



# 2010 Annual Results Presentation

China Power International Development Limited

( code: 2380 )

March 2011



- **Results Overview**
- **Business Review**
- **Future Development and Prospects**
- **Appendices**





# Section 1 Results Overview

# Operating Highlights



	<u>2010</u>	<u>2009</u>	<u>% of change</u>
<b>Attributable capacity (MW)</b>	<b>11,585</b>	<b>11,177</b>	<b>3.65%</b>
<b>Consolidated capacity (MW)</b>	<b>11,146</b>	<b>10,455</b>	<b>6.61%</b>
—coal-fired	<b>7,060</b>	<b>7,060</b>	<b>0</b>
—hydro	<b>4,086</b>	<b>3,395</b>	<b>20.35%</b>
<b>Net generation (MWh)</b>	<b>46,002,897</b>	<b>34,714,399</b>	<b>32.52%</b>
—coal-fired	<b>35,181,309</b>	<b>33,355,590</b>	<b>5.47%</b>
—hydro	<b>10,821,588</b>	<b>1,358,809</b>	<b>N/A</b>
<b>Average utilization hours</b>			
—coal-fired	<b>5,329</b>	<b>5,073</b>	<b>5.05%</b>
—hydro	<b>3,190</b>	<b>N/A</b>	<b>N/A</b>
<b>Average realized tariffs (RMB/MWh)</b>			
—coal-fired	<b>328.25</b>	<b>316.65</b>	<b>3.66%</b>
—hydro	<b>258.71</b>	<b>N/A</b>	<b>N/A</b>
<b>Net coal consumption rate(g/KWh)</b>	<b>324.51</b>	<b>329.85</b>	<b>-1.62%</b>

# Financial Highlights



<i>(RMB '000)</i>	<u>2010</u>	<u>2009</u>	<u>% of change</u>
Turnover and other income	14,621,862	11,017,818	32.71%
Fuel costs	(8,292,780)	(7,130,796)	16.30%
Other operating costs (net)	(3,766,486)	(2,766,815)	36.13%
Operating profit	2,562,596	1,120,207	128.76%
Financial costs	(1,410,046)	(669,077)	110.74%
Share of Profit/loss from associates	112,327	127,986	-12.23%
Share of losses of jointly-controlled entities	(18,395)	(5,030)	265.71%
Pre-tax profit	1,246,482	574,086	117.12%
Taxation	(380,227)	(22,476)	1591.70%
Profit attributable to equity holders	666,892	519,008	28.49%
<i>EPS (RMB)</i>	0.13	0.14	—

# Balance Sheet and Capital Structure



	2010	2009 (Restated)	Change
<b>Total Assets (RMB Million)</b>	<b>56,790</b>	<b>54,207</b>	<b>4.85%</b>
<b>Total Liabilities( RMB Million)</b>	<b>41,896</b>	<b>39,325</b>	<b>6.54%</b>
——long-term debts	28,973	27,943	3.69%
——short-term debts	9,097	6,230	46.02%
<b>Total Equity</b> (including minority interest)	<b>14,894</b>	<b>14,881</b>	<b>0.34%</b>
<b>Net Debt to Equity</b>	<b>303%</b>	<b>259%</b>	——

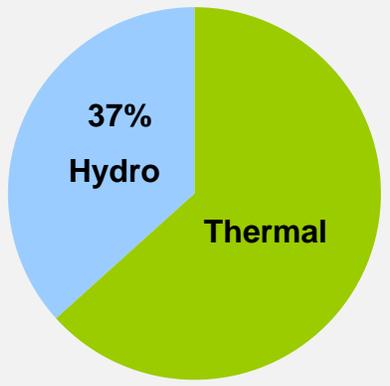


## Section 2 Business Review

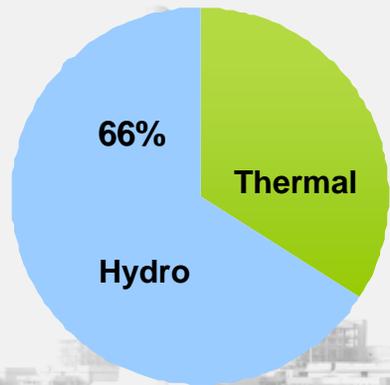
# Optimized Capacity Mix and Operating Margin



