



2011 Interim Results Presentation

China Power International Development Limited

(code: 2380)

August 2011



- **2011 Interim Results Highlights**
- **Business Review**
- **Future Development and Prospects**
- **Appendices**





Section 1 2011 Interim Results Highlights

Operating Highlights



	<u>1H2011</u>	<u>1H2010</u>	<u>% of change</u>
Attributable capacity (MW))	11,585	11,752	-1.42%
Consolidated capacity (MW)	11,146	11,055	0.82%
—coal-fired	7,060	7,060	0.00%
—hydro	4,086	3,995	2.28%
Net generation (MWh)	24,538,280	22,567,642	8.73%
—coal-fired	19,584,170	17,807,935	9.97%
—hydro	4,954,110	4,759,707	4.08%
Average utilization hours			
—coal-fired	2,959	2,697	9.70%
—hydro	1,442	1,420	1.52%
Average realized tariffs (RMB/MWh)			
—coal-fired	342.27	322.08	6.27%
—hydro	285.97	251.30	13.80%
Net coal consumption rate(g/KWh)	319.47	326.18	-2.06%

Financial Highlights



<i>(RMB '000)</i>	<u>1H2011</u>	<u>1H2010</u>	<u>% of change</u>
Turnover and other income	8,292,749	7,022,626	18.09%
Fuel costs	(4,940,387)	(4,187,555)	17.98%
Other operating costs (net)	(1,955,626)	(1,624,794)	20.36%
Operating profit	1,396,736	1,210,277	15.41%
Financial costs	(684,289)	(671,810)	1.86%
Share of Profit/loss from associates	(8,509)	77,027	-111.05%
Share of losses of jointly-controlled entities	(10,484)	(6,870)	52.61%
Pre-tax profit	693,454	608,624	13.94%
Taxation	(158,026)	(242,456)	-34.82%
Profit attributable to equity holders	411,508	272,986	50.74%
EPS (RMB)	0.08	0.05	60%

Balance Sheet and Capital Structure



	<i>1H2011</i>	<i>2010</i>	<i>Change</i>
Total Assets (RMB Million)	62,716	56,790	10.43%
Total Liabilities(RMB Million)	46,789	41,896	11.68%
——long-term debts	31,841	28,973	9.90%
——short-term debts	9,649	9,097	6.07%
Total Equity (including minority interest)	15,927	14,894	6.94%
Net Gearing Ratio	294%	303%	-9

