is engaged in exploration and sale of coal in Hunan Province, the PRC, at a cash consideration of RMB116,590,000 (equivalent to approximately HK\$132,415,000) with the objective of pursuing vertical integration. The transaction has been accounted for using the purchase method of accounting.

Assets and liabilities recognised at the date of acquisition:

	HK\$'000
Property, plant and equipment	14,255
Mining rights	169,628
Inventories	4,235
Trade and other receivables	12,648
Bank balances and cash	1,897
Trade and other payables	(36,515)
Deferred taxation liabilities	(42,407)
Taxation payable	(4,709)
	119,032
Goodwill arising on acquisition:	
Consideration transferred	132,415
Plus: Non-controlling interest (Note)	26,513
Less: Fair value of identified net assets acquired	(119,032)
	39,896
Goodwill arising on acquisition	39,896
Consideration satisfied:	
– by deposit paid in prior year	11,357
– by cash	121,058
	132,415
Net cash outflow arising on acquisition:	
Consideration paid in cash	121,058
Less: Cash and cash equivalent acquired	(1,897)
	119,161

Note: The non-controlling interest (22.2274%) in 唐洞煤炭 recognised at the acquisition date was measured by reference to the share of the fair value of the identifiable assets acquired and the liabilities assumed which amounted to approximately HK\$26,513,000.

The receivables acquired (which principally comprised trade and other receivables) with a fair value of HK\$12,648,000 had gross contractual amounts of HK\$12,648,000. The best estimate at acquisition date of the contractual cash flows of the receivables is expected to be collected.

The goodwill arising on the acquisition of the subsidiary is attributable to the anticipated future operating synergies from the combination.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Included in the profit and revenue for the interim period attributable to 唐洞煤炭 is HK\$585,000 and HK\$13,156,000, respectively, which represent the profit and revenue of 唐洞煤炭 from 1 January 2010 to 30 June 2010.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

23. ACQUISITIONS OF ASSETS

- (a) In February 2010, the Group completed the acquisition of 100% equity interest in each of Shenzhen Yihe and Jiangsu Kunlun from independent third parties, for an aggregate consideration of RMB984,752,000 (equivalent to HK\$1,118,998,000). Major assets of Shenzhen Yihe and Jiangsu Kunlun are investments in power operating companies situated in the PRC and as such, the acquisitions have been accounted for as acquisitions of assets rather than businesses.

The net assets acquired are as follows:

	HK\$'000
Property, plant and equipment	13,973
Interests in an associate	37,720
Trade and other receivables	43,268
Amounts due from group companies	524,555
Investment in investee companies	735,294
Bank and cash balances	221,361
Amount due to an associate	(451,238)
Taxation payable	(5,935)
	1,118,998
Total consideration, satisfied by deposits paid in prior year	1,118,998
Net cash inflow arising on acquisition:	
Cash and cash equivalents acquired	221,361



23. ACQUISITIONS OF ASSETS (Cont'd)

- (b) In 2009, the Group entered into several agreements with independent parties to acquire the mining rights to an aggregate area of 10,580 hectares of coal mines located in Shanxi province. In January 2010, certain of these acquisitions were completed and the subsidiary commenced exploration and sale of coal.

The net assets acquired are as follows:

	HK\$'000
Net assets acquired:	
Property, plant and equipment	437,301
Prepaid lease payments	12,685
Mining rights	7,375,092
Inventories	38,859
Other receivables	1,867
Bank balances and cash	8,339
Other payables	(57,329)
	7,816,814
Less: Non-controlling interest	(196,459)
	7,620,355
Consideration satisfied:	
– by deposit paid in prior year	6,370,561
– by cash	411,011
– by deferred consideration payable	838,783
	7,620,355
Net cash outflow arising on acquisition:	
Consideration paid in cash	411,011
Less: Cash and cash equivalent acquired	(8,339)
	402,672

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

23. ACQUISITIONS OF ASSETS (Cont'd)

- (c) In January 2010, the Group acquired 51% equity interest in Xuzhou Huaxing from China Resources Co., Ltd. ("CRL"), an intermediate holding company of the Company, at a consideration of RMB465,000,000 (equivalent to approximately HK\$528,120,000).