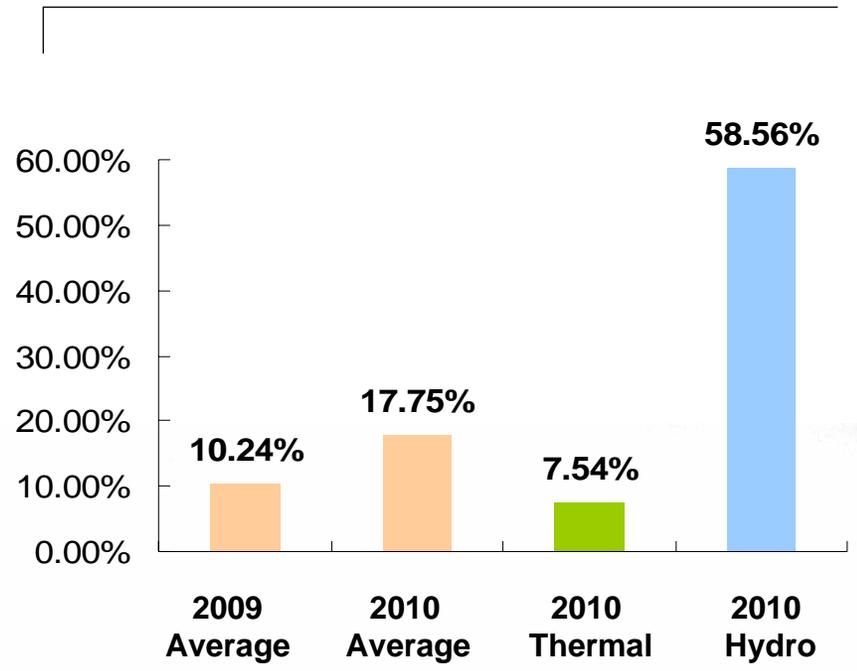
Consolidated capacity : 11,146MW



Operating Profit : RMB 2,562,596,000



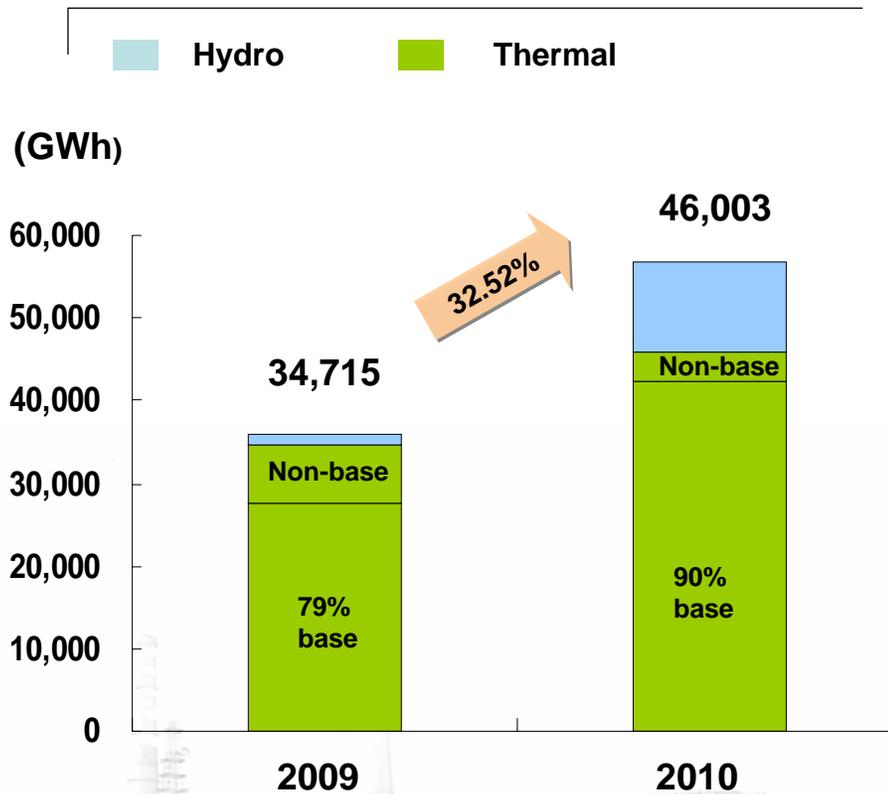
## Improved Operating Margin





# Power Generation

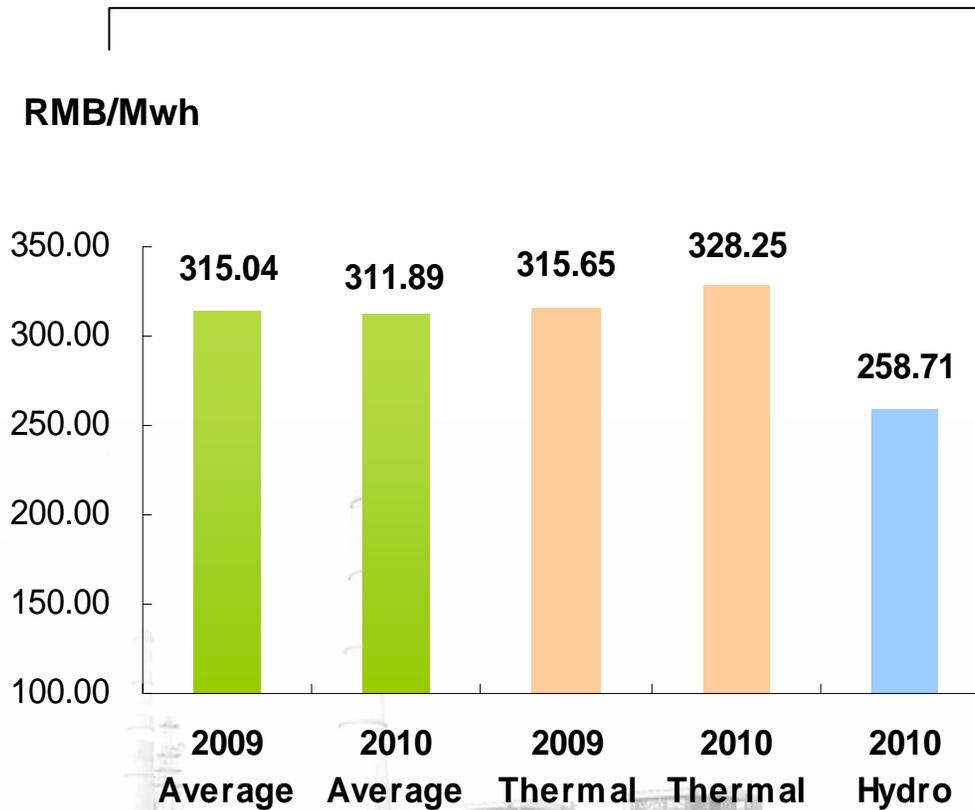
## Total Net Generation



- Strong power demand in 2010.
- Wuling Hydro Power consolidation.
- Base volume power generation increased significantly.