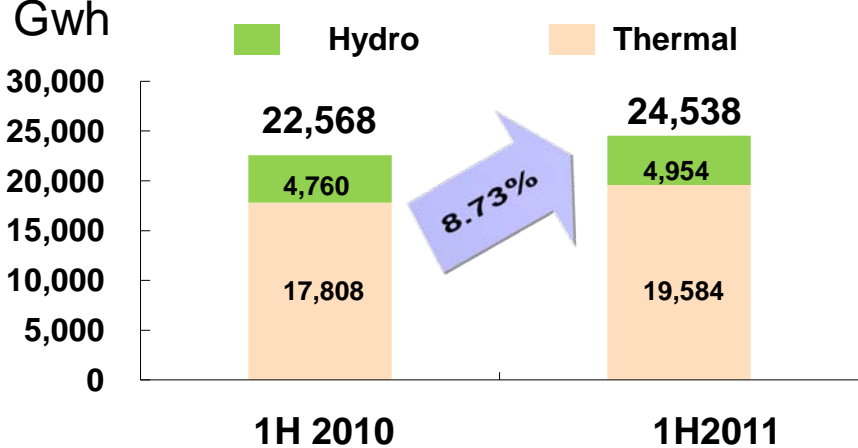


Section 2 Business Review



Power Generation & Utilization Hours

Total Net Generation

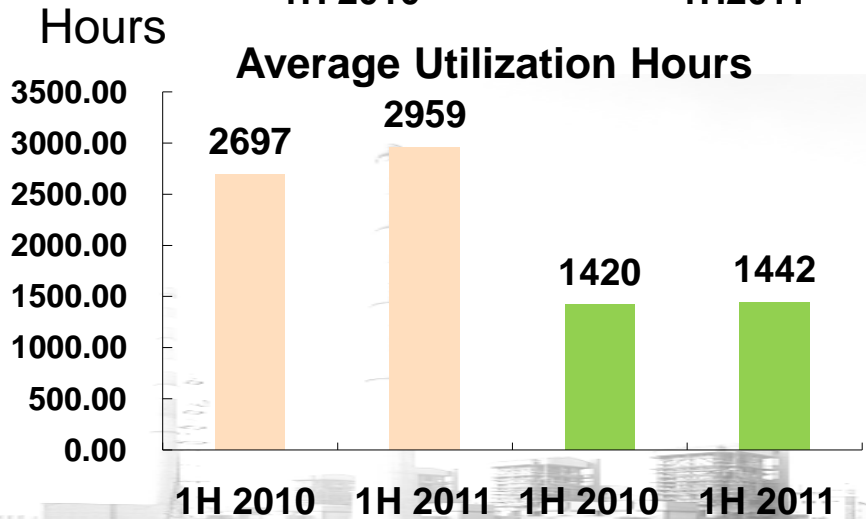


➤ Total net generation increased due to continuous growth in power demand in regions where our power plants are located.

➤ Generation of hydro increased slightly even under drought conditions.

➤ The average utilization hours increased 262 and 22 hours for thermal power and hydro power ,respectively.

