

CHINA RESOURCES POWER HOLDINGS CO., LTD.

INTERIM REPORT 2005

Changshu Yixing Xuzhou **JIANGSU**
Tangshan Hengfeng Hengfeng Phase II **HEBEI**
Shouyangshan Dengfeng Gucheng Jiaozuo Luoyang **HENAN**
Hubei Puqi **HUBEI**
Wenzhou **ZHEJIANG**
Liyujiang Shajiao C Xingning **GUANGDONG**



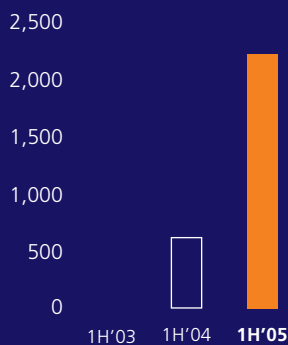
華潤電力控股有限公司

China Resources Power Holdings Co., Ltd.

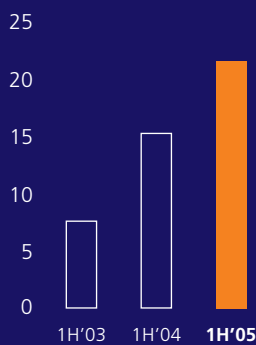
PERFORMANCE HIGHLIGHTS

	1H2005	1H2004	1H2003
Turnover (HK\$'000)	2,208,773	609,076	—
Net profit (HK\$'000)	816,508	577,064	206,741
Operating power plants			
Subsidiaries	424,779	115,608	—
Associates	375,364	403,718	239,899
Jointly controlled entity	106,727	147,187	—
Others	-90,362	-89,449	-33,158
Basic earnings per share (HK cents)	21.44	15.15	7.52
Net generation volume (MWh)	21,848,634	14,311,182	10,763,699
Attributable operational generation capacity (MW)	30/6/2005	30/6/2004	30/6/2003
Eastern China	1,926	555	240
Central China	1,323	51	—
Southern China	954	945	653
Northern China	460	150	150
Total attributable operational generation capacity	4,663	1,701	1,043

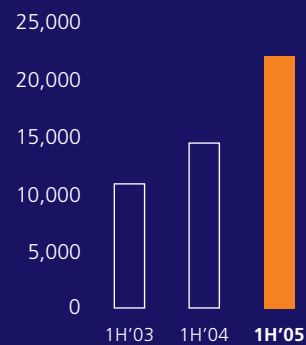
Turnover (HK\$ million)



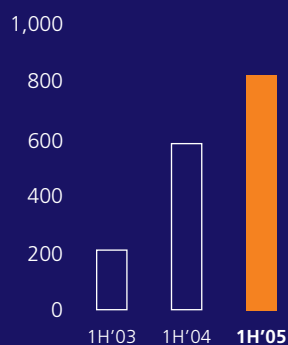
Basic EPS (HK cents)



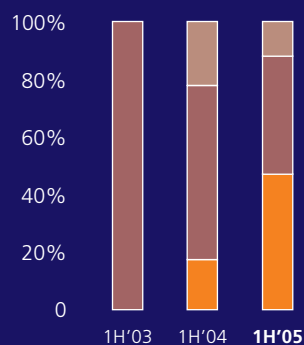
Net generation volume ('000 MWh)



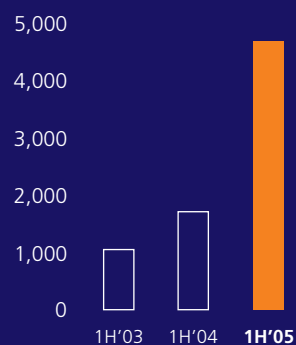
Net profit (HK\$ million)



Percentage of profit contribution



Attributable operational generation capacity (MW)



■ Subsidiaries
 ■ Associates
 ■ Jointly controlled entity

MAJOR EVENTS

China Resources Power Holdings Company Limited ("CR Power") completed the acquisition of a 25% equity interest in Hengshui Hengxing Power Generation Company Limited ("Hengfeng Phase II") held by China Resources National Corporation.



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CR Power completed the acquisition of a 1.1% equity interest in Resources Shajiao C Investments Limited. Accordingly, CR Power's effective interest in Shajiao C Power Plant increased from 29.56% to 30%.

The first 135MW coal-fired heat and power co-generation unit of China Resources (Jiaozuo) Thermal Power Company Limited ("CR Jiaozuo") commenced commercial operation.

The first 600MW super-critical coal-fired generation unit of China Resources Power (Changshu) Company Limited ("CR Changshu") successfully passed a 168-hour full-load pilot run, and commenced commercial operation.

The second 300MW coal-fired heat and power co-generation unit of Hengfeng Phase II commenced commercial operation.

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The second 60MW coal-fired heat and power co-generation unit of Yixing China Resources Thermal Power Company Limited commenced commercial operation.

Gucheng Power Plant obtained the approval for construction from the PRC Government. The Power Plant consists of two 300MW coal-fired generation units with desulphurisation facilities. CR Power holds a 65% equity interest in Gucheng Power Plant.



The 200MW coal-fired heat and power co-generation unit of Tangshan China Resources Thermal Power Company Limited commenced commercial operation.



The second 600MW super-critical coal-fired generation unit of CR Changshu successfully passed a 168-hour full-load pilot run, and commenced commercial operation.

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The second 135MW coal-fired heat and power co-generation unit of CR Jiaozuo commenced commercial operation.

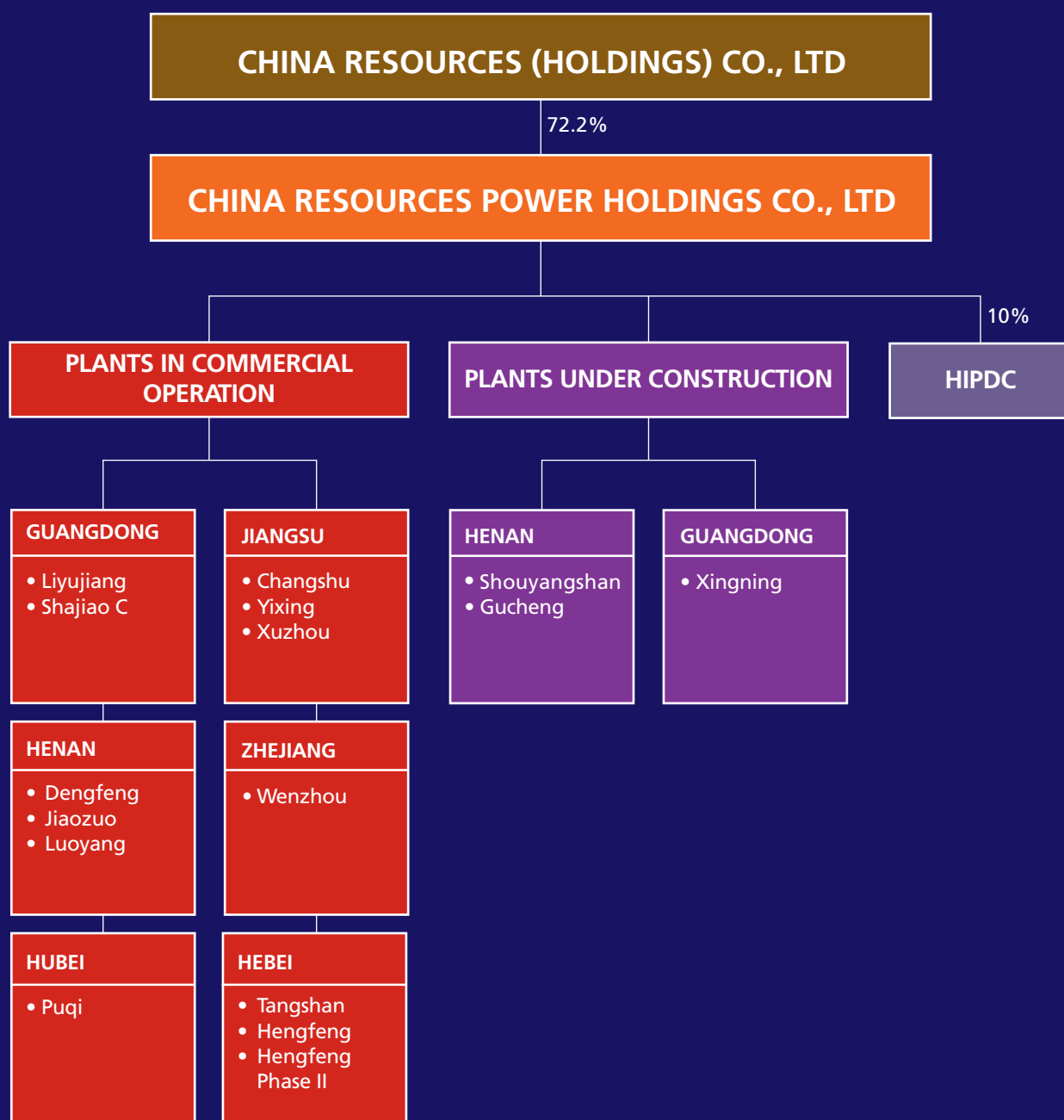
CR Power signed a US\$200 million five-year dual currency (HKD/USD) transferable syndicated term loan facility with 18 leading local and international banks.

A sum of HK\$600 million of the syndicated loan facility was drawn by CR Power. Interest costs were fixed at 4.18% throughout the five-year term via an interest rate swap contract.

Another sum of HK\$400 million of the syndicated loan facility was drawn by CR Power. Interest costs were fixed at 4.10% throughout the five-year term via an interest rate swap contract.

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CORPORATE STRUCTURE





HENAN

• Shouyangshan	(2x600MW)	80%
• Dengfeng	(2x300MW)	85%
• Gucheng	(2x300MW)	65%
• Jiaozuo	(2x135MW)	60%
• Luoyang	(2x50MW)	51%

HUBEI

• Puqi	(2x300MW)	100%
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HEBEI

• Tangshan	(1x200MW)	80%
• Hengfeng	(2x300MW)	25%
• Hengfeng Phase II	(2x300MW)	25%

JIANGSU

• Changshu	(2x600MW)	100%
• Yixing	(2x60MW)	55%
• Xuzhou	(4x300MW)	35%

ZHEJIANG

• Wenzhou	(2x300MW)	40%
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GUANGDONG

• Liyujiang	(2x300MW)	60%
• Shajiao C	(3x660MW)	30%
• Xingning	(2x135MW)	29%

Dear shareholders:

I am pleased to present our financial results for the six months ended 30 June 2005. Our net profit growth momentum continued to remain strong over the interim period.

FINANCIAL RESULTS

The Company's turnover for the interim period ended 30 June 2005 increased 262.6% to HK\$2,209 million, as compared with the same period in 2004. Net profit increased 41.5% year-on-year to HK\$817 million. Earnings per share were HK21.44 cents, representing an increase of 41.5% compared with the interim period in 2004. The Board of Directors recommended an interim dividend of HK3.0 cents per share.

Earnings from our subsidiaries in the first half of 2005 amounted to HK\$425 million. As a percentage of net profit, contributions from subsidiaries increased from 17.3% in the first half of 2004 to 46.8% in the first half of 2005. Subsidiaries' contribution as a percentage of our total net profit will be on an uptrend as more majority-owned power projects commence commercial operation going forward.

REVIEW OF OPERATIONS

Our attributable operational generation capacity and net generation continued to register high growth rates during the first half of 2005. During the first half, a total of seven generation units, including two units each from Changshu Power Plant and Jiaozuo Thermal Power Plant, one unit each from Hengfeng Phase II, Yixing Power Plant and Tangshan Thermal II Power Plant commenced commercial operation. As at 30 June 2005, our attributable operational generation capacity amounted to 4,663MW, representing an increase of 174.1% and 58.1% from 1,701MW as at 30 June 2004 and 2,949MW as at 31 December 2004, respectively. Our total net generation for the first six months of 2005 increased approximately 52.7% year-on-year to 21.8 billion kWh.