- Improved safety and reliance of units operations.



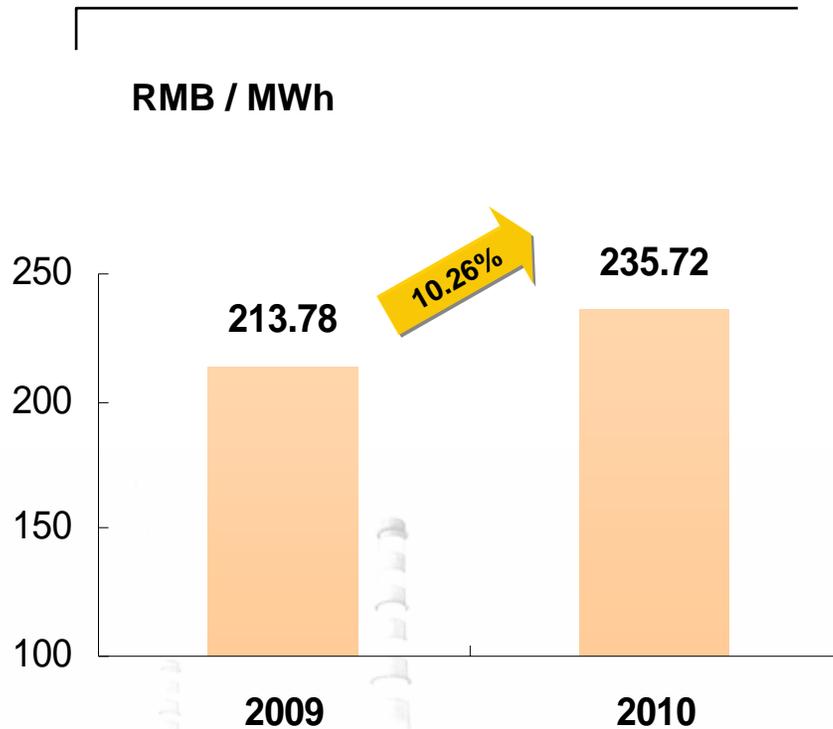
## Average Realized Tariffs



- The average realized on-grid tariffs decreased a little yoy, due to the relatively lower hydro tariffs than thermal power tariffs.
- The average on-grid tariffs for thermal power plants increased by 3.66%, due to benefits of tariff hikes in 2H2009 and higher base power generation.