Average Utilization Hours

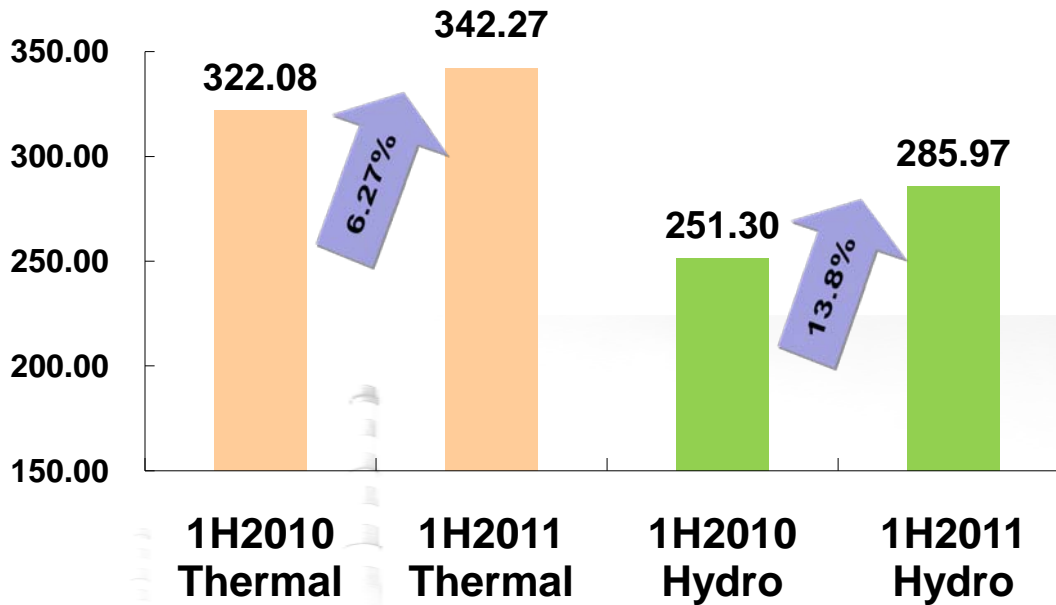


Average Realized Tariffs



Average Realized Tariffs

RMB/Mwh

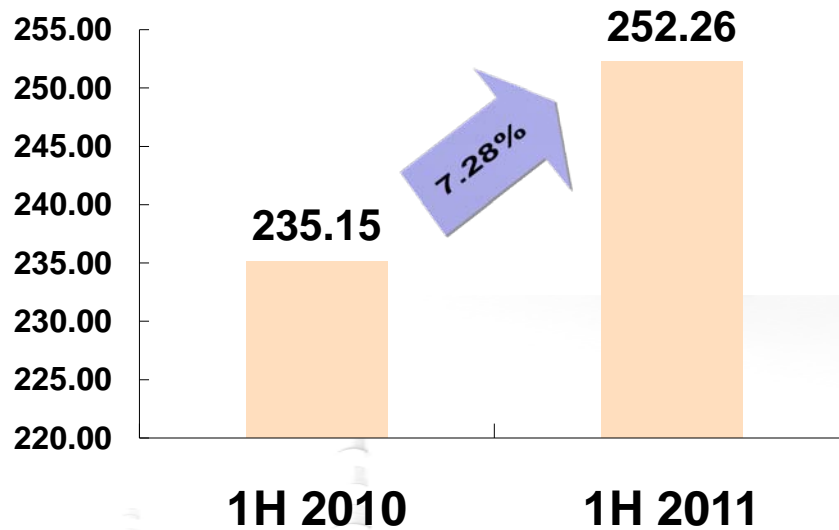


- The tariff adjustments during the period from April to May 2011.
- Higher base power generation percentage.



Unit Fuel Cost

RMB / Mwh



➤ Higher contract and spot coal prices.

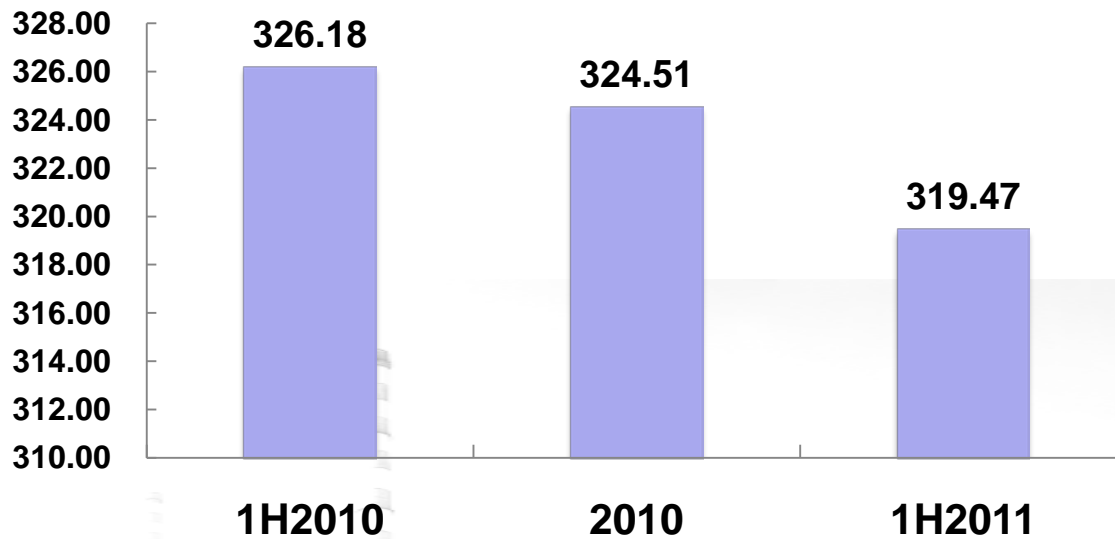
➤ More than expected coal demand settled by relatively higher coal price..

Improved Net Coal Consumption Rate



Net Coal Consumption Rate

g/Kwh

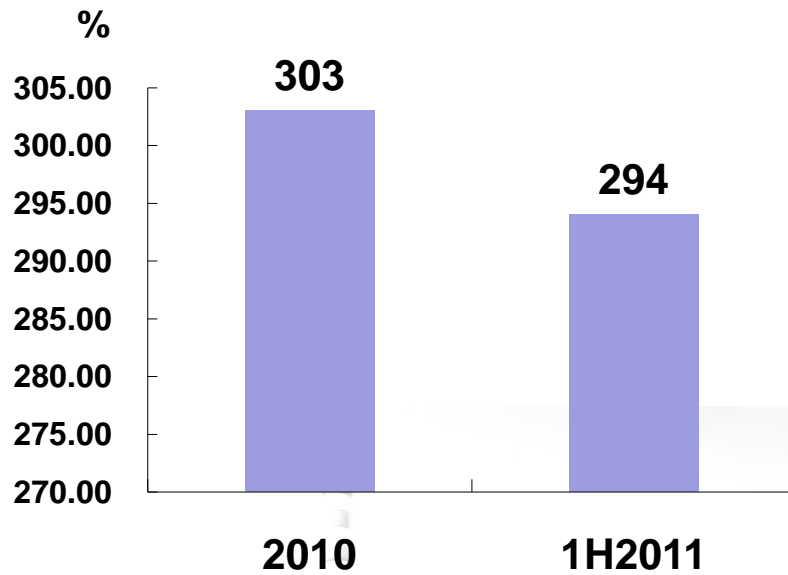


➤ Continue to improve coal consumption rate through introducing more efficient units, optimizing units operations and technical upgrades.