During the period under review, we effectively controlled our construction costs, fuel costs and financing costs via continual execution of our "low-cost" strategy. Construction costs and periods for almost all of our new plants commissioned during the first half have been superior to industry average. In particular, Changshu Power Plant, as our first greenfield project consisting of 600MW super-critical generation units, took approximately 25 months from commencement of construction to commercial commissioning, 6 months ahead of the industry average, setting a new record of shortest construction period among similar units in China. Its construction cost was lower than our budget and became a benchmark for our 600MW generation units. The above further demonstrated our outstanding cost control capabilities in constructing large-scale power projects.

During the first half of the year, coal prices have remained at high levels. In view of this, we contracted higher volume of coal supply for 2005 at the annual coal conference and endeavored to improve contract fulfillment rates. As a result, we managed to contain average unit fuel cost increase among our subsidiaries at approximately 19% compared with the first six months of 2004.

As a fast-growing independent power producer, we need to incur significant capital expenditure, a large portion of which have been provided by commercial banks. Since the People's Bank of China raised the lending and saving benchmark rates in October 2004, the market anticipates that China may have started an interest rate up-cycle. In view of that, we have taken various measures in order to lower our overall financing cost and mitigate interest rate risks. In May 2005, we signed a US\$200 million five-year dual currency (HKD/USD) transferable syndicated loan facility with 18 leading local and international banks. Interest rates were set at a three-month LIBOR/HIBOR plus 39 basis points. In June 2005, a sum of HK\$600 million and another sum of HK\$400 million were drawn and interest costs were fixed at 4.18% and 4.10%, respectively, throughout the five-year term via swap contracts.

In addition, we locked-in and lowered our long-term funding costs via a RMB3 billion corporate bond issued by China Resources National Corporation ("CRNC") in the PRC domestic markets on 27 May 2005. The bond has a tenor of 10 years, with coupon fixed at 5.05% per annum. On 1 July 2005, CRNC on-lend the bond proceeds to our power projects. Inclusive of commissions and other issue expenses, total annual funding costs for our power projects are approximately 5.19%, lower than the prevailing long-term borrowing rates currently offered by domestic commercial banks in China.

OUTLOOK

We believe overall China will continue to experience shortage of electricity in 2005. In particular in certain provinces within our service areas, electricity shortage may remain for a few years. During the first half, we scheduled maintenance and overhaul for some of our power plants in order to get ready for the peak demand in the second half of the year. For the full year, we expect most of our power plants' utilisation hours to maintain at high levels.

As for coal supply, so far this year, coal quality has been better than last year and power plants' coal inventories have been back to normal levels. Coal prices have been stabilising. We expect coal prices to stay at fairly high levels and start softening by the end of 2005 or in the course of 2006. The Fuel-Tariff Pass-through Mechanism has been effective and all of our power plants' on-grid tariffs have been revised up since May 2005. Our turnover and gross profit margin should improve in the second half.

Our project development team has been actively exploring investment opportunities including coal-fired, gas-fired, hydro power plants and wind farms in our target markets. We plan to have some new investments approved by the PRC Government or acquisitions completed in the second half of 2005 or the first half of 2006.

Our satisfactory interim results demonstrated the successful execution of approved strategies by our Board and management team. In the future, we endeavor to continue to enhance our profitability and generate superior returns for our shareholders.

Song Lin
Chairman

31 August 2005

BUSINESS REVIEW FOR THE FIRST HALF OF 2005

Growth of generation capacity

As at 30 June 2005, we had 14 power plants in commercial operation which gave us an attributable operational generation capacity of 4,663MW. As a comparison, our attributable operational generation capacities of power plants in commercial operation were 1,701MW and 2,949MW, respectively as at 30 June 2004 and 31 December 2004.

Our attributable operational generation capacity increased by 2,962MW or 174.1% from 1,701MW as at 30 June 2004 to 4,663MW as at 30 June 2005, mainly due to:

- commencement of commercial operation of unit 1 and unit 2 of Dengfeng Power Plant in July and September 2004, respectively;
- commencement of commercial operation of unit 1 and unit 2 of Puqi Power Plant in July and November 2004, respectively;
- commencement of commercial operation of unit 2 of Xuzhou Phase II in September 2004;
- commencement of commercial operation of unit 1 and unit 2 of Yixing Power Plant in December 2004 and March 2005, respectively;
- acquisition of a 25% equity interest in Hengshui Hengxing Power Generation Company Limited ("Hengfeng Phase II") from our ultimate holding company, China Resources National Corporation in January 2005. Unit 1 and unit 2 of Hengfeng Phase II commenced commercial operation in November 2004 and March 2005, respectively;
- acquisition of a 1.1% equity interest in Resources Shajiao C Investments Limited ("Resources Shajiao C") or a 0.44% effective equity interest in Shajiao C Power Plant in January 2005;
- commencement of commercial operation of unit 1 and unit 2 of Jiaozuo Thermal Power Plant in March and May 2005, respectively;
- commencement of commercial operation of unit 1 and unit 2 of Changshu Power Plant in March and June 2005, respectively; and
- commencement of commercial operation of Tangshan Thermal II Power Plant in May 2005.

As a result of the above, as at 30 June 2005, the geographical location of our operational power plants is as follows:

	Attributable operational capacity	
	(MW)	%
Eastern China	1,926	41.3
Central China	1,323	28.4
Southern China	954	20.4
Northern China	460	9.9
Total	4,663	100.0

Development of new power plants

Our development strategy is to continue to identify suitable development opportunities in our target markets in order to maintain a satisfactory growth of profitability and return on equity in the future. In March 2005, we obtained approval from the PRC Government for construction of Gucheng Power Plant. Gucheng Power Plant comprises two 300MW coal-fired generation units. The two units are expected to commence commercial operation in the second half of 2006. The Company owns a 65% equity interest in Gucheng Power Plant.

Increase in generation volume

The total gross generation volume of our 14 operating power plants in the first half of 2005 amounted to 23,231,209MWh, representing an increase of 52.8% compared to 15,199,668MWh in the first half of 2004. The total net generation volume of our 14 operating power plants in the first half of 2005 amounted to 21,848,634MWh, representing an increase of 52.7% compared to 14,311,182MWh in the first half of 2004.

The increase in gross and net generation volume was primarily due to the growth of attributable operational generation capacity from 1,701MW as at 30 June 2004 to 4,663MW as at 30 June 2005. For the five power plants (namely, Shajiao C Power Plant, Wenzhou Telluride Phase II, Hengfeng Power Plant, Xuzhou Power Plant and Liyujiang Phase II) which were in commercial operation for the entire first half of 2004 and 2005, gross generation volume and net generation volume decreased by 10.3% and 10.5%, respectively. This was mainly due to overhaul and maintenance work scheduled in the first half of 2005. In particular, unit 1 and unit 2 of Liyujiang Phase II, unit 3 of Shajiao C Power Plant and unit 2 of Xuzhou Power Plant undertook overhaul in the first half of 2005, while unit 2 of Wenzhou Telluride Phase II undertook maintenance work.

The following tables set out the gross and net generation statistics of the operating power plants for the six months ended 30 June 2004 and 2005, respectively:

Gross generation statistics

	For the six months ended		
	30 June 2005 MWh	30 June 2004 MWh	Increase/ (Decrease) %
Shajiao C Power Plant	6,251,117	7,021,752	(11.0)
Wenzhou Telluride Phase II	2,135,010	2,435,820	(12.3)
Dengfeng Power Plant	2,023,554	N/A	N/A
Hengfeng Power Plant	1,985,230	1,818,710	9.2
Xuzhou Phase II	1,732,450	85,350	N/A ^(note)
Changshu Power Plant	1,716,957	N/A	N/A
Xuzhou Power Plant	1,638,841	1,795,768	(8.7)
Puqi Power Plant	1,543,518	N/A	N/A
Hengfeng Phase II	1,486,890	N/A	N/A
Liyujiang Phase II	1,437,250	1,923,890	(25.3)
Luoyang Power Plant	387,499	118,378	N/A ^(note)
Jiaozuo Thermal Power Plant	348,653	N/A	N/A
Yixing Power Plant	319,575	N/A	N/A
Tangshan Thermal II Power Plant	224,665	N/A	N/A
	23,231,209	15,199,668	52.8

Net generation statistics

	For the six months ended		
	30 June 2005 MWh	30 June 2004 MWh	Increase/ (Decrease) %
Shajiao C Power Plant	5,836,871	6,571,414	(11.2)
Wenzhou Telluride Phase II	2,036,863	2,327,513	(12.5)
Dengfeng Power Plant	1,898,016	N/A	N/A
Hengfeng Power Plant	1,883,960	1,720,930	9.5
Xuzhou Phase II	1,649,060	81,150	N/A ^(note)
Changshu Power Plant	1,628,250	N/A	N/A
Xuzhou Power Plant	1,547,875	1,701,561	(9.0)
Puqi Power Plant	1,469,922	N/A	N/A
Hengfeng Phase II	1,397,055	N/A	N/A
Liyujiang Phase II	1,342,080	1,804,745	(25.3)
Luoyang Power Plant	346,688	103,869	N/A ^(note)
Jiaozuo Thermal Power Plant	318,198	N/A	N/A
Yixing Power Plant	289,372	N/A	N/A
Tangshan Thermal II Power Plant	204,424	N/A	N/A
	21,848,634	14,311,182	52.7

Note: Luoyang Power Plant and unit 1 of Xuzhou Phase II commenced commercial operation during the first half of 2004. Comparison of increase in generation volume is not meaningful.

Utilisation hours

The following table sets out utilisation hours of the 14 operating power plants for the six months ended 30 June 2004 and 2005, respectively:

	For the six months ended	
	30 June 2005 (hours)	30 June 2004 (hours)
Shajiao C Power Plant	3,157	3,546
Wenzhou Telluride Phase II	3,558	4,060
Dengfeng Power Plant	3,373	N/A
Hengfeng Power Plant	3,309	3,031
Xuzhou Phase II	2,887	142 ^(note)
Changshu Power Plant	1,431 ^(note)	N/A
Xuzhou Power Plant	2,731	N/A
Puqi Power Plant	2,573	N/A
Hengfeng Phase II	2,478 ^(note)	N/A
Liyujiang Phase II	2,395	3,206
Luoyang Power Plant	3,875	1,184 ^(note)
Jiaozuo Thermal Power Plant	1,291 ^(note)	N/A
Yixing Power Plant	2,663 ^(note)	N/A
Tangshan Thermal II Power Plant	1,123 ^(note)	N/A

Note: Power plants commenced commercial operation during the reporting periods.

Tariff adjustment

In April and May 2005, the National Development and Reform Commission and various provincial pricing bureaus officially released a number of notices approving the implementation of the "Fuel-Tariff Pass-through Mechanism" in Northern, Eastern, Southern and Central China where our operating power plants are located. The notices allowed coal-fired generators to raise their on-grid tariffs by varying magnitudes with immediate effect.

The increment of tariffs inclusive of value-added tax ("VAT") of our operating power plants ranged from RMB15.7/MWh to RMB31.0/MWh. In addition, tariffs on excess output for our operating power plants were removed, except for Hengfeng Power Plant, Hengfeng Phase II and Wenzhou Telluride Phase II.