## Unit Fuel Cost

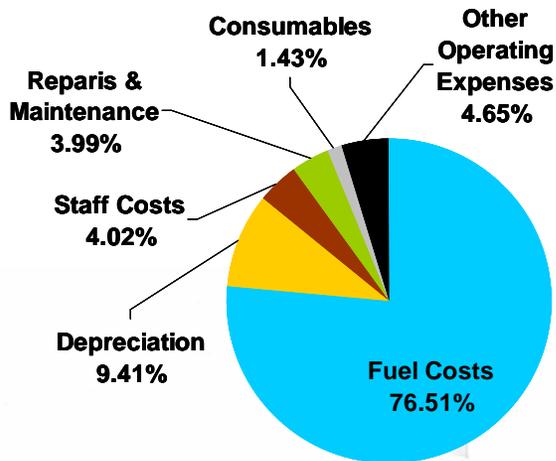


- The unit fuel cost increased by 10.26% yoy in 2010, however less than our expectation at the beginning of this year.
- Contract coal price increased a lot at the beginning of the year.
- Coal price increased more in mine mouth power plants than spot market.

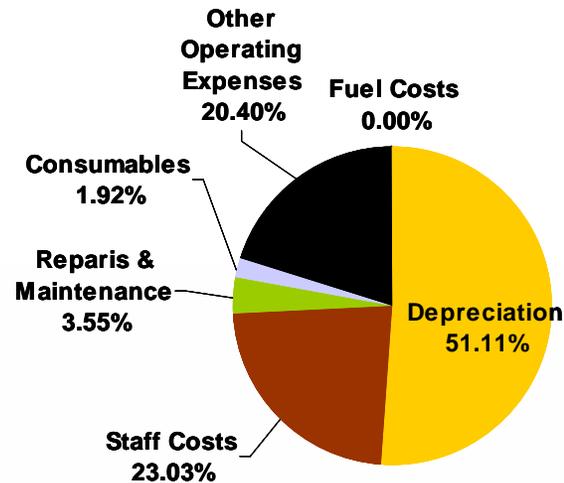


# More Balanced Cost Structure

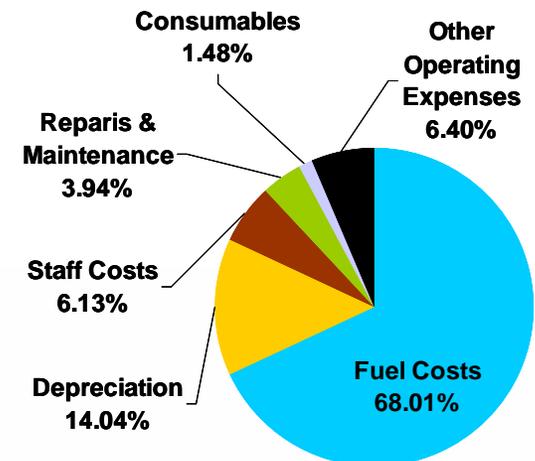
**Thermal Power Operating Cost Breakdown**



**Hydro Power Operating Cost Breakdown**



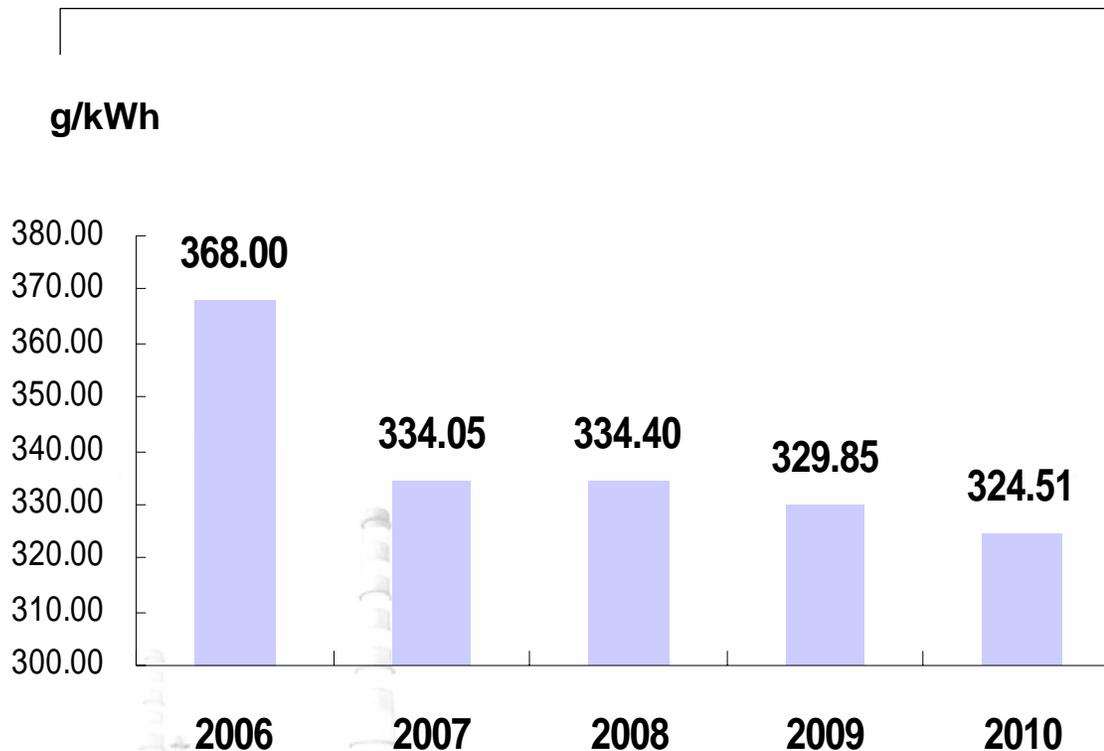
**Consolidated Operating Cost Breakdown**



