



China Power International Development Limited

Corporate Presentation

September 2006

Agenda

Company Overview

2006 Interim Results Highlights

Business Review and Updates

Future Outlook

Q & A



Company Overview

Company Snapshot

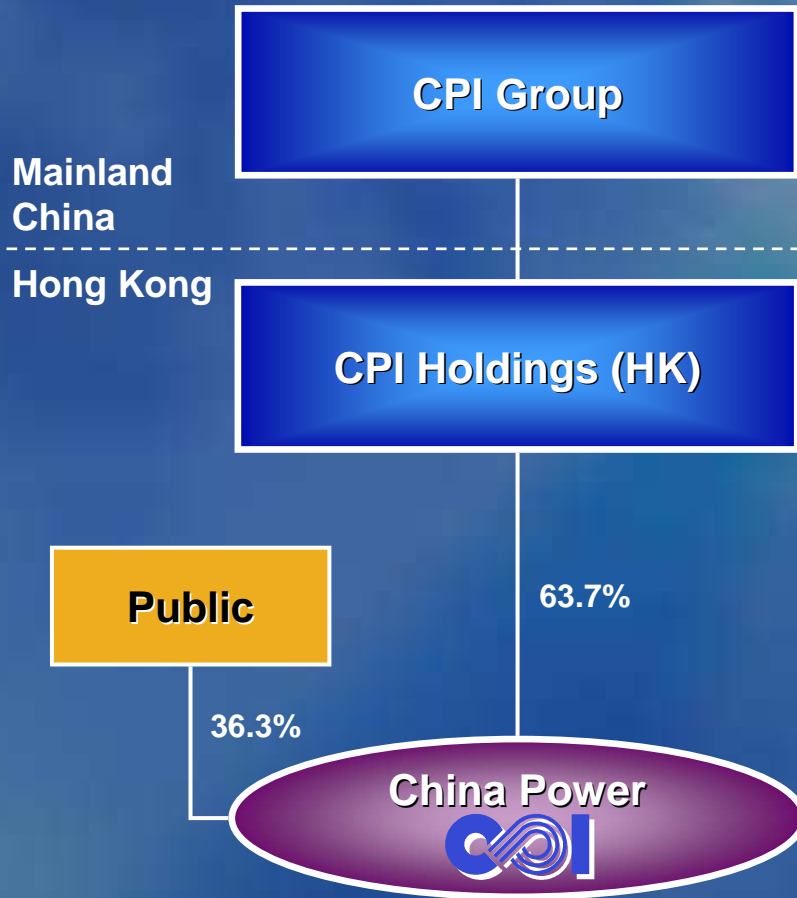
Flagship company of China Power Investment Corporation (CPI Group) – one of the five national Gencos

A leading China IPP incorporated in HK over 10 years

Experienced Management Focus on Corporate Governance

A member of Hang Seng China-Affiliated Corporation Index

Shareholding Structure



- One of the 5 national Gencos
- Over 30GW controllable installed capacity spanning 24 provinces
- Having succeeded all the nuclear power assets from former SPCC

- Investment holding company
- New project Incubator company

- Flagship of CPI Group, platform for overseas financing
- Only Hong Kong based among 5 national Gencos
- Preferential right to develop and acquire power assets
- A member of Hang Seng China-Affiliated Corporations Index

Our Quality Asset Portfolio

Net Ownership Capacity (MW)



M Managed Power Plants	
Qinghe:	1,200 MW
Guixi:	500 MW
Shaxikou:	300 MW (Hydro)
Wuhu:	240 MW
Hongze:	18 MW
Total:	2,258 MW

O Operational Power Plants	
Pingwei:	1,230 MW
Yaomeng:	1,210 MW
Shentou I:	1,200 MW
Changshu :	615 MW
Total:	4,255 MW

Power Assets Under Call Option	
Shanghai Power:	1065.1 MW

G Greenfield Power Plants	
Pingwei II:	1,200 MW
Yaomeng II:	1,200 MW
Huanggang Dabieshan:	1,116 MW
Total:	3,516 MW





2006 Interim Results Highlights

Operating Highlights

	1H06	1H05	% of Change
Net capacity (MW)	4,255	3,055	39.3%
Gross generation (MWh) ⁽¹⁾	11,884,930	7,402,816	60.5%
Average utilization hours ⁽¹⁾	3,265	3,035	7.6%
Net generation (MWh) ⁽¹⁾	10,988,071	6,928,642	58.6%
Average realized tariff (RMB/MWh) ⁽¹⁾	226.72	237.53	-4.6%
Unit coal consumption (g/KWh) ⁽¹⁾	351.80	340.26	3.4%



(1) Data does not reflect results of 50% owned Changshu but includes 2H05 results of Shentou I.

Earnings Highlights

<i>(RMB '000)</i>	1H06	1H05	% of Change
Turnover and Other Income	2,532,139	1,673,828	51.3%
Fuel Costs	(1,512,896)	(1,000,140)	51.3%
Other Operating Costs	(667,038)	(405,242)	64.6%
Operating Profit	352,205	268,446	31.2%
Finance Costs	(46,140)	(36,001)	28.2%
Share of profit of associated Co	42,075	51,175	-17.8%
Profit before taxation	348,140	283,620	22.7%
Taxation	41,509	(33,533)	23.8%
Profit for the period	306,631	250,087	22.6%
<i>Profit to equity holders</i>	<i>307,213</i>	<i>250,312</i>	<i>22.7%</i>
<i>Basic EPS (RMB)</i>	<i>RMB0.10</i>	<i>RMB0.08</i>	<i>25%</i>