Net Gearing Ratio



Net Gearing Ratio

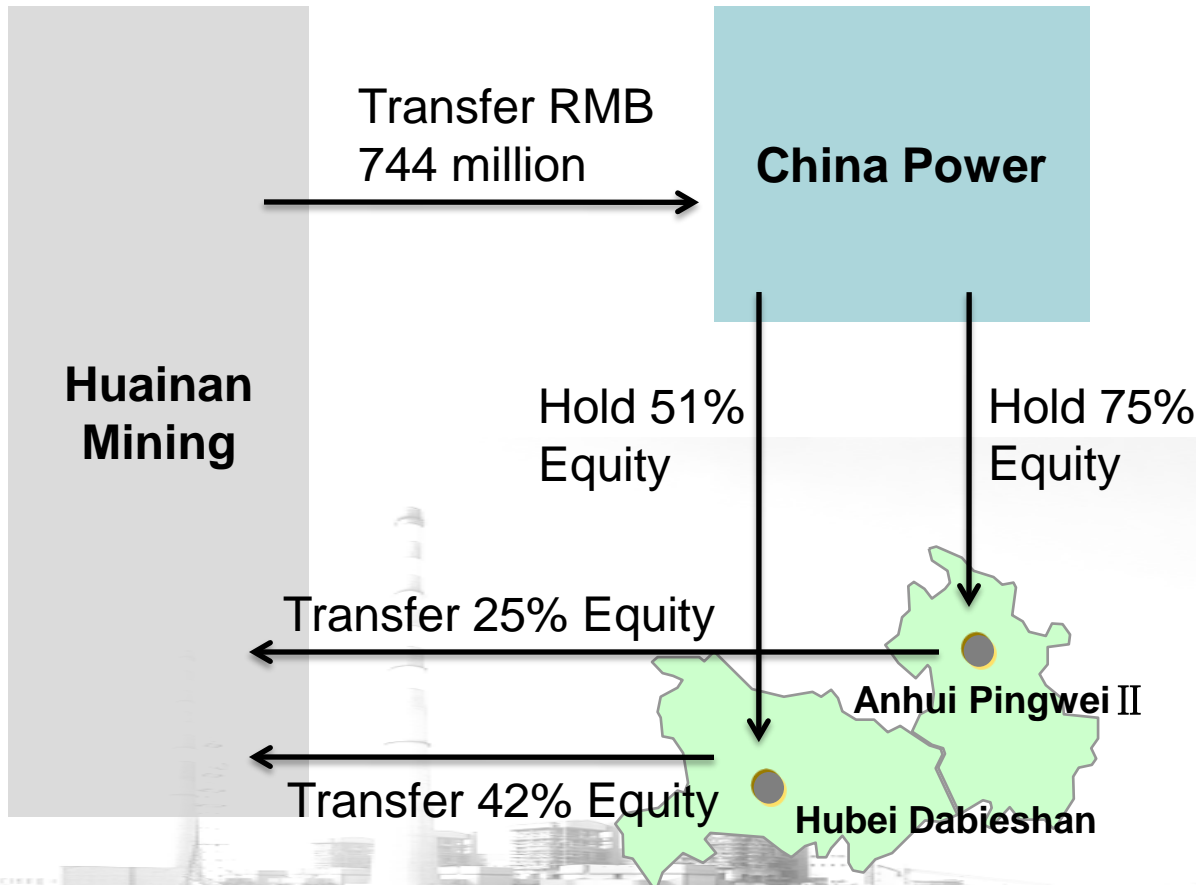


- **Strict debt control system.**
- **Higher shareholder equity.**
- **Stable net debt level.**

Cooperation with Huainan Mining



Framework of Transaction



➤ High premium over book value.

➤ Nearly Rmb 269 mn gain will be booked in equity..

➤ Continuous and stable coal supply at favourable prices.