# Improved Net Coal Consumption Rate



## Net Coal Consumption Rate



➤ Continue to improve coal consumption rate through introducing more efficient units, optimizing units operations and technical upgrades.



## **Section 3 Future Development and Prospects**

# China Power and China Power New Energy



CPI Group (PRC)

CPI Holding (HK)

China Power (2380.HK)

China Power New Energy  
(0735.HK)

Focus on : Conventional Energy

Focus on : Renewable Energy

- 
- 1 Large scale coal-fired power
  - 2 Hydro power
  - 3 Coal mines

- 
- 1 Wind power
  - 2 Waste to energy and Natural Gas
  - 3 Small to medium size hydro power

# Focusing on Developing Hydro Power



 Key Areas of Hydro Power Development

- 1 Continue to expand hydro power capacity through both acquisition and construction.
- 2 Further develop hydro power resources via Wuling platform , particularly in Hunan,Sichuan and Xinjiang.
- 3 Have obtained 189MW and 200MW of hydro power development rights in Sichuan/Hunan and Xinjiang, respectively in 2010.

# Optimizing Coal-fired Power Structure



- 1 Developing large capacity, high efficiency coal-fired power plants.
- 2 Expanding into areas with high profitability, low risk, and favorable operating environment.
- 3 Upgrading aged units by technical renovations.

Higher average capacity per unit.  
Lower coal consumption rate.  
More competitive.

## Coal-fired Power Plants Under Construction

Projects	Equity Interest	Capacity (MW)	Date of Commission	Location
Fuxi	51%	2×600	4Q 2011	Sichuan
Xintang	50%	2×300	4Q 2011	Guangdong
Shentou I	80%	2×600	2Q 2013	Shanxi

## Reserve of pre-stage development projects

Projects	Capacity (MW)	Location
Puan	2×600MW	Guizhou
Pingwei III	2×1,000MW	Anhui
Shentou I	2×1,000MW	Shanxi
Changshu	2×1,000MW	Jiangsu
Qianxi	2×1,000MW	Hebei
Maoming	2×1,000MW	Guangdong

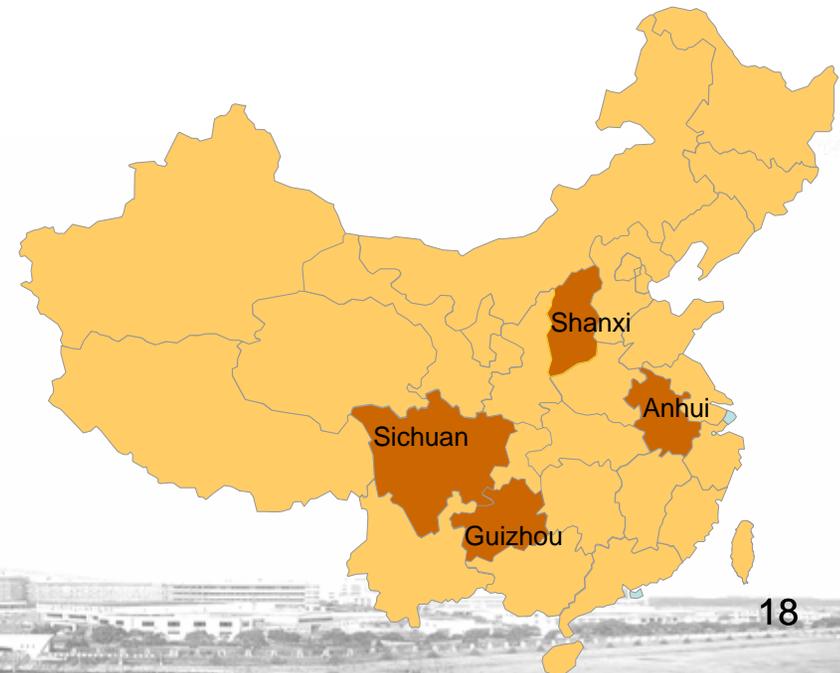
# Proceeding Coal-Power Integration



- 1 Pursuing potential upstream integration opportunities continuously.**
- 2 Focusing on the coal mines adjacent to our coal-fired power plants, particularly in Sichuan, Guizhou, Shanxi and Anhui.**
- 3 Including Chuanjing coal mine in Sichuan with 1.5mn tons capacity and Diguapo No.1 coal mine in Guizhou with 3.0mn tons capacity.**