The following table sets out revised on-grid tariffs inclusive of VAT, as approved by the PRC government, for our operating power plants:

Power plant	On-grid tariff on planned dispatch (RMB/MWh)	Planned utilisation hours (Hours)	On-grid tariff on excess dispatch (RMB/MWh)	Effective date (2005)
Shajiao C Power Plant	437.9	N/A	N/A	1 May
Wenzhou Telluride Phase II	438.3	5,500	357.3	1 May
Dengfeng Power Plant	336.0	N/A	N/A	15 May
Hengfeng Power Plant	369.0	5,500	250.0	1 May
Xuzhou Phase II	380.7	N/A	N/A	1 May
Changshu Power Plant	386.0	N/A	N/A	1 May
Xuzhou Power Plant	380.7	N/A	N/A	1 May
Puqi Power Plant	451.6	N/A	N/A	1 May
Hengfeng Phase II	339.0	5,500	250.0	1 May
Liyujiang Phase II	430.5	N/A	N/A	1 May
Luoyang Power Plant	321.0	N/A	N/A	15 May
Jiaozuo Thermal Power Plant	336.0	N/A	N/A	15 May
Yixing Power Plant	465.0	N/A	N/A	1 May
Tangshan Thermal II Power Plant	348.3	N/A	N/A	1 May

Control of fuel costs

During the first half of 2005, coal prices continued to rise in the PRC markets. To control fuel costs and fuel supply quality and maximise profitability of operating power plants continue to be a major challenge to the management team of the Company as well as operating power plants. We implemented a number of measures, including forming strategic alliances with major coal suppliers in the PRC, signing long-term coal supply agreements, maintaining on-going dialogues with our suppliers and monitoring fulfillment of coal supply contracts, fuel delivery schedules as well as quality of coal supply.

Unit fuel cost for all of our operating plants increased by 20.2% in the first half of 2005 compared to the average unit fuel cost of last year, while unit fuel cost for our consolidated operating power plants increased by 21.8% in the first half of 2005 compared to the average unit fuel cost of last year. On a weighted average basis, standard coal cost increased by 17.8% during the first half of 2005 compared to the average standard coal cost for 2004.

Environmental compliance

Our Company places significant emphasis on environmental protection. All of our projects have fully complied with the PRC Environmental Protection Law, the regulations of the State Council issued thereunder and the environmental rules promulgated by the local government. For the six months ended 30 June 2005, environmental fees paid by the operating power plants ranged from RMB0.3 million to RMB6.1 million and totaled RMB10.0 million for consolidated power plants.

PROSPECTS FOR THE SECOND HALF OF 2005

We believe the PRC economy will continue to grow at a steady rate in the second half of 2005 and demand for electricity will continue to grow nationwide. We also expect that in our service areas where our power plants are located, demand for electricity will continue to be strong in the second half of the year. In addition, coal prices have stabilised since the second quarter of 2005.

A number of our power plants are planned to commence commercial operation in the second half of 2005. Other power plants under construction will commence commercial operation in 2006 and 2007. We will ensure all these power plants will complete construction on or ahead of our target schedules, fully achieve or outperform our cost targets as well as achieve or surpass our requisite quality standards.

In addition to the construction of green-field power plants on hand, we will continue to identify and develop new projects which fully comply with our development strategies and investment disciplines in our target markets.

For operational power plants, we will continue to monitor coal price movement in the PRC market and endeavour to control our unit fuel cost.

OPERATING RESULTS

The results of operations for the six months ended 30 June 2004 and 2005, 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 2004 and 2005

	2005 HK\$'000 (unaudited)	2004 HK\$'000 (unaudited and restated)
Turnover	2,208,773	609,076
Operating expenses		
Fuel	(1,282,335)	(274,186)
Repairs and maintenance	(46,025)	(4,387)
Depreciation and amortisation	(216,495)	(53,524)
Others	(209,058)	(127,092)
Total operating expenses	(1,753,913)	(459,189)
Other operating income	15,564	9,461
Profit from operations	470,424	159,348
Finance costs	(138,584)	(43,987)
Share of results of associates	431,932	472,100
Share of result of a jointly controlled entity	106,727	147,187
Amortisation of goodwill of associates	—	(13,206)
Recognition of discount on acquisition of an associate	1,664	—
Release of negative goodwill of associates	—	1,853
Profit before taxation	872,163	723,295
Taxation	(9,188)	(1,155)
Profit for the period	862,975	722,140
Attributable to:		
Equity holders of the Company	816,508	577,064
Minority interests	46,467	145,076
	862,975	722,140
Interim dividend	114,264	95,200
Earnings per share		
— basic	21.44 cents	15.15 cents
— diluted	21.29 cents	15.11 cents

**Condensed Consolidated Balance Sheet
At 30 June 2005**

	30 June 2005 HK\$'000 (unaudited)	31 December 2004 HK\$'000 (audited and restated)
Non-current assets		
Property, plant and equipment	13,622,941	12,082,687
Interests in associates	3,849,501	3,878,246
Interest in a jointly controlled entity	1,291,836	1,185,109
Deposit paid on acquisition of property, plant and equipment	96,735	—
Goodwill	105,639	105,639
Negative goodwill	—	(52,735)
Long-term strategic investment	6,838	—
Derivative financial instruments	1,450	—
Deferred taxation assets	5,843	7,876
	18,980,783	17,206,822
Current assets		
Inventories	221,061	154,355
Trade receivables, other receivables and prepayments	1,735,882	651,476
Dividend receivable from associates	135,720	82,038
Loan to an associate	21,048	—
Amounts due from associates	186	1,232
Amounts due from fellow subsidiaries	55	133
Amounts due from related companies	22	18
Amount due from immediate holding company	1,309	453
Pledged bank deposits	39,246	62,729
Bank balances and cash	2,780,251	3,246,554
	4,934,780	4,198,988
Current liabilities		
Trade payables, other payables and accruals	1,583,449	1,180,168
Amount due to fellow subsidiaries	852	778
Amounts due to associates	3,297	—
Amount due to minority shareholders of subsidiaries	—	1,240
Borrowings - repayable within one year	1,733,009	2,457,679
	3,320,607	3,639,865
Net current assets	1,614,173	559,123
Total assets less current liabilities	20,594,956	17,765,945
Non-current liabilities		
Loans from minority shareholders of subsidiaries	—	18,786
Borrowings - repayable over one year	8,649,659	6,601,870
Deferred taxation liabilities	10,383	3,228
	8,660,042	6,623,884
	11,934,914	11,142,061
Capital and reserves		
Share capital	3,808,814	3,808,080
Share premium and reserves	7,084,142	6,350,093
Equity attributable to equity holders of the Company	10,892,956	10,158,173
Minority interests	1,041,958	983,888
	11,934,914	11,142,061

Condensed Consolidated Cashflow Statement
For the six months ended 30 June 2004 and 2005

	2005 HK\$'000 (unaudited)	2004 HK\$'000 (unaudited)
Net cash from operating activities	102,896	26,929
Net cash used in investing activities		
Dividend received from associates	605,075	229,885
Capital repatriated from associates	—	342,654
Purchase of property, plant and equipment	(1,866,552)	(2,861,594)
Acquisition of interest of an associate	(61,055)	—
Capital contribution for the investment in associates	(96,512)	—
Other investing cash flows	7,854	(83,417)
	(1,411,190)	(2,372,472)
Net cash from financing activities		
New bank and other loans raised	3,096,048	4,021,954
Capital contributed from minority shareholders	11,603	110,511
Repayment of bank loans	(1,772,929)	(1,988,932)
Interest paid	(243,868)	(132,136)
Dividend paid	(232,327)	—
Repayment of loans raised from minority shareholders of subsidiaries	(18,786)	(122,460)
Other financing cash flows	2,055	(35,353)
	841,796	1,853,584
Net decrease in cash and cash equivalents	(466,498)	(491,959)
Cash and cash equivalents at beginning of the period	3,246,554	3,695,900
Effect of foreign exchange rate changes	195	(4,496)
Cash and cash equivalents at end of the period	2,780,251	3,199,445
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	2,780,251	3,199,445

Overview

For the six months ended 30 June 2005, our net profit increased by 41.5% to HK\$816.5 million from HK\$577.1 million for the same period last year. Our turnover increased by 262.6% from HK\$609.1 million for the first half of 2004 to HK\$2,208.8 million for the first half of 2005. The improvement in the results of operations was primarily due to the increase in the Group's attributable operational generation capacity.

In the second half of 2004, Dengfeng Power Plant, Puqi Power Plant, unit 2 of Xuzhou Phase II and unit 1 of Yixing Power Plant commenced commercial operation. As at 31 December 2004, our total attributable operational generation capacity reached 2,949MW.

In the first half of 2005, Jiaozuo Thermal Power Plant, Changshu Power Plant, Tangshan Thermal II Power Plant and unit 2 of Yixing Power Plant commenced commercial operation. In addition, we completed the acquisition of a 25% equity interest in Hengfeng Phase II and a 1.1% equity interest in Resources Shajiao C. As at 30 June 2005, our total attributable operational generation capacity reached 4,663MW.

In addition to Liyujiang Phase II and Luoyang Power Plant, the results for the first half of 2005 also reflected the consolidated results of Puqi Power Plant and Dengfeng Power Plant for the entire six-month period ended 30 June 2005, and the results of Changshu Power Plant, Yixing Power Plant, Jiaozuo Thermal Power Plant and Tangshan Thermal II Power Plant since their commencement of commercial operation. In addition, the results of the first half of 2005 also included our share of results of Xuzhou Phase II for the entire six-month period and Hengfeng Phase II since its commencement of commercial operation.

Basis of preparation of the condensed financial statements

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 Interim Financial Reporting.

Business segments

The Group is principally engaged in a single business segment, i.e., the development, investment and operation of power plants in the PRC.

Geographical segments

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

Turnover

Turnover represents the amounts received and receivable for electricity delivered, net of VAT, during the period. Turnover for the six months ended 30 June 2005 amounted to HK\$2,208.8 million, representing a 262.6% increase from HK\$609.1 million for the six months ended 30 June 2004.

Turnover for the six months ended 30 June 2005 comprised sales revenue of the eight subsidiary power plants, namely Changshu Power Plant, Puqi Power Plant, Dengfeng Power Plant, Liyujiang Phase II, Yixing Power Plant, Luoyang Power Plant, Jiaozuo Thermal Power Plant and Tangshan Thermal II Power Plant. As a comparison, turnover for the six months ended 30 June 2004 represented sales revenue of Liyujiang Phase II and Luoyang Power Plant only.

Operating expenses

Operating expenses amounted to HK\$1,753.9 million for the six months ended 30 June 2005, representing a 282.0% increase from HK\$459.2 million for the six months ended 30 June 2004. Operating expenses mainly comprise fuel costs, repairs and maintenance, depreciation and amortisation, and other administrative costs such as staff costs, insurance, professional fees and write-off of pre-operating expenses. The significant increase in operating expenses was mainly due to the commencement of commercial operation of six power plants, namely Dengfeng Power Plant, Puqi Power Plant, Yixing Power Plant, Jiaozuo Thermal Power Plant, Changshu Power Plant and Tangshan Thermal II Power Plant ("six power plants") in the second half of 2004 and the first half of 2005, which resulted in various operating expenses being consolidated by the Group.

Fuel costs for the six months ended 30 June 2005 amounted to approximately HK\$1,282.3 million, representing an increase of 367.7% from HK\$274.2 million for the same period last year. The increase in fuel costs was primarily due to the consolidation of six newly commissioned power plants as stated above as well as increase in coal prices. Fuel costs accounted for approximately 73.1% of the total operating expenses for the first half of 2005, compared to 59.7% for the first half of 2004.

As a result of the adoption of Hong Kong Financial Reporting Standard ("HKFRS") 2, expenses in relation to share options granted to Directors of the Company, employees of the Group and other participants included in "Operating expenses — Others" amounted to HK\$57.2 million and HK\$53.9 million, respectively for the six months ended 30 June 2004 and 2005. Please refer to the section headed "Principal accounting policies".