Xuzhou Huaxing is an investment holding company. The principal investments of Xuzhou Huaxing are 10.5% equity interest in one of the Group's subsidiaries, Tongshan, 15% equity interest in one of the Group's associates, China Resources (Xuzhou) Electric Power Company Limited, and 30% equity interest in 徐州垞城電力有限公司. The principal activities of the investee companies are engaged in the operation of power plants in Jiangsu Province, the PRC. Upon the completion of the acquisition, the Group's ownership interest in the subsidiary, Tongshan, was increased to 69.5% and the Group's ownership interest in China Resources (Xuzhou) Electric Power Company Limited was increased to 50%.

Two third voting is required in board of directors' meeting to approve major financial and operating decisions as stated in the memorandum and articles of the China Resources China (Xuzhou) Electric Power Company Limited. The Group did not obtain control in China Resources (Xuzhou) Electric Power Company Limited and it was accounted for an associate of the Group.

The net assets acquired are as follows:

	HK\$'000
Property, plant and equipment	1,685
Interest in associates	447,794
Investment in Tongshan (Note i)	139,584
Investments in investee companies	91,898
Amount due from a group company	113,574
Other receivables	39,745
Bank balances and cash	5,380
Other payables	(65,517)
Bank borrowings	(11,357)
Taxation payable	(64)
	762,722
Consideration transferred, satisfied by deposit paid in prior year	528,120
Plus: Non-controlling interests (Note ii)	234,602
	762,722
Fair value of identified net assets acquired	762,722
Net cash inflow arising on acquisition:	
Cash and cash equivalent acquired	5,380

Notes:

- (i) The investment in Tongshan represents the fair value of the 10.5% equity interest in Tongshan, which is accounted for in the consolidated financial statements of the Group as an equity transaction for acquisition of additional interest in a subsidiary. The difference of HK\$48,753,000 between the consideration attributable to this acquisition of additional interest and the carrying amount of the non-controlling interest attributable to the additional interest acquired is recognised directly in equity and attributable to the owners of the Company.
- (ii) The non-controlling interest (49%) in Xuzhou Huaxing recognised at the acquisition date was measured by reference to the carrying value of the identifiable assets acquired and the liabilities assumed recognised in the condensed consolidated financial statements.

The fair values of interest in associates, investment in Tongshan and investments in investee companies are determined with reference to the professional valuations.



24. CAPITAL COMMITMENTS

	30.6.2010 HK\$'000	31.12.2009 HK\$'000
Contracted for but not provided in the financial statements		
– Capital expenditure in respect of the additions of property, plant and equipment	17,126,180	16,532,701
– Capital expenditure in respect of acquisition of mining/exploration rights	9,423,279	9,811,522
– Capital expenditure in respect of acquisition of prepaid lease payments	11,484	11,357
– Capital expenditure in respect of acquisition of subsidiaries	—	121,059
– Capital expenditure in respect of acquisition of investment in an associate	608,652	601,942
	27,169,595	27,078,581

25. RELATED PARTY TRANSACTIONS

(a) During the period, the Group entered into the following significant transactions with related parties:

Name of related company	Relationship	Nature of transactions	1.1.2010 to 30.6.2010 HK\$'000	1.1.2009 to 30.6.2009 HK\$'000
			China Resources National Corporation ("CRNC")	Ultimate holding company
CRL	Intermediate holding company	Consideration paid for acquisition of interest in a subsidiary	528,120	—
China Resources Property Management Co., Ltd.	Fellow subsidiary	Rental expense paid by the Group	2,135	2,016
China Resources (Shenzhen) Co., Ltd.	Fellow subsidiary	Rental expense paid by the Group	3,047	3,123
Jiang Su Nanre Power Generation Co., Ltd.	Associate	Interest income received	—	14,401
China Resources (Xuzhou) Electric Power Company Limited	Associate	Interest income received	—	4,285
Nanjing Chemical Industry Park Thermolectricity Company Limited	Associate	Interest income received	—	2,689
太原華潤煤業有限公司	Associate	Interest income received	58,886	—
山西華潤煤業有限公司	Jointly controlled entity	Interest income received	14,151	—
Shanxi Jinrun Co., Ltd.	Associate	Interest expense paid	6,232	8,486

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2010

25. RELATED PARTY TRANSACTIONS (Cont'd)

(a) During the period, the Group entered into the following significant transactions with related parties: (Cont'd)