**Coal-Power Integration Projects (Including Potential)**

Location	Power Plants Under China Power	Coal Mines / Coal Company
Sichuan	Fuxi	Chuanjing
Guizhou	Puan	Diguapo No.1
Shanxi	Shentou I	China Coal
Anhui	Pingwei III	Huainan Coal Mine



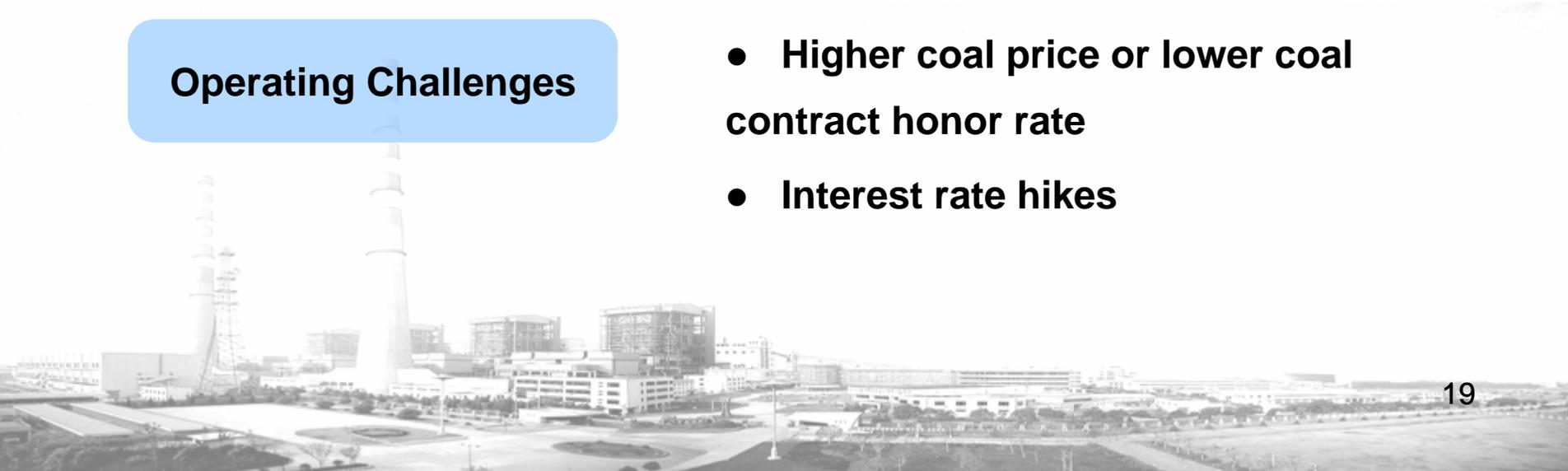


## Key Growth Drivers

- **Strong power demand**
- **Potential tariff increase**
- **Possible better water flows**

## Operating Challenges

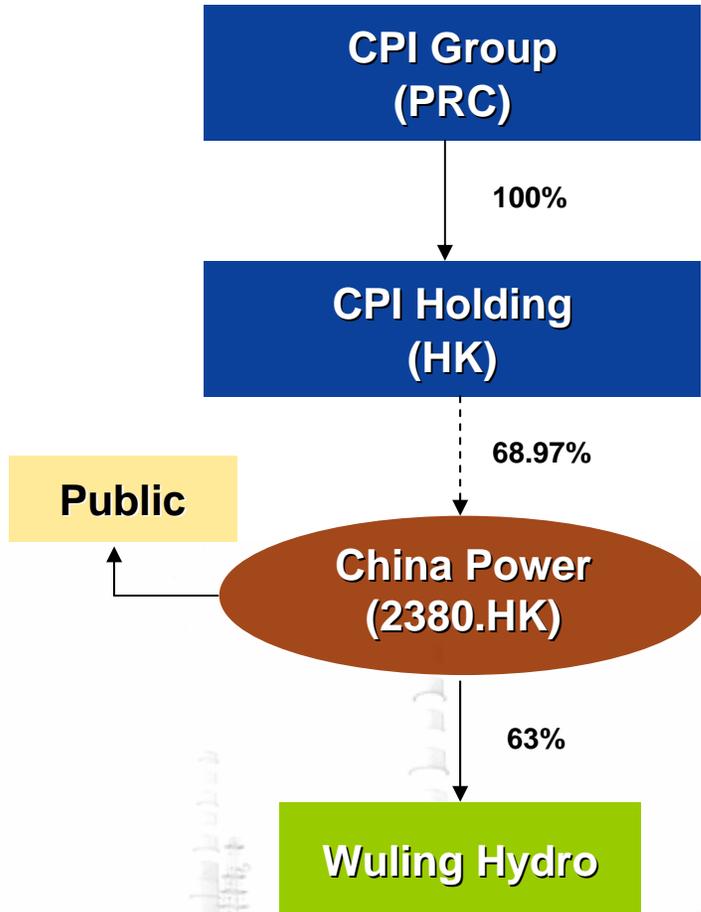
- **Higher coal price or lower coal contract honor rate**
- **Interest rate hikes**