Profit from operations

Profit from operations amounted to HK\$470.4 million for the six months ended 30 June 2005, representing a 195.2% increase from HK\$159.3 million for the six months ended 30 June 2004. The increase was mainly due to the commencement of commercial operation of six power plants in the second half of 2004 and the first half of 2005.

Finance costs

Finance costs amounted to HK\$138.6 million for the six months ended 30 June 2005, representing a 215.1% increase from HK\$44.0 million for the six months ended 30 June 2004. The increase was due to the commencement of commercial operation of six power plants in the second half of 2004 and the first half of 2005. Interest expenses incurred during the construction of the power plants are capitalised and included as part of total construction costs of power plants.

	For the six months ended	
	30 June 2005 HK\$'000	30 June 2004 HK\$'000
Interest on bank and other loans		
— repayable within five years	188,510	101,372
— not repayable within five years	55,358	30,764
	243,868	132,136
Less: Interest capitalised	(105,284)	(88,149)
	138,584	43,987

Share of results of associates

Share of results of associates mainly represented our share of post-tax results of Shajiao C Power Plant, Wenzhou Telluride Phase II, Xuzhou Power Plant, Xuzhou Phase II, Hengfeng Power Plant and Hengfeng Phase II.

Share of results of associates in the first half of 2005 decreased to HK\$431.9 million, representing a 8.5% decrease compared to HK\$472.1 million in the first half of 2004. The decrease mainly reflected higher coal costs experienced by these power plants and a decrease in net generation volume of Shajiao C Power Plant, Wenzhou Telluride Phase II and Xuzhou Power Plant as a result of overhaul and maintenance work undertaken in the first half of 2005, offset by additional profit contribution from Xuzhou Phase II and Hengfeng Phase II.

For the six months ended 30 June 2005, Shajiao C Power Plant, Wenzhou Telluride Phase II, Xuzhou Power Plant, Xuzhou Phase II, Hengfeng Power Plant and Hengfeng Phase II accounted for approximately 52.4%, 18.6%, 5.1%, 10.7%, 6.8% and 6.4%, respectively of our total share of results of associates.

Share of results of a jointly controlled entity

Share of results of a jointly controlled entity represents our 40% share of post-tax results of BOCGI China Resources Power Co., Ltd., an investment holding company which holds a 25% equity interest in Huaneng International Power Development Corporation.

Share of results of a jointly controlled entity for the first half of 2005 amounted to HK\$106.7 million, representing a 27.5% decrease compared to HK\$147.2 million in the first half of 2004.

Amortisation of goodwill of associates

There was no amortisation of goodwill of associates for the first half of 2005, compared with an amortisation of goodwill of associates of HK\$13.2 million for the first half of 2004. The decrease was mainly due to the adoption of HKFRS 3.

Recognition of discount on acquisition of an associate

Recognition of discount on acquisition of an associate for the first half of 2005 amounted to HK\$1.7 million, representing discount on acquisition arising from the acquisition of a 1.1% interest in Resources Shajiao C in January 2005.

Release of negative goodwill of associates

No release of negative goodwill of associates was recognised in the first half of 2005 in accordance with the relevant transitional provisions in HKFRS 3.

Taxation

Taxation charge for the first half of 2005 was HK\$9.2 million, compared to HK\$1.2 million for the first half of 2004. The increase in taxation charge was mainly due to the increase in deferred taxation attributable to the subsidiaries.

Details of the taxation charge for the six months ended 30 June 2004 and 2005 are set out below:

	For the six months ended	
	30 June 2005 HK\$'000	30 June 2004 HK\$'000
The charge comprises:		
The Company and its subsidiaries		
— Hong Kong Profits Tax	—	—
— PRC Enterprise Income Tax	—	—
— Deferred taxation	9,188	1,155
	9,188	1,155

No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries incorporated in Hong Kong had no assessable profits for the period.

PRC Enterprise Income Tax, if any, is provided for based on the estimated assessable profits in accordance with the relevant tax laws applicable to the subsidiaries in the PRC.

Pursuant to the relevant laws and regulations in the PRC, 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. No provision for PRC Enterprises Income Tax has been made in the financial statements as all of the PRC subsidiaries were exempted from PRC Enterprises Income Tax during the period.

Profit for the period

Profit for the period has been arrived at after charging:

	For the six months ended	
	30 June 2005 HK\$'000	30 June 2004 HK\$'000
Amortisation of goodwill of subsidiaries	—	2,934
Depreciation and amortisation of property, plant and equipment	220,012	52,510
Less: depreciation and amortisation of property, plant and equipment capitalised in construction in progress	(3,516)	(1,920)
	216,496	50,590
Share of tax of associates (included in share of results of associates)	57,516	65,091
Share of tax of a jointly controlled entity (included in share of result of a jointly controlled entity)	40,650	60,298
and after crediting:		
Interest income:	12,517	5,224

Profit for the period attributable to equity holders of the Company

As a result of the above, the Group's net profit for the first half of 2005 increased to HK\$816.5 million, representing a 41.5% increase compared to HK\$577.1 million for the first half of 2004.

Earnings per share

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

	For the six months ended	
	30 June 2005 HK\$'000	30 June 2004 HK\$'000
Profit attributable to equity holders of the Company	816,508	577,064

	Number of ordinary shares	
	30 June 1 January 2005 to 30 June 2005	30 June 1 January 2004 to 30 June 2004
Weighted average number of ordinary shares for the purposes of basic earnings per share	3,808,407,215	3,808,000,000
Effect of dilutive potential ordinary shares on share options	25,900,317	10,635,867
Weighted average number of ordinary shares for the purposes of diluted earnings per share	3,834,307,532	3,818,635,867

Interim dividend and closure of register of members

The Board of Directors resolved to declare an interim dividend of HK3.0 cents per share for the six months ended 30 June 2005.

The interim dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Friday, 23 September 2005. The register of members of the Company will be closed from Tuesday, 20 September 2005 to Friday, 23 September 2005 (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 4:00 p.m. on Friday, 16 September 2005. The dividend will be payable on or about 3 October 2005.

Liquidity and capital resources

The bank balances, cash and pledged bank deposits as at 30 June 2005 denominated in local currency and foreign currencies amounted to HK\$476 million, RMB1,791 million and US\$85 million.

For the six months ended 30 June 2005, the Group's primary sources of funding included new loans raised from banks and dividend received from associates, which amounted to HK\$3,096.0 million and HK\$605.1 million, respectively. The Group's funds were primarily used in the purchase of property, plant and equipment for the construction of new power plants and repayment of short-term bank loans, which amounted to HK\$1,866.6 million and HK\$1,772.9 million, respectively.

Borrowings

The bank and other borrowings of the Group as at 31 December 2004 and 30 June 2005 were as follows:

	As at 30 June 2005 HK\$'000	As at 31 December 2004 HK\$'000
Secured bank loans	3,090,297	239,991
Unsecured bank loans	7,250,102	8,795,606
Unsecured other loans	42,269	23,952
	10,382,668	9,059,549
The maturity profile of the above loans is as follows:		
Within 1 year	1,733,009	2,457,679
More than 1 year, but not exceeding 2 years	28,179	499,708
More than 2 years, but not exceeding 5 years	5,638,263	1,873,903
More than 5 years	2,983,217	4,228,259
	10,382,668	9,059,549

The bank and other loans as at 30 June 2005 denominated in local currency and foreign currency amounted to HK\$1,000 million and RMB9,989 million, respectively.

During the six months ended 30 June 2005, the Group repaid bank and other loans amounting to HK\$1,772,929,000 (six months ended 30 June 2004: HK\$1,988,932,000) and obtained new bank and other loans amounting to HK\$3,096,048,000 (six months ended 30 June 2004: HK\$4,021,954,000), proceeds of which were used for general working capital and for financing the acquisition of property, plant and equipment.

Key financial ratios of the Group

	As at 30 June 2005	As at 31 December 2004
Current ratio (<i>times</i>)	1.49	1.15
Quick ratio (<i>times</i>)	1.42	1.11
Net debt to shareholders' equity (%)	69.4	56.6
EBITDA interest coverage (<i>times</i>)	5.0	6.3

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

Foreign exchange rate risk

We collect all of our revenue in Renminbi ("RMB") and most of our expenditures including expenditures incurred in the operation of power plants as well as capital expenditures are also denominated in RMB. Dividends payable by the Group's subsidiaries and associates can be collected in either RMB, US Dollar ("USD") or Hong Kong Dollar ("HKD").

RMB is not a freely convertible currency. Future exchange rates of RMB could vary significantly from the current or historical exchange rates as a result of controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally, and supply and demand of RMB. The appreciation or devaluation of RMB against HKD may have positive or negative impact on the results of operations of the Group.

On 21 July 2005, the People's Bank of China announced that RMB would no longer be pegged to the USD and instead would be linked to a basket of currencies. The exchange rate of USD against RMB was adjusted from 8.2765 to 8.1100 yuan per USD immediately. As at 30 June 2005, the Group had HK\$476 million and US\$85 million cash in deposit, and a HK\$1 billion long-term liability on its balance sheet, the remaining assets and liabilities of our power plants were denominated in RMB. We believe the appreciation of RMB against USD will have an overall positive impact on the Group.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2005.

Legal liabilities

The Group is not involved in any lawsuits, in which the Group is the named defendant.

Employees

As at 30 June 2005, the Company and its subsidiaries employed a total of 2,199 employees.

PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared on the historical cost convention except for certain financial instruments, which are measured at fair value, as appropriate.

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2004, except as described below:

- A.** In the current period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRS(s)"), Hong Kong Accounting Standards ("HKAS(s)") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the income statement, balance sheet and the statement of changes in equity. In particular, the presentation of minority interests and share of tax of associates and a jointly controlled entity have been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented.

(1) Business combinations

In the current period, the Group has applied HKFRS 3 Business Combinations, which is effective for business combinations for which the agreement date is on or after 1 January 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

Goodwill

In previous periods, goodwill arising on acquisitions was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. With respect to goodwill previously capitalised on the balance sheet, the Group has discontinued amortising such goodwill from 1 January 2005 onwards and goodwill will be tested for impairment at least annually or in the financial year in which the acquisition takes place. Goodwill arising on acquisitions after 1 January 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current period. Comparative figures for 2004 have not been restated.

In the current period, the Group has also applied HKAS 21 The Effects of Changes in Foreign Exchange Rates which requires goodwill to be treated as assets and liabilities of the foreign operations and translated at closing rate at each balance sheet date. Previously, goodwill arising on acquisitions of foreign operations was reported at historical rate at each balance sheet date. In accordance with the relevant transitional provisions in HKAS 21, goodwill arising on acquisitions prior to 1 January 2005 is treated as a non-monetary foreign currency item of the Group. Therefore, no prior period adjustment has been made. In the current period, the Group acquired a foreign operation, and goodwill arose on the acquisition of that foreign operation has been translated at the closing rate at 30 June 2005. There is no material impact on the Group's translation reserve in respect of such transaction.

Excess of the Group's interest in the net fair value of acquiree's identified assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill")

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition ("discount on acquisition") is recognised immediately in profit or loss in the period in which the acquisition takes place. In previous periods, negative goodwill was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted. In accordance with the relevant transitional provisions in HKFRS 3, the Group has derecognised all negative goodwill at 1 January 2005. Discount on acquisition in relation to acquisition of an associate is recognised in profit or loss in the current period (see note B below for financial impact).

(2) Share-based payments

In the current period, the Group has applied HKFRS 2 Share-based Payment, which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of directors', employees' and other participants' share options of the Company determined at the date of grant of the share options over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. Following the adoption of HKFRS 2, the costs on the share options are calculated with reference to the fair value of shares at the date of grant and are amortised over the relevant vesting periods to the income statement. All the equity-settled share based payment arrangement of the Group is granted after 7 November 2002 and had not yet vested on 1 January 2005, and accordingly, the Group is required to apply HKFRS 2 retrospectively. Comparative figures have been restated (see note B below for financial impact).