Name of related company	Relationship	Nature of transactions	1.1.2010	1.1.2009
			to	to
			30.6.2010	30.6.2009
			HK\$'000	HK\$'000
Certain subsidiaries of China Resources Cements Holdings Limited	Fellow subsidiary	Sales of de-sulphur gypsum	2,232	—
		Sales of ash and slag	4,416	—
		Sales of coal	17,559	—
		Purchase of cement	959	—
		Purchase of limestone powder	2,644	—
河南永華能源有限公司	Associate	Purchase of fuel and coal	196,554	57,035

(b) The remuneration of directors and other members of key management during the period was as follows:

	1.1.2010	1.1.2009
	to	to
	30.6.2010	30.6.2009
	HK\$'000	HK\$'000
Short-term benefits	15,592	4,062
Post-employment benefits	338	183
Share-based payments	510	716
	16,440	4,961

(c) Except for disclosed in note 15, the amounts due from/to associates, amount due to jointly controlled entities, amounts due from/to non-controlling shareholders of subsidiaries and amounts due from/to group companies are unsecured, non-interest bearing and repayable on demand.

26. EVENT AFTER THE END OF THE INTERIM PERIOD

In August 2010, the Company issued 3.75% notes due 2015 in the aggregate principal amount of US\$500,000,000 (equivalent to HK\$3,876,850,000) (the "Notes"). The Notes bear coupon interest at a rate of 3.75% per annum and will mature on 3 August 2015.



Disclosure of Interests

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES AND DEBENTURES

Save as disclosed below, as at 30 June 2010, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 Laws of Hong Kong) ("SFO") which were required to be notified to the Company and the Stock Exchange pursuant to the provisions under Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which he would be deemed or taken to have under Sections 344 and 345 of the SFO) or the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein:

(A) The Company

Details of shares and outstanding options granted under the Pre-IPO Share Option Scheme and Share Option Scheme in the Company held by the Directors as at 30 June 2010 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of the Company
Song Lin	Beneficial owner	1,386,000	Long	0.029%
Wang Shuai Ting	Beneficial owner	4,395,000	Long	0.093%
Wang Xiao Bin	Beneficial owner	3,298,080	Long	0.070%
Zhang Shen Wen	Beneficial owner	2,426,800	Long	0.052%
Jiang Wei	Beneficial owner	840,000	Long	0.018%
Shi Shanbo	Beneficial owner	500,000	Long	0.011%
Anthony H. Adams	Beneficial owner	18,000	Long	0.0004%
Raymond K. F. Ch'ien	Beneficial owner	30,000	Long	0.001%
	Interest of spouse	4,000	Long	0.0001%

Name of Director	Capacity	Date of grant	Date of expiry	Exercise price (HK\$)	Number of options and underlying shares as at 1 January 2010	Number of options exercised during the period	Number of options and underlying shares as at 30 June 2010	Percentage of the issued share capital of the Company
Song Lin	Beneficial owner	6 Oct 2003	5 Oct 2013	2.750	814,400	—	814,400	0.017%
	Beneficial owner	18 Mar 2005	17 Mar 2015	3.919	549,720	—	549,720	0.012%
Wang Shuai Ting	Beneficial owner	6 Oct 2003	5 Oct 2013	2.750	916,200	(600,000)	316,200	0.007%
	Beneficial owner	18 Mar 2005	17 Mar 2015	3.919	549,720	—	549,720	0.012%
Wang Xiao Bin	Beneficial owner	6 Oct 2003	5 Oct 2013	2.750	170,080	(170,080)	—	—
	Beneficial owner	18 Mar 2005	17 Mar 2015	3.919	366,480	—	366,480	0.008%
Zhang Shen Wen	Beneficial owner	18 Mar 2005	17 Mar 2015	3.919	244,320	—	244,320	0.005%
Jiang Wei	Beneficial owner	6 Oct 2003	5 Oct 2013	2.750	203,600	—	203,600	0.004%
	Beneficial owner	18 Mar 2005	17 Mar 2015	3.919	366,480	—	366,480	0.008%
Anthony H. Adams	Beneficial owner	18 Nov 2005	17 Nov 2015	4.641	203,600	—	203,600	0.004%
Chen Ji Min	Beneficial owner	30 Mar 2007	29 Mar 2017	12.210	203,600	—	203,600	0.004%
Ma Chiu-Cheung, Andrew	Beneficial owner	30 Mar 2007	29 Mar 2017	12.210	203,600	—	203,600	0.004%