## Section 4 Appendices

# Corporate Structure



- One of the 5 national Gencos with over 70GW total installed capacity by the end of 2010.
- Open pit coal mines with more than 54mt annual output.
- Well balanced asset portfolio , 25% of hydro capacity .
- The second largest aluminum producer in China.
- One of the approved nuclear power developers in China.

- Investment holding company.
- New project Incubator company.

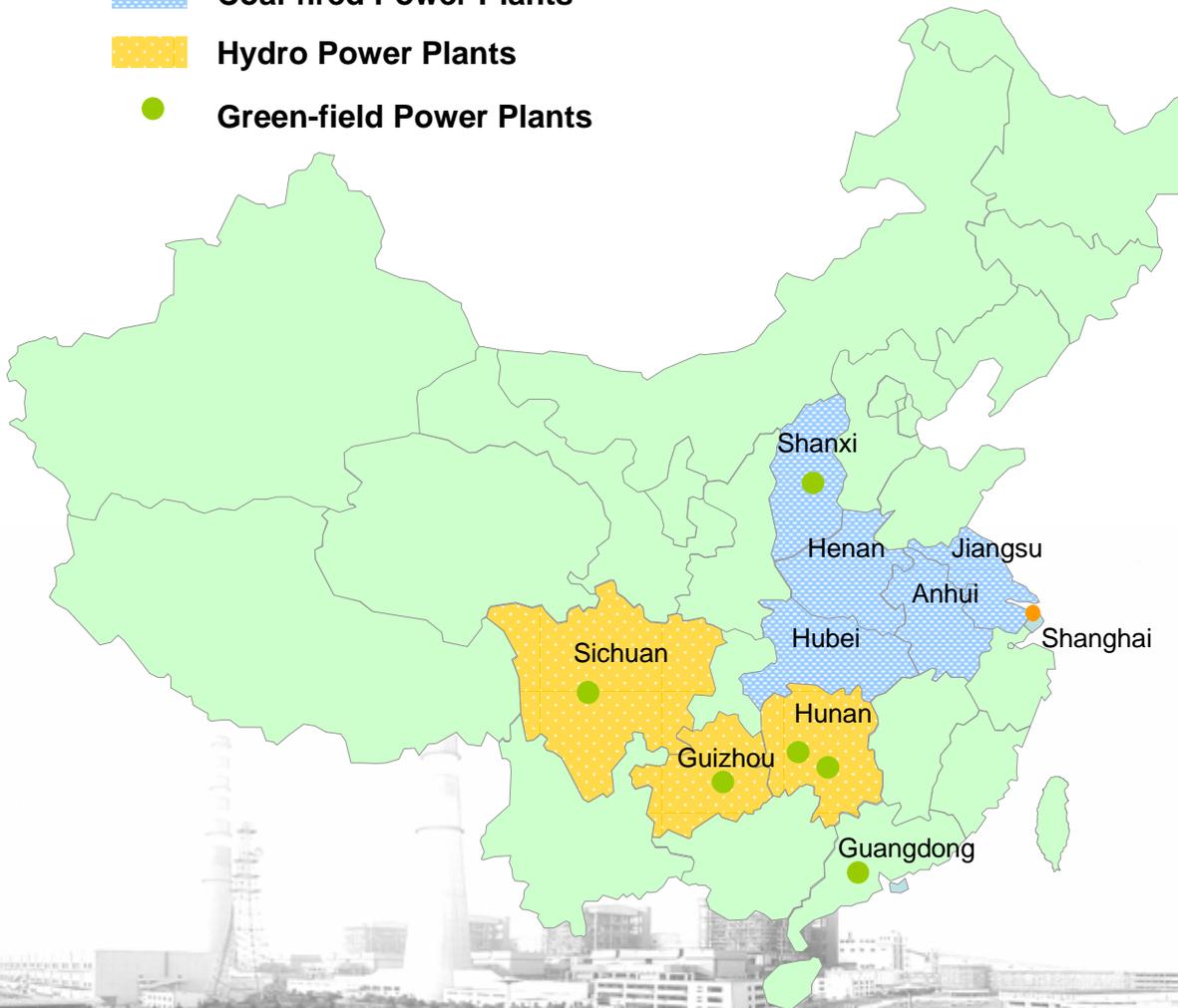
- Flagship of CPI Group, platform for overseas financing.
- Only Hong Kong based among 5 national Gencos
- Highest percentage of hydropower capacity among the Chinese IPPs listed in the Stock Exchange.