B. Summary of the effects of the changes in accounting policies

The effects of the changes in the accounting policies described above on the results for the current and prior period are as follows:

	1 January 2005 to 30 June 2005 HK\$'000	1 January 2004 to 30 June 2004 HK\$'000
Decrease in amortisation of goodwill	19,692	—
Decrease in release of negative goodwill of associates	(3,275)	—
Expenses in relation to share options granted to employees	(53,914)	(57,243)
Recognition of discount on acquisition of an associate	1,664	—
Decrease in profit for the period	(35,833)	(57,243)

OPERATION STATISTICS BY POWER PLANTS

The tables below set out certain operation statistics of our power plants for the years ended 31 December 2003 and 2004 and the six months ended 30 June 2004 and 2005:

Shajiao C Power Plant

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	1,980	1,980	1,980	1,980
Average utilisation hours	3,157	3,546	7,235	6,566
Gross generation (MWh)	6,251,117	7,021,752	14,325,706	13,000,020
Net generation (MWh)	5,836,871	6,571,414	13,403,485	12,152,650
Equivalent availability factor (%)	87	94	94	90
Net generation standard coal consumption rate (grams/kWh)	325	322	322	323

Changshu Power Plant

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	1,200	N/A	N/A	N/A
Average utilisation hours	N/A	N/A	N/A	N/A
Gross generation (MWh)	1,716,957	N/A	N/A	N/A
Net generation (MWh)	1,628,250	N/A	N/A	N/A
Equivalent availability factor (%)	90	N/A	N/A	N/A
Net generation standard coal consumption rate (grams/kWh)	328	N/A	N/A	N/A

Wenzhou Telluride Phase II

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	600	600	600	600
Average utilisation hours	3,558	4,060	7,870	7,481
Gross generation (MWh)	2,135,010	2,435,820	4,722,083	4,482,720
Net generation (MWh)	2,036,863	2,327,513	4,506,873	4,282,402
Equivalent availability factor (%)	92	97	98	91
Net generation standard coal consumption rate (grams/kWh)	329	331	332	335

Dengfeng Power Plant

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	600	N/A	600	N/A
Average utilisation hours	3,373	N/A	N/A	N/A
Gross generation (MWh)	2,023,554	N/A	1,562,682	N/A
Net generation (MWh)	1,898,016	N/A	1,459,170	N/A
Equivalent availability factor (%)	92	N/A	99	N/A
Net generation standard coal consumption rate (grams/kWh)	358	N/A	363	N/A

Hengfeng Power Plant

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	600	600	600	600
Average utilisation hours	3,309	3,031	6,503	6,350
Gross generation (MWh)	1,985,230	1,818,710	3,902,020	3,810,050
Net generation (MWh)	1,883,960	1,720,930	3,700,210	3,607,230
Equivalent availability factor (%)	96	83	92	91
Net generation standard coal consumption rate (grams/kWh)	341	345	344	347

Xuzhou Phase II

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	600	300	600	N/A
Average utilisation hours	2,887	N/A	N/A	N/A
Gross generation (MWh)	1,732,450	85,350	1,307,477	N/A
Net generation (MWh)	1,649,060	81,150	1,244,310	N/A
Equivalent availability factor (%)	100	100	100	N/A
Net generation standard coal consumption rate (grams/kWh)	352	356	355	N/A

Xuzhou Power Plant

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	600	600	600	600
Average utilisation hours	2,731	2,993	6,307	6,044
Gross generation (MWh)	1,638,841	1,795,768	3,784,326	3,626,488
Net generation (MWh)	1,547,875	1,701,561	3,579,220	3,445,411
Equivalent availability factor (%)	87	87	93	95
Net generation standard coal consumption rate (grams/kWh)	348	346	347	345

Puqi Power Plant

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	600	N/A	600	N/A
Average utilisation hours	2,573	N/A	N/A	N/A
Gross generation (MWh)	1,543,518	N/A	941,340	N/A
Net generation (MWh)	1,469,922	N/A	902,152	N/A
Equivalent availability factor (%)	92	N/A	63	N/A
Net generation standard coal consumption rate (grams/kWh)	340	N/A	348	N/A

Hengfeng Phase II

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	600	N/A	300	N/A
Average utilisation hours	2,478	N/A	N/A	N/A
Gross generation (MWh)	1,486,890	N/A	162,680	N/A
Net generation (MWh)	1,397,055	N/A	154,070	N/A
Equivalent availability factor (%)	85	N/A	73	N/A
Net generation standard coal consumption rate (grams/kWh)	352	N/A	370	N/A

Liyujiang Phase II

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	600	600	600	600
Average utilisation hours	2,395	3,206	6,680	N/A
Gross generation (MWh)	1,437,250	1,923,890	4,007,840	1,889,000
Net generation (MWh)	1,342,080	1,804,745	3,757,170	1,768,260
Equivalent availability factor (%)	65	82	86	98
Net generation standard coal consumption rate (grams/kWh)	365	367	366	368

Jiaozuo Thermal Power Plant

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	270	N/A	N/A	N/A
Average utilisation hours	N/A	N/A	N/A	N/A
Gross generation (MWh)	348,653	N/A	N/A	N/A
Net generation (MWh)	318,198	N/A	N/A	N/A
Equivalent availability factor (%)	100	N/A	N/A	N/A
Net generation standard coal consumption rate (grams/kWh)	417	N/A	N/A	N/A

Tangshan Thermal II Power Plant

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	200	N/A	N/A	N/A
Average utilisation hours	N/A	N/A	N/A	N/A
Gross generation (MWh)	224,665	N/A	N/A	N/A
Net generation (MWh)	204,424	N/A	N/A	N/A
Equivalent availability factor (%)	96	N/A	N/A	N/A
Net generation standard coal consumption rate (grams/kWh)	388	N/A	N/A	N/A

Yixing Power Plant

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	120	N/A	N/A	N/A
Average utilisation hours	N/A	N/A	N/A	N/A
Gross generation (MWh)	319,575	N/A	N/A	N/A
Net generation (MWh)	289,372	N/A	N/A	N/A
Equivalent availability factor (%)	92	N/A	N/A	N/A
Net generation standard coal consumption rate (grams/kWh)	438	N/A	N/A	N/A

Luoyang Power Plant

	For the six months ended 30 June		For the year ended 31 December	
	2005	2004	2004	2003
Installed capacity at period end (MW)	100	100	100	N/A
Average utilisation hours	3,875	N/A	N/A	N/A
Gross generation (MWh)	387,499	118,378	407,192	N/A
Net generation (MWh)	346,688	103,869	360,694	N/A
Equivalent availability factor (%)	89	69	67	N/A
Net generation standard coal consumption rate (grams/kWh)	441	548	516	N/A

Deloitte. **德勤**

TO THE BOARD OF DIRECTORS OF
CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED
華潤電力控股有限公司
(*incorporated in Hong Kong with limited liability*)

INTRODUCTION

We have been instructed by the Company to review the interim financial report set out on pages 31 to 47.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report, 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.

REVIEW WORK PERFORMED

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to Review Interim Financial Reports" issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2005.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 31 August 2005

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2005

	NOTES	1.1.2005 to 30.6.2005 HK\$'000 (unaudited)	1.1.2004 to 30.6.2004 HK\$'000 (unaudited and restated)
Turnover		2,208,773	609,076
Operating expenses			
Fuel		(1,282,335)	(274,186)
Repairs and maintenance		(46,025)	(4,387)
Depreciation and amortisation		(216,495)	(53,524)
Others		(209,058)	(127,092)
Total operating expenses		(1,753,913)	(459,189)
Other operating income		15,564	9,461
Profit from operations		470,424	159,348
Finance costs	4	(138,584)	(43,987)
Share of results of associates		431,932	472,100
Share of result of a jointly controlled entity		106,727	147,187
Amortisation of goodwill of associates		—	(13,206)
Recognition of discount on acquisition of an associate		1,664	—
Release of negative goodwill of associates		—	1,853
Profit before taxation		872,163	723,295
Taxation	5	(9,188)	(1,155)
Profit for the period	6	862,975	722,140
Attributable to:			
Equity holders of the Company		816,508	577,064
Minority interests		46,467	145,076
		862,975	722,140
Interim dividend	8	114,264	95,200
Earnings per share	9		
- basic		21.44 cents	15.15 cents
- diluted		21.29 cents	15.11 cents

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2005

	NOTES	30.6.2005 HK\$'000 (unaudited)	31.12.2004 HK\$'000 (audited and restated)
Non-current assets			
Property, plant and equipment	10	13,622,941	12,082,687
Interests in associates		3,849,501	3,878,246
Interest in a jointly controlled entity	11	1,291,836	1,185,109
Deposit paid on acquisition of property, plant and equipment		96,735	—
Goodwill		105,639	105,639
Negative goodwill		—	(52,735)
Long-term strategic investment		6,838	—
Derivative financial instruments		1,450	—
Deferred taxation assets		5,843	7,876
		18,980,783	17,206,822
Current assets			
Inventories		221,061	154,355
Trade receivables, other receivables and prepayments	12	1,735,882	651,476
Dividend receivable from associates		135,720	82,038
Loan to an associate		21,048	—
Amounts due from associates		186	1,232
Amounts due from fellow subsidiaries		55	133
Amounts due from related companies		22	18
Amount due from immediate holding company		1,309	453
Pledged bank deposits		39,246	62,729
Bank balances and cash		2,780,251	3,246,554
		4,934,780	4,198,988
Current liabilities			
Trade payables, other payables and accruals	13	1,583,449	1,180,168
Amount due to fellow subsidiaries		852	778
Amounts due to associates		3,297	—
Amount due to minority shareholders of subsidiaries		—	1,240
Borrowings - repayable within one year	14	1,733,009	2,457,679
		3,320,607	3,639,865
Net current assets		1,614,173	559,123
Total assets less current liabilities		20,594,956	17,765,945

At 30 June 2005

	NOTES	30.6.2005 HK\$'000 (unaudited)	31.12.2004 HK\$'000 (audited and restated)
Non-current liabilities			
Loans from minority shareholders of subsidiaries		—	18,786
Borrowings - repayable over one year	14	8,649,659	6,601,870
Deferred taxation liabilities		10,383	3,228
		8,660,042	6,623,884
		11,934,914	11,142,061
Capital and reserves			
Share capital	15	3,808,814	3,808,080
Share premium and reserves		7,084,142	6,350,093
Equity attributable to equity holders of the Company		10,892,956	10,158,173
Minority interests		1,041,958	983,888
		11,934,914	11,142,061

The condensed financial statements on pages 31 to 47 were approved by the Board of Directors and authorised for issue on 31 August 2005 and are signed on its behalf by:

SONG LIN
DIRECTOR

WANG SHUAI TING
DIRECTOR

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2005

	Attributable to the equity holders of the Company										
	Share capital HK\$'000	Share premium HK\$'000	General reserve HK\$'000	Special reserve HK\$'000	Translation reserve HK\$'000	Share options reserve HK\$'000	Hedging reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1 January 2004											
- as previously reported	3,808,000	4,468,992	46,742	40,782	(21,174)	—	—	601,311	8,944,653	558,328	9,502,981
- effect of changes in accounting policies (note 2)	—	—	—	—	—	28,622	—	(28,622)	—	—	—
- as restated	3,808,000	4,468,992	46,742	40,782	(21,174)	28,622	—	572,689	8,944,653	558,328	9,502,981
Shares issued upon exercise of options	80	144	—	—	—	—	—	—	224	—	224
Exchange differences from translation of operations outside Hong Kong not recognised in the condensed consolidated income statement	—	—	—	—	640	—	—	—	640	945	1,585
Recognition of equity-settled share base payments	—	—	—	—	—	112,121	—	—	112,121	—	112,121
Transfer of share option reserve on exercise of share options	—	121	—	—	—	(121)	—	—	—	—	—
Capital contribution by minority shareholders	—	—	—	—	—	—	—	—	—	127,541	127,541
Profit for the year	—	—	—	—	—	—	—	1,195,735	1,195,735	297,074	1,492,809
2004 interim dividends	—	—	—	—	—	—	—	(95,200)	(95,200)	—	(95,200)
Transfer	—	—	90,529	—	—	—	—	(90,529)	—	—	—
At 31 December 2004	3,808,080	4,469,257	137,271	40,782	(20,534)	140,622	—	1,582,695	10,158,173	983,888	11,142,061
At 1 January 2005											
- as previously reported	3,808,080	4,469,136	137,271	40,782	(20,534)	—	—	1,723,438	10,158,173	983,888	11,142,061
- effect of changes in accounting policies (note 2)	—	121	—	—	—	140,622	—	(47,639)	93,104	—	93,104
- as restated	3,808,080	4,469,257	137,271	40,782	(20,534)	140,622	—	1,675,799	10,251,277	983,888	11,235,165
Share issued upon exercise of share options	734	1,321	—	—	—	—	—	—	2,055	—	2,055
Exchange differences from translation of operations outside Hong Kong not recognised in the condensed consolidated income statement	—	—	—	—	79	—	—	—	79	—	79
Recognition of equity-settled share base payments	—	—	—	—	—	53,914	—	—	53,914	—	53,914
Transfer of share option reserve on exercise of share options	—	1,107	—	—	—	(1,107)	—	—	—	—	—
Gains on cash flow hedges	—	—	—	—	—	—	1,450	—	1,450	—	1,450
Capital contribution by minority shareholders	—	—	—	—	—	—	—	—	—	11,603	11,603
Profit for the period	—	—	—	—	—	—	—	816,508	816,508	46,467	862,975
2004 final dividends	—	—	—	—	—	—	—	(232,327)	(232,327)	—	(232,327)
Transfer	—	—	6,197	—	—	—	—	(6,197)	—	—	—
At 30 June 2005	3,808,814	4,471,685	143,468	40,782	(20,455)	193,429	1,450	2,253,783	10,892,956	1,041,958	11,934,914
At 1 January 2004											
- as previously reported	3,808,000	4,468,992	46,742	40,782	(21,174)	—	—	601,311	8,944,653	558,328	9,502,981
- effect of changes in accounting policies (note 2)	—	—	—	—	—	28,622	—	(28,622)	—	—	—
- as restated	3,808,000	4,468,992	46,742	40,782	(21,174)	28,622	—	572,689	8,944,653	558,328	9,502,981
Exchange differences from translation of operations outside Hong Kong not recognised in the condensed consolidated income statement	—	—	—	—	(3,260)	—	—	—	(3,260)	436	(2,824)
Capital contribution from minority shareholders	—	—	—	—	—	—	—	—	—	110,511	110,511
Recognition of equity-settled share base payments	—	—	—	—	—	57,243	—	—	57,243	—	57,243
Profit for the period	—	—	—	—	—	—	—	577,064	577,064	145,076	722,140
Transfer	—	—	6,771	—	—	—	—	(6,771)	—	—	—
At 30 June 2004	3,808,000	4,468,992	53,513	40,782	(24,434)	85,865	—	1,142,982	9,575,700	814,351	10,390,051

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2005

	1.1.2005 to 30.6.2005 HK\$'000 (unaudited)	1.1.2004 to 30.6.2004 HK\$'000 (unaudited)
Net cash from operating activities	102,896	26,929
Net cash used in investing activities		
Dividend received from associates	605,075	229,885
Capital repatriated from associates	—	342,654
Purchase of property, plant and equipment	(1,866,552)	(2,861,594)
Acquisition of interest in an associate	(61,055)	—
Capital contribution for the investment in associates	(96,512)	—
Other investing cash flows	7,854	(83,417)
	(1,411,190)	(2,372,472)
Net cash from financing activities		
New bank and other loans raised	3,096,048	4,021,954
Capital contributed from minority shareholders	11,603	110,511
Repayment of bank loans	(1,772,929)	(1,988,932)
Interest paid	(243,868)	(132,136)
Dividend paid	(232,327)	—
Repayment of loans raised from minority shareholders of subsidiaries	(18,786)	(122,460)
Other financing cash flows	2,055	(35,353)
	841,796	1,853,584
Net decrease in cash and cash equivalents	(466,498)	(491,959)
Cash and cash equivalents at beginning of the period	3,246,554	3,695,900
Effect of foreign exchange rate changes	195	(4,496)
Cash and cash equivalents at end of the period	2,780,251	3,199,445
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	2,780,251	3,199,445

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 June 2005

1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules") and with Hong Kong Accounting Standard 34 Interim Financial Reporting.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared on the historical cost convention except for certain financial instruments, which are measured at fair value, as appropriate.

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2004, except as described below:

- A.** In the current period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRS(s)"). Hong Kong Accounting Standards ("HKAS(s)") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the income statement, balance sheet and the statement of changes in equity. In particular, the presentation of minority interests and share of tax of associates and a jointly controlled entity have been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented.

(1) Business combinations

In the current period, the Group has applied HKFRS 3 Business Combinations, which is effective for business combinations for which the agreement date is on or after 1 January 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

Goodwill

In previous periods, goodwill arising on acquisitions was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. With respect to goodwill previously capitalised on the balance sheet, the Group has discontinued amortising such goodwill from 1 January 2005 onwards and goodwill will be tested for impairment at least annually or in the financial year in which the acquisition takes place. Goodwill arising on acquisitions after 1 January 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current period. Comparative figures for 2004 have not been restated.

In the current period, the Group has also applied HKAS 21 The Effects of Changes in Foreign Exchange Rates which requires goodwill to be treated as assets and liabilities of the foreign operations and translated at closing rate at each balance sheet date. Previously, goodwill arising on acquisitions of foreign operations was reported at historical rate at each balance sheet date. In accordance with the relevant transitional provisions in HKAS 21, goodwill arising on acquisitions prior to 1 January 2005 is treated as a non-monetary foreign currency item of the Group. Therefore, no prior period adjustment has been made. In the current period, the Group acquired a foreign operation, and goodwill arose on the acquisition of that foreign operation has been translated at the closing rate at 30 June 2005. There is no material impact on the Group's translation reserve in respect of such transaction.

For the six months ended 30 June 2005

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(1) Business combinations (cont'd)****Excess of the Group's interest in the net fair value of acquiree's identified assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill")**

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition ("discount on acquisition") is recognised immediately in profit or loss in the period in which the acquisition takes place. In previous periods, negative goodwill was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted. In accordance with the relevant transitional provisions in HKFRS 3, the Group has derecognised all negative goodwill at 1 January 2005. Discount on acquisition in relation to acquisition of an associate is recognised in profit or loss in the current period (see note 2B for financial impact).

(2) Share-based payments

In the current period, the Group has applied HKFRS 2 Share-based Payment, which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of directors', employees' and other participants' share options of the Company determined at the date of grant of the share options over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. Following the adoption of HKFRS 2, the costs on the share options are calculated with reference to the fair value of shares at the date of grant and are amortised over the relevant vesting periods to the income statement. All the equity-settled share based payment arrangement of the Group is granted after 7 November 2002 and had not yet vested on 1 January 2005, and accordingly, the Group is required to apply HKFRS 2 retrospectively. Comparative figures have been restated (see note 2B for the financial impact).

(3) Financial instruments

In the current period, the Group has applied HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement. HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permit to recognise, derecognise or measure financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are summarised below:

Financial assets and financial liabilities

From 1 January 2005 onwards, the Group classifies and measures its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of Statement of Standard Accounting Practice 24 Accounting for Investments in Securities) in accordance with the requirements of HKAS 39. They are classified under the appropriate classification of HKAS 39 and measured at amortised cost using the effective interest method. The long-term strategic investment acquired during the current period is classified as available-for-sale equity instrument and is carried at cost less impairment as the fair value cannot be reliably measured. If there is objective evidence that an individual investment has been impaired, such impairment would be recognised in the income statement. Any impairment losses relating to available-for-sale equity instrument carried at cost are not reversed in the subsequent periods.

For the six months ended 30 June 2005

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(3) Financial instruments (cont'd)

Derivatives and hedging

From 1 January 2005 onwards, all derivatives that are within the scope of HKAS 39 are required to be carried at fair value at each balance sheet date. Under HKAS 39, derivatives (including embedded derivatives separately accounted for from the host contracts) are deemed as held-for-trading financial assets or financial liabilities, unless they qualify and are designated as effective hedging instruments. The gain or loss on changes in fair value is recognised generally in the income statement unless the derivative financial instruments qualified for hedge accounting.

The Group has applied the relevant transitional provisions in HKAS 39 and designated certain derivatives as hedging instruments to hedge against its exposure of changes in interest rate. The derivative financial instrument qualifies for hedge accounting and is designated as a cash flow hedge, the effective part and the ineffective part of any unrealised gain or loss on the instrument is recognised directly in equity and in the income statement respectively. The cumulative gain or loss associated with the effective part of the cash flow hedge is removed from equity and is generally recognised in the income statement in the same period or periods during which the gain or loss arising from the hedged transaction is recognised in the income statement (see note 2B for financial impact).

B. Summary of the effects of the changes in accounting policies

The effects of the changes in the accounting policies described above on the results for the current and prior period are as follows:

	1.1.2005 to 30.6.2005 HK\$'000	1.1.2004 to 30.6.2004 HK\$'000
Decrease in amortisation of goodwill (note 2A(1))	19,692	—
Decrease in release of negative goodwill of associates (note 2A(1))	(3,275)	—
Expenses in relation to share options granted to employees (note 2A(2))	(53,914)	(57,243)
Recognition of discount on acquisition of an associate (note 2A(1))	1,664	—
Decrease in profit for the period	(35,833)	(57,243)

For the six months ended 30 June 2005

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

B. Summary of the effects of the changes in accounting policies (cont'd)

The effects of the application of the new HKFRSs for the six months ended 30 June 2004 are summarised below:

	1.1.2004 to 30.6.2004 HK\$'000 (originally stated)	Adjustment HK\$'000	1.1.2004 to 30.6.2004 HK\$'000 (restated)
Income statement items			
Operating expenses - others	(69,849)	(57,243)	(127,092)
Share of results of associates	537,191	(65,091)	472,100
Share of results of a jointly controlled entity	207,486	(60,299)	147,187
Taxation	(126,545)	125,390	(1,155)
Decrease in profit for the period		(57,243)	

The cumulative effects of the application of the new HKFRSs as at 31 December 2004 and 1 January 2005 are summarised below:

	31.12.2004 HK\$'000 (originally stated)	Adjustment HK\$'000	31.12.2004 HK\$'000 (restated)	Adjustment HK\$'000	1.1.2005 HK\$'000 (restated)
Balance sheet items					
Interest in associates	3,878,246	—	3,878,246	40,369	3,918,615
Negative goodwill	(52,735)	—	(52,735)	52,735	—
Increase in assets		—		93,104	
Retained profits	1,723,438	(140,743)	1,582,695	93,104	1,675,799
Share premium	4,469,136	121	4,469,257	—	4,469,257
Share options reserve	—	140,622	140,622	—	140,622
Minority interests	—	983,888	983,888	—	983,888
Total effect on equity		983,888		93,104	
Minority interests	983,888	(983,888)	—	—	—

For the six months ended 30 June 2005

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

B. Summary of the effects of the changes in accounting policies (cont'd)

The cumulative effects of the application of the new HKFRSs as at 31 December 2003 and 1 January 2004 are summarised below:

	As at 31.12.2003 HK\$'000 (originally stated)	Adjustment HK\$'000	As at 1.1.2004 HK\$'000 (restated)
Retained earnings	601,311	(28,622)	572,689
Share options reserve	—	28,622	28,622
Minority interests	—	558,328	558,328
Total effect on equity		<u>558,328</u>	
Minority interests	<u>558,328</u>	<u>(558,328)</u>	<u>—</u>

C. At the date of authorisation of these condensed financial statements, the HKICPA has issued the following standards and interpretations ("INT") that are not yet effective:

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS-Int 4	Determining whether an Arrangement contains a Lease
HKFRS-Int-5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

The directors anticipate that the adoption of these new HKFRSs in future periods will have no material impact on the results of the Group.