Disclosure of Interests

(B) China Resources Enterprise, Limited

China Resources Enterprise, Limited (“CRE”), a fellow subsidiary of the Company, has a share option scheme to subscribe for the shares in CRE. Details of shares and outstanding options in CRE held by the Directors as at 30 June 2010 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CRE
Song Lin	Beneficial owner	900,000	Long	0.038%
Jiang Wei	Beneficial owner	240,000	Long	0.010%

Name of Director	Capacity	Date of grant	Date of expiry	Exercise price (HK\$)	Number of options and underlying shares as at 1 January 2010	Number of options exercised during the period	Number of options and underlying shares as at 30 June 2010	Percentage of the issued share capital of CRE
Zhang Shen Wen	Beneficial owner	5 Mar 2002	4 Mar 2012	7.35	20,000	–	20,000	0.001%

(C) China Resources Gas Group Limited

China Resources Gas Group Limited (“CR Gas”) is a fellow subsidiary of the Company. Details of shares in CR Gas held by the Directors as at 30 June 2010 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CR Gas
Zhang Shen Wen	Beneficial owner	6,000	Long	0.0004%
Shi Shanbo	Beneficial owner	50,000	Long	0.004%



(D) China Resources Land Limited

China Resources Land Limited (“CR Land”), a fellow subsidiary of the Company, has a share option scheme to subscribe for the shares in CR Land. Details of shares and outstanding options in CR Land held by the Directors as at 30 June 2010 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CR Land
Wang Shuai Ting	Beneficial owner	340,000	Long	0.007%
Jiang Wei	Beneficial owner	892,000	Long	0.018%
Shi Shanbo	Beneficial owner	140,000	Long	0.003%

Name of Director	Capacity	Date of grant	Date of expiry	Exercise price (HK\$)	Number of options and underlying shares as at 1 January 2010	Number of options exercised during the period	Number of options and underlying shares as at 30 June 2010	Percentage of the issued share capital of CR Land
Song Lin	Beneficial owner	1 Jun 2005	31 May 2015	1.23	900,000	–	900,000	0.018%
Wang Shuai Ting	Beneficial owner	4 Mar 2002	31 Jan 2012	1.59	540,000	(540,000)	–	–

(E) China Resources Microelectronics Limited

China Resources Microelectronics Limited (“CRM”) is a fellow subsidiary of the Company. Details of shares in CRM held by the Directors as at 30 June 2010 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CRM
Song Lin	Beneficial owner	1,245,533	Long	0.014%
Zhang Shen Wen	Beneficial owner	108,000	Long	0.001%
Jiang Wei	Beneficial owner	537,614	Long	0.006%

Disclosure of Interests

(F) China Resources Cement Holdings Limited

China Resources Cement Holdings Limited ("CR Cement") is a fellow subsidiary of the Company. Details of shares in CR Cement held by the Directors as at 30 June 2010 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of CR Cement
Song Lin	Beneficial owner	3,000,000	Long	0.046%
Wang Shuai Ting	Beneficial owner	1,100,000	Long	0.017%
Shi Shanbo	Beneficial owner	280,000	Long	0.004%

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

Save as disclosed below, as at 30 June 2010, the Directors or chief executive of the Company were not aware of any other persons (other than a Director or chief executive, whose interests are disclosed in the section headed "Directors' Interests and Short Positions in Securities and Debentures" above) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register to be kept pursuant to Section 336 of the SFO:

Name of shareholder	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the issued share capital of the Company
Finetex International Limited ("Finetex")	Beneficial owner	3,024,999,999	Long	64.33%
China Resources (Holdings) Company Limited ("CRH")	Interest of a controlled corporation	3,024,999,999	Long	64.33%
CRC Bluesky Limited	Interest of a controlled corporation	3,024,999,999	Long	64.33%
China Resources Co., Limited ("CRL")	Interest of a controlled corporation	3,024,999,999	Long	64.33%
China Resources National Corporation ("CRNC")	Interest of a controlled corporation	3,024,999,999	Long	64.33%

Note: Finetex is a 100% subsidiary of CRH, which is a 100% subsidiary of CRC Bluesky Limited, which is in turn owned as to 100% by CRL, which is in turn held as to 99.98% by CRNC. Each of CRNC, CRL, CRC Bluesky Limited and CRH is deemed by virtue of Part XV of the SFO to have the same interests in the share capital of the Company as those of Finetex.