Issue of Convertible Bonds



Principal Terms of The Bonds

Issuer	China Power
Amount	Rmb 982m (US\$150m)
Settlement	US\$
Denomination	Rmb100,000 each
Interest	2.25% per annum
Maturity date	17 May 2016
Initial conversion price	HK\$2.15 per share
Current conversion price	HK\$2.0779 per share

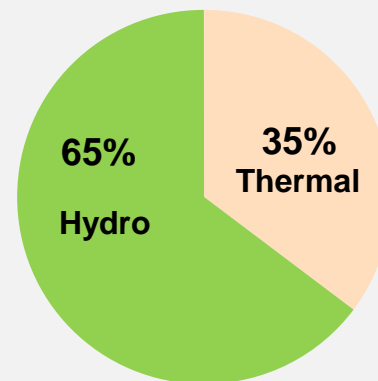
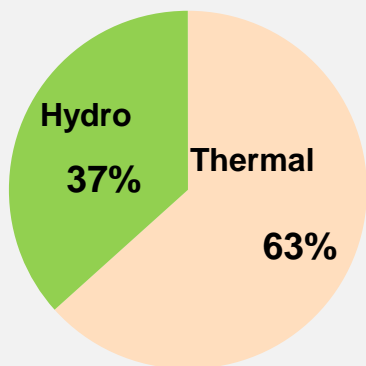
- **Low cost financing.**
- **Improve stock liquidity.**
- **Respectively convert Rmb 854 mn and 128 mn into liabilities and equity.**