3. SEGMENT INFORMATION

Business segments

The Group's principal activities are the development and operation of power stations as a single business segment.

Geographical segments

Nearly all of the Group's assets and liabilities are located in the People's Republic of China, other than Hong Kong (the "PRC"), and operations for the period were substantially located in the PRC. Accordingly, no geographical segment information for the period is presented.

For the six months ended 30 June 2005

4. FINANCE COSTS

	1.1.2005 to 30.6.2005 HK\$'000	1.1.2004 to 30.6.2004 HK\$'000
Interest on bank and other loans:		
- wholly repayable within five years	188,510	101,372
- not wholly repayable within five years	55,358	30,764
	243,868	132,136
Less: Interest capitalised	(105,284)	(88,149)
	138,584	43,987

5. TAXATION

	1.1.2005 to 30.6.2005 HK\$'000	1.1.2004 to 30.6.2004 HK\$'000
The charge comprises:		
The Company and its subsidiaries		
- Hong Kong Profits Tax	—	—
- PRC Enterprise Income Tax	—	—
- Deferred taxation	9,188	1,155
	9,188	1,155

No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries incorporated in Hong Kong had no assessable profits for the period.

PRC Enterprise Income Tax, if any, is provided for based on the estimated assessable profits in accordance with the relevant tax laws applicable to the subsidiaries in the PRC.

Pursuant to the relevant laws and regulations in the PRC, 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. No provision for PRC Enterprises Income Tax has been made in the financial statements as all of the PRC subsidiaries were exempted from PRC Enterprises Income Tax during the period.

For the six months ended 30 June 2005

6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	1.1.2005 to 30.6.2005 HK\$'000	1.1.2004 to 30.6.2004 HK\$'000
Amortisation of goodwill of subsidiaries	—	2,934
Depreciation and amortisation of property, plant and equipment	220,012	52,510
Less: depreciation and amortisation of property, plant and equipment capitalised in construction in progress	(3,516)	(1,920)
	216,496	50,590
Share of tax of associates (included in share of results of associates)	57,516	65,091
Share of tax of a jointly controlled entity (included in share of results of a jointly controlled entity)	40,650	60,298
and after crediting:		
Interest income	12,517	5,224

7. SHARE OPTIONS

The Company has share option schemes for eligible directors of the Company and employees of the Group and other participants. Details of the share options outstanding during the current period are as follows:

	Number of share options
Outstanding at 1 January 2005	194,105,000
Granted during the period	35,000,000
Exercised during the period	(734,000)
Lapsed during the period	(300,000)
Outstanding at 30 June 2005	228,071,000

As mentioned in Note 2, the Group has, for the first time, applied HKFRS 2 Share-based Payments to account for its share options in the current period. In accordance with HKFRS 2, fair value of share options granted to employees determined at the date of grant is expensed over the vesting period, with a corresponding adjustment to the Group's share option reserve. In the current period, an amount of share option expense of approximately HK\$53,914,000 has been recognised in the current period, with a corresponding adjustment recognised in the Group's share options reserve.

For the six months ended 30 June 2005

7. SHARE OPTIONS (CONT'D)

The closing prices of the Company's shares immediately before the dates on which the options were exercised were as follows:

Date immediate before exercise of options	Closing prices HK\$
20.1.2005	3.90
24.2.2005	3.95
30.3.2005	3.67
21.4.2005	3.97
9.5.2005	4.15
6.6.2005	4.32
22.6.2005	4.35

In the current period, share options were granted on 18 March 2005. The closing price of the Company's shares immediately before 18 March 2005, the date of grant of the options, was HK\$3.88.

The fair value of the options determined at the date of grant using the Black-Scholes option pricing model was HK\$1.62.

The following assumptions were used to calculate the fair values of share options:

	18.3.2005
Weighted average share price	HK\$3.85
Weighted average exercise price	HK\$3.99
Expected life of options	7.5 years
Expected volatility	46.21%
Expected dividend yield	2.23%
Risk free rate	4.03%

Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

8. INTERIM DIVIDEND

	1.1.2005 to 30.6.2005 HK\$'000	1.1.2004 to 30.6.2004 HK\$'000
Interim dividend proposed of HK\$0.030 (1.1.2004 to 30.6.2004: HK\$0.025) per share on 3,808,814,000 shares (2004: 3,808,000,000 shares)	114,264	95,200

The Board of Directors resolved to propose an interim dividend of HK\$0.030 per share for the six months ended 30 June 2005 (six months ended 30 June 2004: HK\$0.025).

For the six months ended 30 June 2005

9. EARNINGS PER SHARE

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

	1.1.2005 to 30.6.2005 HK\$'000	1.1.2004 to 30.6.2004 HK\$'000
Profit attributable to equity holders of the Company	816,508	577,064
	Number of ordinary shares	
	1.1.2005 to 30.6.2005	1.1.2004 to 30.6.2004
Weighted average number of ordinary shares for the purposes of basic earnings per share	3,808,407,215	3,808,000,000
Effect of dilutive potential ordinary shares on share options	25,900,317	10,635,867
Weighted average number of ordinary shares for the purposes of diluted earnings per share	3,834,307,532	3,818,635,867

The adjustment to comparative basic and diluted earnings per share, arising from the changes in accounting policies shown in note 2 above, is as follows:

	1.1.2004 to 30.6.2004	
	Basic HK cents	Diluted HK cents
Reconciliation of 2004 earnings per share:		
Reported figures before adjustments	16.66	16.44
Adjustments arising from the adoption of HKFRSs	(1.51)	(1.33)
Restated	15.15	15.11

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2005, the Group spent HK\$1,866,552,000 (six months ended 30 June 2004: HK\$2,861,594,000) on acquisition of property, plant and equipment.

11. INTEREST IN A JOINTLY CONTROLLED ENTITY

Interest in a jointly controlled entity represents the Group's 40% equity interest in BOCGI China Resources Power Co., Ltd., an investment holding company which holds an aggregate of 25% equity interest in Huaneng International Power Development Corporation.

For the six months ended 30 June 2005

12. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

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

The following is an aged analysis of trade receivables at the reporting dates:

	30.6.2005 HK\$'000	31.12.2004 HK\$'000
0 - 30 days	911,348	327,534
31 - 60 days	140,930	73,373
Over 60 days	7,117	—
	1,059,395	400,907

13. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

The following is an aged analysis of trade payables at the reporting dates:

	30.6.2005 HK\$'000	31.12.2004 HK\$'000
0 - 30 days	275,946	129,954
31 - 60 days	12,636	590
Over 60 days	6,027	183
	294,609	130,727

14. BORROWINGS

During the six months ended 30 June 2005, the Group repaid bank and other loans totally HK\$1,772,929,000 (six months ended 30 June 2004: HK\$1,988,932,000) and obtained new bank and other loans totally HK\$3,096,048,000 (six months ended 30 June 2004: HK\$4,021,954,000) of which the proceeds were used for general working capital and for financing the acquisition of property, plant and equipment.

15. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$1.00 each		
Authorised:		
Balance at 31 December 2004 and 30 June 2005	10,000,000	10,000,000
Issued and fully paid:		
Balance at 31 December 2004 and 1 January 2005	3,808,080	3,808,080
Issue upon exercise of share options	734	734
Balance at 30 June 2005	3,808,814	3,808,814

For the six months ended 30 June 2005

16. CAPITAL COMMITMENTS

	30.6.2005	31.12.2004
	HK\$'000	HK\$'000
Capital expenditure in respect of the acquisition of construction in progress:		
- Authorised but not contracted for	—	15,719
- Contracted for but not provided in the financial statements	7,214,201	4,707,443
	7,214,201	4,723,162

17. RELATED PARTY TRANSACTIONS

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

Name of related company	Relationship	Nature of transactions	1.1.2005	1.1.2004
			to	to
			30.6.2005	30.6.2004
			HK\$'000	HK\$'000
China Resources Property Management Co., Ltd.	Fellow subsidiary	Rental expenses paid by the Group	627	580
Zhejiang Wenzhou Telluride Power Generating Company Limited ("Wenzhou Telluride")	Associate	Service income received by the Group	—	1,950
Guangdong Guanghope Power Co., Ltd. ("Guangdong Guanghope")	Associate	Reimbursement of repairs and maintenance fee to Guangdong Guanghope	3,109	3,120
China Resources (Holdings) Company Limited	Immediate holding company	Management fee income received by the Group	1,000	1,300
China Resources National Corporation	Ultimate holding company	Acquisition of interest in an associate	61,055	—
China Resources National Corporation	Ultimate holding company	Management fee income received by the Group	—	150
Key management personnel	Employee	Remuneration	9,157	5,329

For the six months ended 30 June 2005

18. EXTRACTS OF FINANCIAL STATEMENTS OF SIGNIFICANT ASSOCIATES

The extracts of the unaudited management accounts prepared under accounting principles generally accepted in Hong Kong for the six months ended 30 June 2005 of the Company's significant associates, Guangdong Guanghope, Wenzhou Telluride and China Resources (Xuzhou) Electric Power Company Limited ("Xuzhou Power"), are as follows:

	Guangdong Guanghope 30.6.2005 RMB'000	Wenzhou Telluride 30.6.2005 RMB'000	Xuzhou Power* 30.6.2005 RMB'000
Balance sheet			
Non-current assets	7,727,616	2,608,873	2,871,943
Current assets	872,052	279,228	1,383,436
Current liabilities	(360,302)	(112,740)	(2,058,464)
Non-current liabilities	(852,992)	(1,359,215)	(842,146)
Shareholders' funds	7,386,374	1,416,146	1,354,769
Income statement			
	1.1.2005 to 30.6.2005 RMB'000	1.1.2005 to 30.6.2005 RMB'000	1.1.2005 to 30.6.2005 RMB'000
Turnover	2,121,130	739,492	1,008,327
Profit for the period	643,886	213,732	206,741
Cash flow statement			
	1.1.2005 to 30.6.2005 RMB'000	1.1.2005 to 30.6.2005 RMB'000	1.1.2005 to 30.6.2005 RMB'000
Net cash from operating activities	1,379,830	354,395	195,610
Net cash used in investing activities	(155,456)	(376)	(59,707)
Net cash used in financing activities	(1,128,326)	(488,380)	(263,551)
Net increase (decrease) in cash and cash equivalents	96,048	(134,361)	(127,648)

* The financial figures for Xuzhou Power are consolidated figures.