- A leading hydro power company in China.
- Operation in Hunan, Guizhou and Sichuan province.
- 14 power plants in operation with total installed capacity of 4,086MW, and 1,860 MW under construction.

# China Power's Quality Asset Portfolio



- Coal-fired Power Plants
- Hydro Power Plants
- Green-field Power Plants



Operational Power Plants		
Pingwei:	1,230 * 100%	1,230 MW
Pingwei II:	1,280 * 100%	1,280 MW
Yaomeng:	1,210 * 100%	1,210 MW
Yaomeng II:	1,260 * 100%	1,260 MW
Shentou I:	800 * 100%	800 MW
Changshu:	1,290 * 50%	645 MW
Dabieshan:	1,280 * 93%	1,190 MW
<b>Total:</b>		<b>7,615MW</b>
63% Equity Interest in Wuling Hydro		
Wuling Power :	4,253* 63%	2,679 MW
Green-field Power Plants		
Heimifeng (hydro):	600 * 100%	600 MW
Baishi (hydro):	420 * 95%	399 MW
Tuokou (hydro):	830 * 95%	789 MW
Fuxi (coal-fired):	1,200 * 51%	612 MW
Xintang (co-generation):	600 * 50%	300 MW
Shentou I (coal-fired):	1,200 * 80%	960 MW
<b>Total:</b>		<b>3,660MW</b>
18.86% Stake in SEP		
SEP:	6,482 * 18.86%	1,290MW

# Overview of Wuling's Power Plants



		Power plant	Fuel type	Generation units(MW)	Gross installed capacity (MW)	Shareholdings (%)	Attributable installed capacity (MW)	Commencement of operation	Location
Power Plants in Operation	1	Wu Qiang Xi	Hydro	5x240	1,200	100%	1,200	1994-1996	Hunan
	2	San Ban Xi	Hydro	4x250	1,000	95%	950	2006	Guizhou
	3	Ling Jin Tan	Hydro	9x30	270	100%	270	1998-2000	Hunan
	4	Hong Jiang	Hydro	6x45	270	95%	257	2003-2005	Hunan
	5	Li Yu Jiang	Coal	2x300	600	40%	240	2003	Hunan
	6	Wan Mi Po	Hydro	3x80	240	100%	240	2004	Hunan
	7	Gua Zhi	Hydro	3x50	150	95%	142	2007	Guizhou
	8	Zhu Xi Kou	Hydro	4x18.5	74	100%	74	2008	Hunan
	9	Dong Ping	Hydro	4x18	72	100%	72	2007	Hunan
	10	Jin Wei Zhou	Hydro	3x21	63	100%	63	2000-2002	Hunan
	11	Ma Ji Tang	Hydro	3x18.5	56	100%	56	1983	Hunan
	12	Hei Mi Feng	Hydro (Pumped storage)	2x300	600	100%	600	2010	Hunan
	13	Others	Small Hydro	—	91	—	89	2010	Sichuan/Hunan
		<b>Sub-total</b>			<b>4,686</b>		<b>4,253</b>		
Power Plants under Construction	12	Hei Mi Feng	Hydro (Pumped storage)	2x300	600	100%	600	2011 (Expected)	Hunan
	13	Tuo Kou	Hydro	4x200 + 2x15	830	95%	789	2013 (Expected)	Hunan
	14	Bai Shi	Hydro	3x140	420	95%	399	2011(Expected)	Guizhou
	15	Ohthers	Small Hydro	10	10	100%	10	2011(Expected)	Sichuan
			<b>Sub-total</b>		<b>1,860</b>		<b>1,798</b>		
		<b>Total</b>			<b>6,546</b>		<b>6,051</b>		



**Thank you!**

**China Power International Development Limited**

**( code: 2380 )**

**March 2011**