Optimized Capacity Mix and Operating Margin

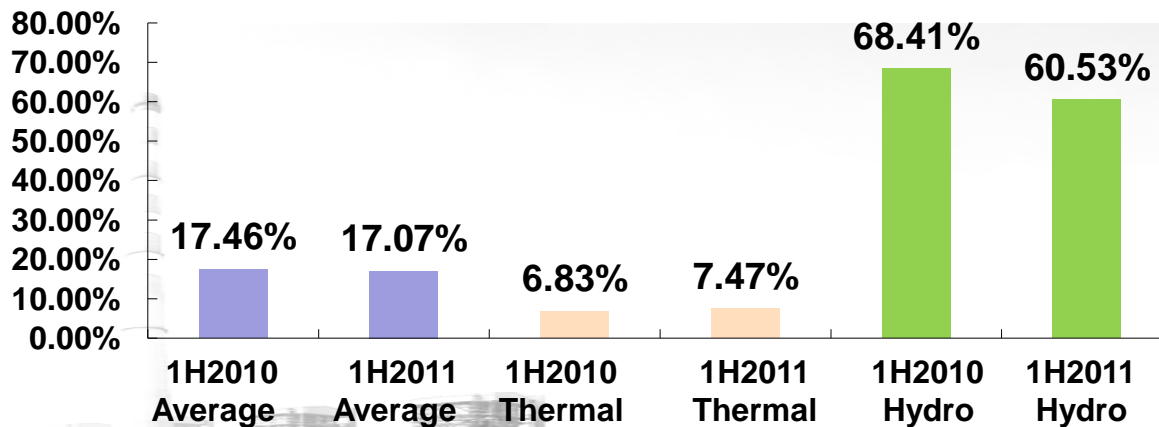


Consolidated capacity : 11,146MW

Net Profit : RMB 535,428,000



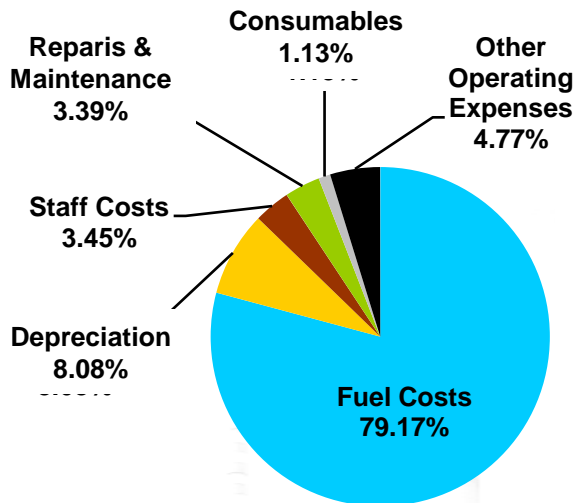
Maintain Operating Margin



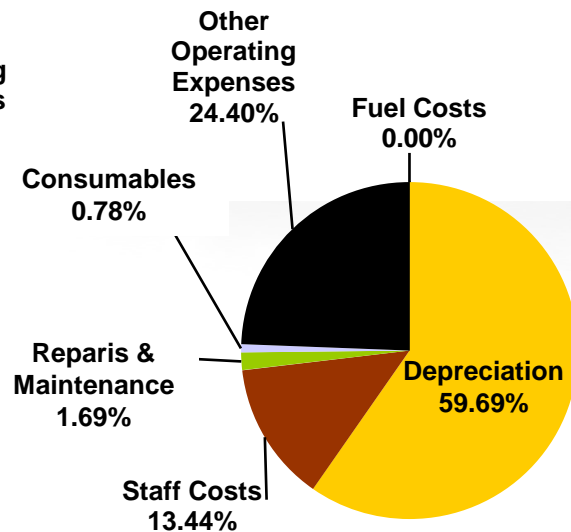


More Balanced Cost Structure

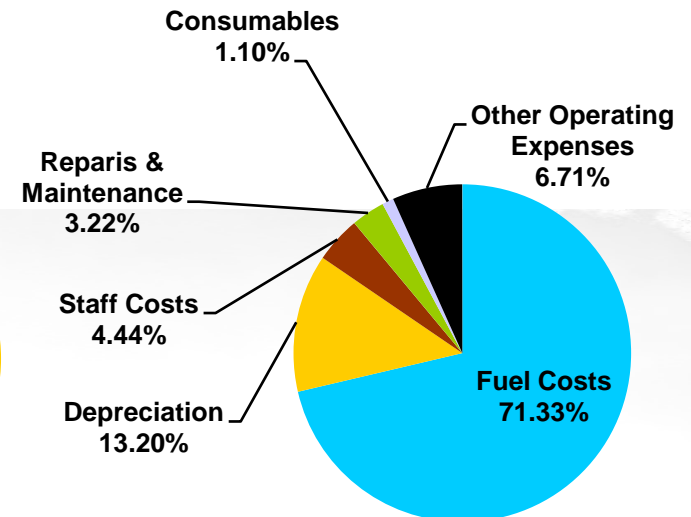
Thermal Power Operating Cost Breakdown



Hydro Power Operating Cost Breakdown



Consolidated Operating Cost Breakdown





Section 3 Future Development and Prospects

Focusing on Developing Hydro Power



 Key Areas of Hydro Power Development

- 1 Focus on expanding hydro capacity in Northwest and Southwest in China.
- 2 Further develop hydro power resources via Wuling platform.
- 3 Optimize cascade hydropower system to maximize the profitability of operational hydropower plants.



Wuling's hydro power plants located in Yuan river

Power plants from upstream to downstream	Capacity (MW)	Situation
San Ban Xi	1000	In operation
Gua Zhi	150	In operation
Bai Shi	420	Under construction
Tuo Kou	830	Under construction
Hong Jiang	270	In operation
Wu Qiang Xi	1200	In operation
Ling Jin Tan	270	In operation



- 1 Establish and improve the centralized cascade control system to increase profitability.
- 2 Further improve the efficiency of hydro power plants.
- 3 Increase the gross generation nearly by 2%-7% and enhance the water utilization.

Selectively develop coal-fired power plants



- 1 Focus on developing high efficiency coal-fired power plants.
- 2 Expanding coal-fired power capacity in Eastern and Southern China.
- 3 Higher tariff and average utilization hours.

Higher tariff.
Lower coal consumption rate.
More utilization hours .

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	1Q 2012	Guangdong
Shentou I	80%	2×600	2Q 2013	Shanxi