DISCLOSURE OF INTERESTS

DIRECTORS' INTERESTS AND SHORTS POSITIONS IN SECURITIES AND DEBENTURES

Save as disclosed below, as at 30 June 2005, 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 Divisions 7 and 8 of Part XV 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 2005 are as follows:

Name of Director		Capacity		Number of issued ordinary shares held			Percentage of the issued share capital of the Company	
Wang Shuai Ting		Beneficial Owner		350,000			0.009%	

Name of Director	Capacity	Date of grant	Date of expiry	Exercise price (HK\$)	Number of options and underlying shares as at 1 January 2005		Number of options and underlying shares as at 30 June 2005		Percentage of the issued share capital of the Company
					Number of options granted during the period	Number of options exercised during the period	Number of options granted during the period	Number of options exercised during the period	
Song Lin	Beneficial Owner	6 Oct 2003	5 Oct 2013	2.80	2,000,000	—	—	2,000,000	0.053%
	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.99	—	900,000	—	900,000	0.024%
Wang Shuai Ting	Beneficial Owner	6 Oct 2003	5 Oct 2013	2.80	4,500,000	—	—	4,500,000	0.118%
	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.99	—	900,000	—	900,000	0.024%
Shen Zhong Min	Beneficial Owner	6 Oct 2003	5 Oct 2013	2.80	3,000,000	—	—	3,000,000	0.079%
	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.99	—	600,000	—	600,000	0.016%
Tang Cheng	Beneficial Owner	6 Oct 2003	5 Oct 2013	2.80	3,000,000	—	—	3,000,000	0.079%
	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.99	—	600,000	—	600,000	0.016%
Zhang Shen Wen	Beneficial Owner	6 Oct 2003	5 Oct 2013	2.80	3,000,000	—	—	3,000,000	0.079%
	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.99	—	600,000	—	600,000	0.016%
Jiang Wei	Beneficial Owner	6 Oct 2003	5 Oct 2013	2.80	1,000,000	—	—	1,000,000	0.026%
	Beneficial Owner	18 Mar 2005	17 Mar 2015	3.99	—	600,000	—	600,000	0.016%

DIRECTORS' INTERESTS AND SHORTS POSITIONS IN SECURITIES AND DEBENTURES (CONT'D)

(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 2005 are as follows:

Name of Director		Capacity		Number of shares held			Percentage of the issued share capital of CRE	
Song Lin		Family Interest ^(Note)		200,000			0.009%	

Name of Director	Capacity	Date of grant	Date of expiry	Exercise price (HK\$)	Number of options and underlying shares as at 1 January 2005		Number of options and underlying shares as at 30 June 2005		Percentage of the issued share capital of CRE
					Number of options granted during the period	Number of options exercised during the period	Number of options granted during the period	Number of options exercised during the period	
Song Lin	Beneficial Owner	7 Feb 2002	6 Feb 2012	7.17	2,000,000	—	—	2,000,000	0.091%
	Beneficial Owner	14 Jan 2004	13 Jan 2014	9.72	2,500,000	—	—	2,500,000	0.114%
	Family Interest ^(Note)	20 Jun 2000	19 Jun 2010	7.19	200,000	—	—	200,000	0.009%
Wang Shuai Ting	Beneficial Owner	5 Mar 2002	4 Mar 2012	7.35	450,000	—	—	450,000	0.020%
Tang Cheng	Beneficial Owner	5 Mar 2002	4 Mar 2012	7.35	80,000	—	—	80,000	0.004%
Zhang Shen Wen	Beneficial Owner	5 Mar 2002	4 Mar 2012	7.35	50,000	—	—	50,000	0.002%
Jiang Wei	Beneficial Owner	8 Mar 2002	7 Mar 2012	7.50	600,000	—	—	600,000	0.027%

Note: The shares and the outstanding options in CRE were held by the spouse of Mr. Song Lin.

DIRECTORS' INTERESTS AND SHORTS POSITIONS IN SECURITIES AND DEBENTURES (CONT'D)

(C) China Resources Logic Limited

China Resources Logic Limited ("CR Logic"), a fellow subsidiary of the Company, has a share option scheme to subscribe for the shares in CR Logic. Details of shares and outstanding options in CR Logic held by the Directors as at 30 June 2005 are as follows:

Name of Director		Capacity		Number of shares held			Percentage of the issued share capital of CR Logic		
Name of Director	Capacity	Date of grant	Date of expiry	Exercise price (HK\$)	1 January 2005	Number of options granted during the period	Number of options exercised during the period	30 June 2005	Percentage of the issued share capital of CR Logic
Song Lin	Beneficial Owner				3,600,000				0.135%
Song Lin	Beneficial Owner	21 Sep 2000	20 Sep 2010	0.59	6,900,000	—	—	6,900,000	0.259%
	Beneficial Owner	13 Jan 2004	12 Jan 2014	0.906	2,000,000	—	—	2,000,000	0.075%
Wang Shuai Ting	Beneficial Owner	9 Apr 2002	8 Apr 2012	0.82	540,000	—	—	540,000	0.020%
Tang Cheng	Beneficial Owner	9 Apr 2002	8 Apr 2012	0.82	90,000	—	—	90,000	0.003%
Zhang Shen Wen	Beneficial Owner	9 Apr 2002	8 Apr 2012	0.82	60,000	—	—	60,000	0.002%
Jiang Wei	Beneficial Owner	9 Apr 2002	8 Apr 2012	0.82	720,000	—	—	720,000	0.027%

(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 outstanding options in CR Land held by the Directors as at 30 June 2005 are as follows:

Name of Director		Capacity		Number of shares held			Percentage of the issued share capital of CR Land		
Name of Director	Capacity	Date of grant	Date of expiry	Exercise price (HK\$)	1 January 2005	Number of options granted during the period	Number of options exercised during the period	30 June 2005	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	0.060%
Wang Shuai Ting	Beneficial Owner	4 Mar 2002	31 Jan 2012	1.59	540,000	—	—	540,000	0.036%
Tang Cheng	Beneficial Owner	4 Mar 2002	31 Jan 2012	1.59	100,000	—	—	100,000	0.007%
Zhang Shen Wen	Beneficial Owner	4 Mar 2002	31 Jan 2012	1.59	60,000	—	—	60,000	0.004%
Jiang Wei	Beneficial Owner	4 Mar 2002	3 Mar 2012	1.59	720,000	—	—	720,000	0.048%
	Beneficial Owner	1 Jun 2005	31 May 2015	1.23	—	700,000	—	700,000	0.046%

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

Save as disclosed below, as at 30 June 2005, the Directors are not aware of any other persons (other than a Director or chief executive, whose interests are disclosed in the section headed "Directors' Interests in Securities" 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 required to be kept pursuant to Section 336 of the SFO:

Name of shareholders	Capacity	No. of shares held	Approximate % of shareholding
China Resources (Holdings) Company Limited ("CRH")	Beneficial owner	2,750,000,000	72.2%
CRC Bluesky Limited	Interest of a controlled corporation	2,750,000,000	72.2%
China Resources Co., Limited ("CRL")	Interest of a controlled corporation	2,750,000,000	72.2%
China Resources National Corporation ("CRNC")	Interest of a controlled corporation	2,750,000,000	72.2%

Note: CRH 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 and CRC Bluesky Limited 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 CRH.

SHARE OPTIONS

(I) Pre-IPO Share Option Scheme

Movement of the options under the Pre-IPO Share Option Scheme during the period ended 30 June 2005 is as follows:

Name of Director	Date of grant	Number of options outstanding as at 1 January 2005	Number of options lapsed or cancelled during the period	Number of options exercised during the period ⁽¹⁾	Number of options outstanding as at 30 June 2005 ⁽²⁾	Date of expiry	Exercise price (HK\$)
Song Lin	6 Oct 2003	2,000,000	—	—	2,000,000	5 Oct 2013	2.80
Wang Shuai Ting	6 Oct 2003	4,500,000	—	—	4,500,000	5 Oct 2013	2.80
Shen Zhong Min	6 Oct 2003	3,000,000	—	—	3,000,000	5 Oct 2013	2.80
Tang Cheng	6 Oct 2003	3,000,000	—	—	3,000,000	5 Oct 2013	2.80
Zhang Shen Wen	6 Oct 2003	3,000,000	—	—	3,000,000	5 Oct 2013	2.80
Jiang Wei	6 Oct 2003	1,000,000	—	—	1,000,000	5 Oct 2013	2.80
Aggregate total of employees	6 Oct 2003	100,575,000	—	(674,000)	99,901,000	5 Oct 2013	2.80
Aggregate total of other participants	6 Oct 2003	49,130,000	—	(60,000)	49,070,000	5 Oct 2013	2.80
		166,205,000	—	(734,000)	165,471,000		

SHARE OPTIONS (CONT'D)**(I) Pre-IPO Share Option Scheme** (Cont'd)

Note: (1) The weighted average closing prices of the Company's shares immediately before the dates on which the options were exercised was HK\$3.977.

(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.

(II) Share Option Scheme

Movement of the options under the Share Option Scheme during the period ended 30 June 2005 is as follows:

Name of Director	Date of grant	Number of options outstanding as at 1 January 2005	Number of options granted during the period ⁽¹⁾	Number of options lapsed or cancelled during the period	Number of options exercised during the period	Number of options outstanding as at 30 June 2005 ⁽²⁾	Date of expiry	Exercise price (HK\$)
Song Lin	18 Mar 2005	—	900,000	—	—	900,000	17 Mar 2015	3.99
Wang Shuai Ting	18 Mar 2005	—	900,000	—	—	900,000	17 Mar 2015	3.99
Shen Zhong Min	18 Mar 2005	—	600,000	—	—	600,000	17 Mar 2015	3.99
Tang Cheng	18 Mar 2005	—	600,000	—	—	600,000	17 Mar 2015	3.99
Zhang Shen Wen	18 Mar 2005	—	600,000	—	—	600,000	17 Mar 2015	3.99
Jiang Wei	18 Mar 2005	—	600,000	—	—	600,000	17 Mar 2015	3.99
Aggregate total of employees	1 Sep 2004	23,600,000	—	(300,000)	—	23,300,000	31 Aug 2014	4.25
	18 Mar 2005	—	23,900,000	—	—	23,900,000	17 Mar 2015	3.99
Aggregate total of other participants	1 Sep 2004	4,300,000	—	—	—	4,300,000	31 Aug 2014	4.25
	18 Mar 2005	—	6,900,000	—	—	6,900,000	17 Mar 2015	3.99
		27,900,000	35,000,000	(300,000)	—	62,600,000		

Note: (1) The closing price of the Company's shares immediately before the date on which the options were granted was HK\$3.875.

(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.

Detailed terms of the Pre-IPO Share Option Scheme and Share Option Scheme were disclosed in the 2004 Annual Report.

CODE ON CORPORATE GOVERNANCE PRACTICES

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 June 2005, in compliance with the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules.

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 Model Code throughout the six months ended 30 June 2005.

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 2005.

AUDITORS AND AUDIT COMMITTEE

The interim results for the six months ended 30 June 2005 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 three Audit Committee members are appointed from the independent non-executive Directors, with the Chairman of the Audit Committee having appropriate professional qualifications and experience to review 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 three independent non-executive directors including one with financial management expertise.

BOARD OF DIRECTORS

Executive Directors:

Song Lin	(Chairman)
Wang Shuai Ting	(Vice Chairman and Chief Executive Officer)
Shen Zhong Min	(Chief Operation Officer)
Tang Cheng	
Zhang Shen Wen	

Non-executive Director:

Jiang Wei

Independent Non-executive Directors:

Fong Ching, Eddy
Anthony H. Adams
Wu Jing Ru

SHARE LISTING AND STOCK CODE

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

FINANCIAL DIARY

Six-month financial period end	30 June 2005
Announcement of interim results	31 August 2005
Interim report posted to shareholders	14 September 2005
Last day to register for interim dividend	16 September 2005
Book close day	20 September 2005 to 23 September 2005
Payment of interim dividend	3 October 2005

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 3203-3204, 32nd Floor, China Resources Building,
26 Harbour Road,
Wanchai, Hong Kong.
Telephone: (852) 2593 7550
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E-mail: crp-ir@crc.com.hk

OUR WEBSITE

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