SHARE OPTIONS

Detailed terms of the Pre-IPO Share Option Scheme and Share Option Scheme were disclosed in the 2009 Annual Report.

(A) Pre-IPO Share Option Scheme

Movement of the options under the Pre-IPO Share Option Scheme during the period ended 30 June 2010 is as follows:

Participants	Date of grant	Number of options outstanding as at 1 January 2010	Number of options exercised during the period ⁽¹⁾	Number of options outstanding as at 30 June 2010	Date of expiry	Exercise price (HK\$)
Name of Director						
Song Lin	6 Oct 2003	814,400	—	814,400	5 Oct 2013	2.750
Wang Shuai Ting	6 Oct 2003	916,200	(600,000)	316,200	5 Oct 2013	2.750
Wang Xiao Bin	6 Oct 2003	170,080	(170,080)	—	5 Oct 2013	2.750
Jiang Wei	6 Oct 2003	203,600	—	203,600	5 Oct 2013	2.750
Aggregate total of employees	6 Oct 2003	10,466,076	(1,959,852)	8,506,224	5 Oct 2013	2.750
Aggregate total of other participants	6 Oct 2003	18,191,660	(504,928)	17,686,732	5 Oct 2013	2.750
		30,762,016	(3,234,860)	27,527,156		

Notes:

- (1) The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$16.26.
- (2) Each option has a 10-year exercise period within which there is a total vesting period of five years. Commencing from the first, second, third, fourth and fifth anniversaries of the date of grant of an option, the relevant grantee may exercise up to 20%, 40%, 60%, 80% and 100% respectively of the shares comprised in his or her option.
- (3) No option was granted, lapsed or cancelled under the Pre-IPO Share Option Scheme.

Disclosure of Interests

(B) Share Option Scheme

Movement of the options under the Share Option Scheme during the period ended 30 June 2010 is as follows:

Participants	Date of grant	Number of options outstanding as at 1 January 2010	Number of options exercised during the period ⁽¹⁾	Number of options reclassified during the period	Number of options outstanding as at 30 June 2010	Date of expiry	Exercise price (HK\$)
Name of Director							
Song Lin	18 Mar 2005	549,720	—	—	549,720	17 Mar 2015	3.919
Wang Shuai Ting	18 Mar 2005	549,720	—	—	549,720	17 Mar 2015	3.919
Tang Cheng ⁽⁴⁾	18 Mar 2005	122,160	(122,160)	—	—	17 Mar 2015	3.919
Wang Xiao Bin	18 Mar 2005	366,480	—	—	366,480	17 Mar 2015	3.919
Zhang Shen Wen	18 Mar 2005	244,320	—	—	244,320	17 Mar 2015	3.919
Jiang Wei	18 Mar 2005	366,480	—	—	366,480	17 Mar 2015	3.919
Anthony H. Adams	18 Nov 2005	203,600	—	—	203,600	17 Nov 2015	4.641
Wu Jing Ru ⁽⁴⁾	18 Nov 2005	203,600	(162,880)	(40,720)	—	17 Nov 2015	4.641
Chen Ji Min	30 Mar 2007	203,600	—	—	203,600	29 Mar 2017	12.210
Ma Chiu-Cheung, Andrew	30 Mar 2007	203,600	—	—	203,600	29 Mar 2017	12.210
Aggregate total of employees	1 Sep 2004	7,179,780	(2,274,920)	—	4,904,860	31 Aug 2014	4.175
	18 Mar 2005	9,234,600	(3,628,400)	—	5,606,200	17 Mar 2015	3.919
	18 Nov 2005	34,974,560	(7,351,360)	40,720	27,663,920	17 Nov 2015	4.641
	5 Sep 2006	19,674,960	(608,480)	—	19,066,480	4 Sep 2016	6.925
	30 Mar 2007	23,688,280	(178,520)	—	23,509,760	29 Mar 2017	12.210
Aggregate total of other participants	18 Mar 2005	5,090,000	(1,485,200)	—	3,604,800	17 Mar 2015	3.919
		102,855,460	(15,811,920)	—	87,043,540		