Reserve of pre-stage development projects

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

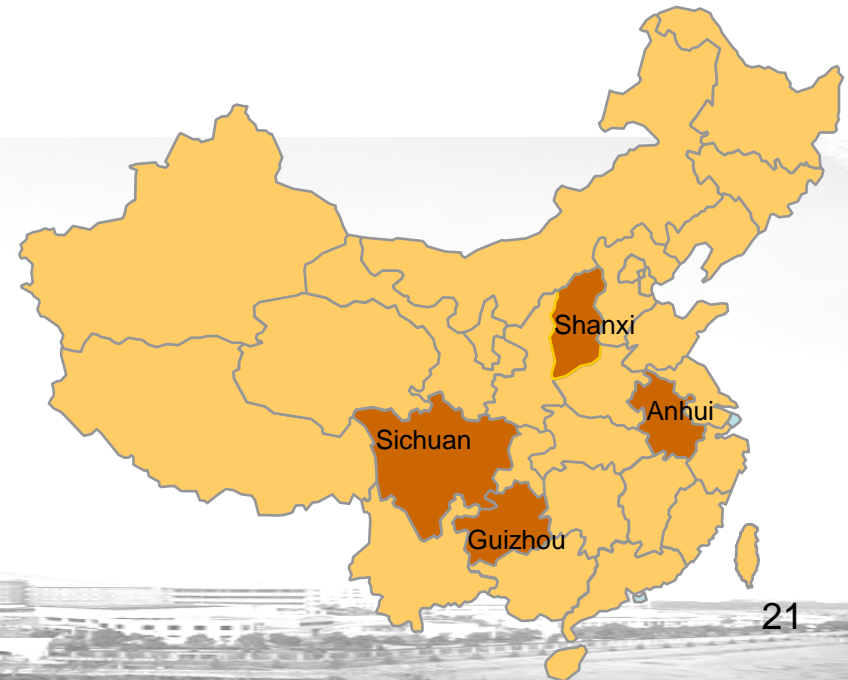
Proceeding Coal-Power Integration



- 1 The cooperation with Huainan mining will be beneficial to the future development of Pingwei Power Plant III.
- 2 We will pay attention to the coal mines adjacent to our coal-fired power plants, particularly in Sichuan, Guizhou, Shanxi and Anhui.

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





Positive Chances

- Strong power demand in 2H2011.
- Enjoy the adjusted tariff during the next few months .
- Uncertain water flow of hydro power.

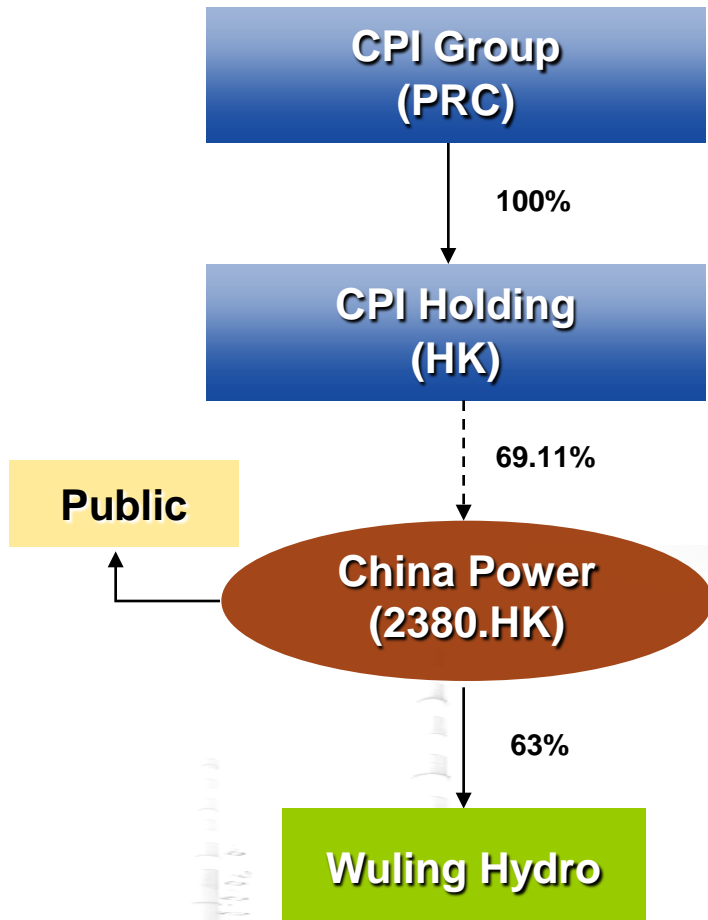
Operating Challenges

- Potential risk for the increasing of coal price.
- Higher financial cost cause of interest rate hikes.



Section 4 Appendices

Corporate Structure



- One of the 5 national Gencos with over 72GW total installed capacity by the end of 1H2011.
- Open pit coal mines with more than 29mt output in 1H2011.
- 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.

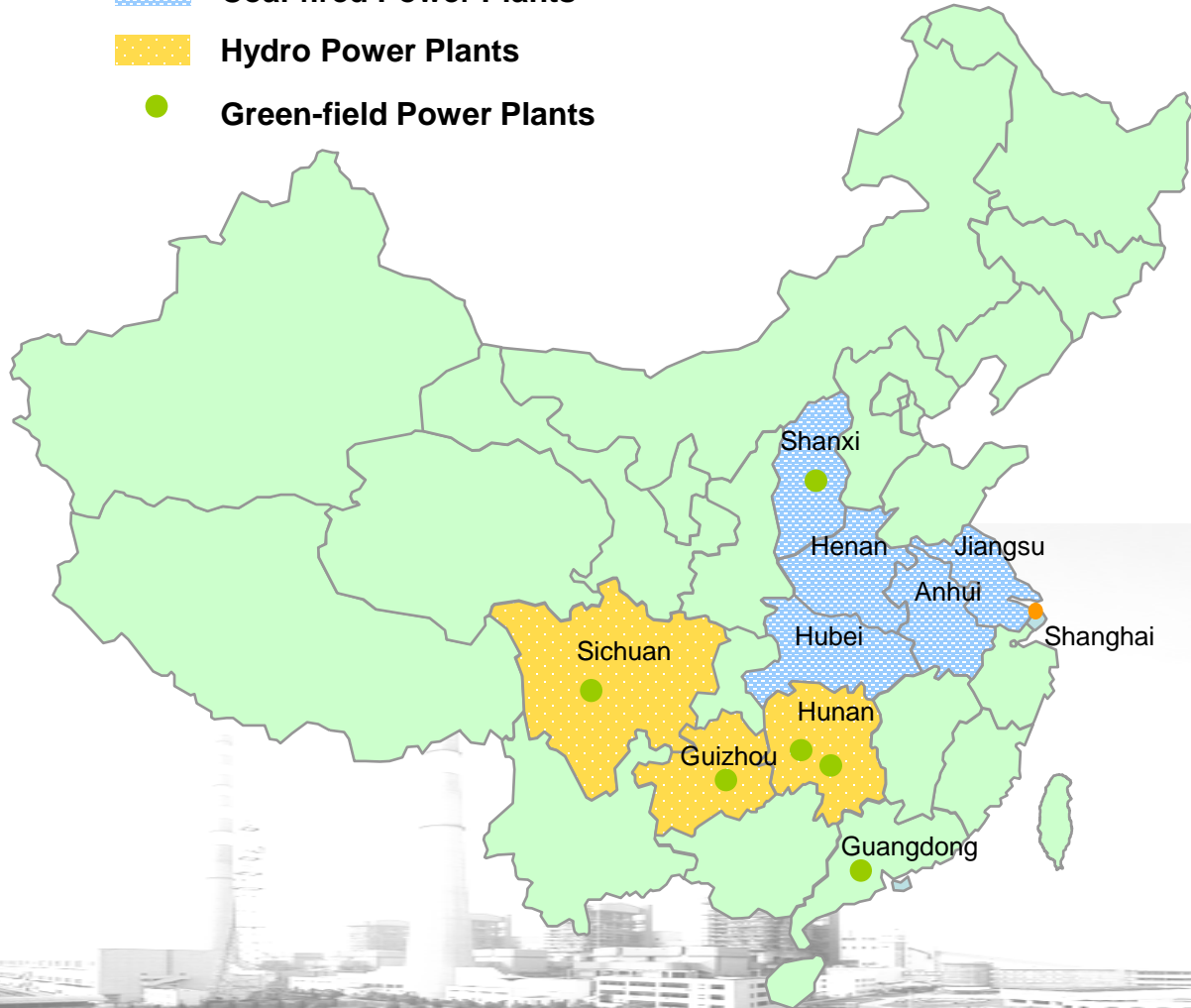
- Flagship of CPI Group, platform for overseas financing.
- Only Hong Kong based among 5 national Gencos.
- Highest percentage of hydropower capacity among the Chinese IPPs listed in the Stock Exchange.

- 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
Total:		7,615MW
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
Total:		3,660MW
18.86% Stake in SEP		
SEP:	6,482 * 18.86%	1,290MW



Thank you!

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