Notes:

- (1) The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$16.16.
- (2) Each option has a 10-year exercise period within which there is a total vesting period of five years. Commencing from the first, second, third, fourth and fifth anniversaries of the date of grant of an option, the relevant grantee may exercise up to 20%, 40%, 60%, 80% and 100% respectively of the shares comprised in his or her option.
- (3) No option was granted, lapsed or cancelled under the Share Option Scheme during the period.
- (4) Mr. Tang Cheng and Mr. Wu Jing Ru resigned as directors of the Company on 22 April 2010.

RESTRICTED SHARE AWARD SCHEME

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 (the “Scheme”) and the Company appointed BOCI-Prudential Trustee Limited as trustee to the Scheme (the “Trustee”). Pursuant to the Scheme, 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 Scheme. The Scheme 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 Scheme in accordance with the terms of the Scheme, 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 Scheme shall be effective from 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 2010, the Trustee did not purchase any Shares from the market.

From the Adoption Date up to 30 June 2010, 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 report, the purchased Shares have been held in trust by the Trustee on behalf of the Company for selected employees.

Corporate Governance and Other Information

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (“CGP Code”) set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2010, except for the following deviation:

Code provision E.1.2

The code provision E.1.2 of the CGP Code provides that the chairman of the board shall attend annual general meeting of the Company. Due to business commitment, Mr. Song Lin, the then Chairman of the Board, and Mr. Wang Shuai Ting, the then Vice Chairman of the Board, were unable to attend the annual general meeting of the Company held on 8 June 2010. This constitutes a deviation from the code provision E.1.2 of the CGP Code.

MODEL CODE

The 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 standard set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the six months ended 30 June 2010.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company and its subsidiaries did not purchase, sell or redeem any securities of the Company during the six months ended 30 June 2010.

AUDITORS AND AUDIT COMMITTEE

The interim results for the six months ended 30 June 2010 have been reviewed by Deloitte Touche Tohmatsu and the audit committee set up in compliance with Rule 3.21 of the Listing Rules. All of the five audit committee members are appointed from the independent non-executive directors, with the chairman of the audit committee having appropriate professional qualifications and experience in financial matters, including experience in review of financial statements.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules and has appointed five independent non-executive directors including at least one with related financial management expertise.

Corporate Information

Chairman	Song Lin
Vice Chairman and Chief Executive Officer	Wang Shuai Ting
Executive Directors	Song Lin Wang Shuai Ting Zhang Shen Wen Wang Xiao Bin
Non-Executive Directors	Jiang Wei Shi Shanbo
Independent Non-Executive Directors	Anthony H. Adams Chen Ji Min Ma Chiu-Cheung, Andrew Elsie Leung Oi-sie Raymond K. F. Ch'ien
Company Secretary	Wang Xiao Bin
Auditors	Deloitte Touche Tohmatsu
Legal Advisor	Morrison & Foerster
Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
Registered Office	Rooms 2001-2002, 20th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. General Line: (852) 2593 7530 Facsimile: (852) 2593 7531

Information for Investors

SHARE LISTING AND STOCK CODE

The Company's shares are listed on The Stock Exchange of Hong Kong Limited. The stock code is 836.

FINANCIAL DIARY

Six-month financial period end	30 June 2010
Announcement of interim results	23 August 2010
Last day to register for interim dividend	17 September 2010
Book close	20 September 2010 to 24 September 2010
Payment of interim dividend	11 October 2010

SHAREHOLDER ENQUIRIES

For inquires about share transfer and registration, please contact the Company's Share Registrar:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong.
Telephone: (852) 2862 8628
Facsimile: (852) 2865 0990

For inquires from investors and securities analysts, please contact:

Investor Relations Department
China Resources Power Holdings Company Limited
Room 2001-2005, 20th Floor, China Resources Building,
26 Harbour Road, Wanchai, Hong Kong.
General line: (852) 2593 7530
IR hotline: (852) 2593 7550
Facsimile: (852) 2593 7531 / 2593 7551
E-mail: crp-ir@crc.com.hk

OUR WEBSITE

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