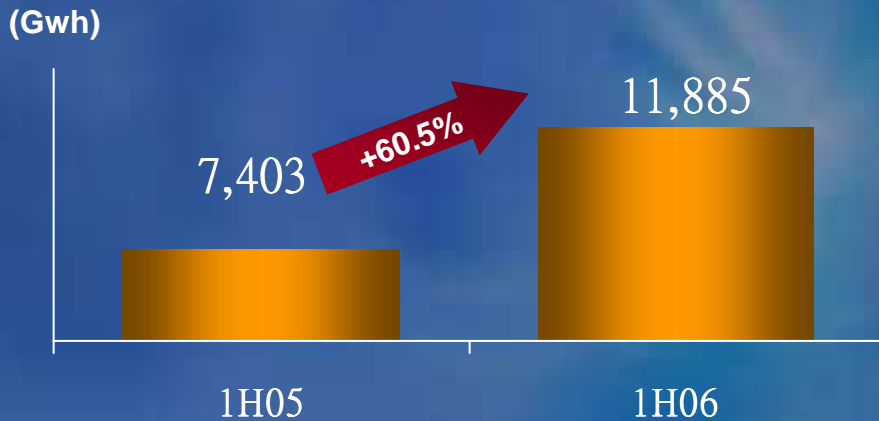




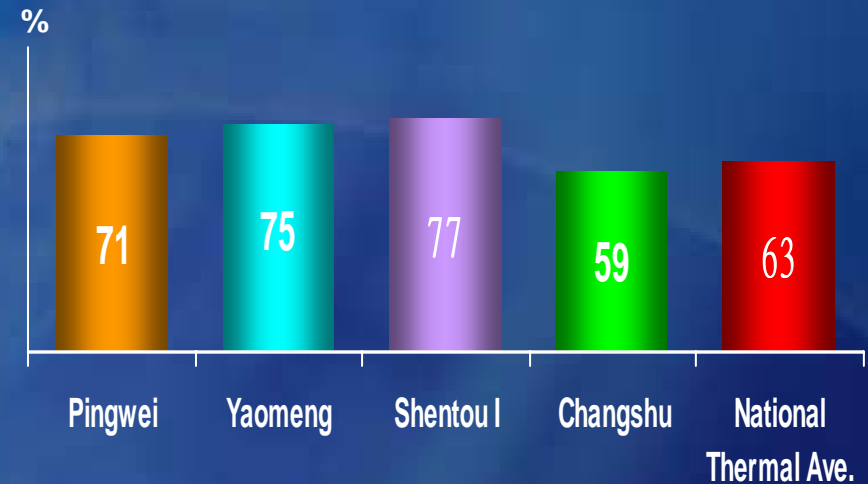
Business Review and Updates

Generation and Utilization Rates Analysis

Gross Generation⁽¹⁾



Utilization Rate Analysis



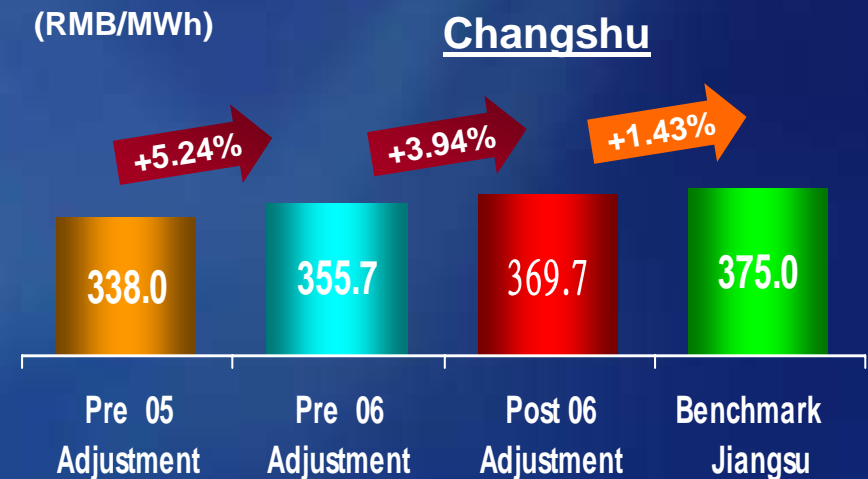
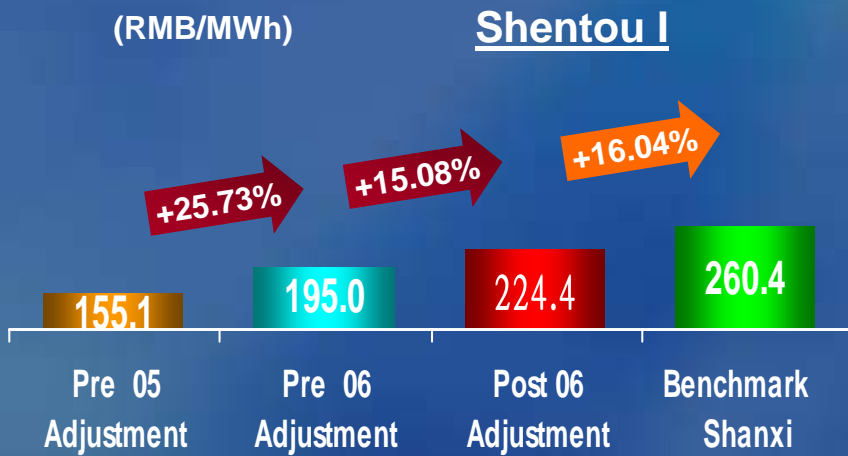
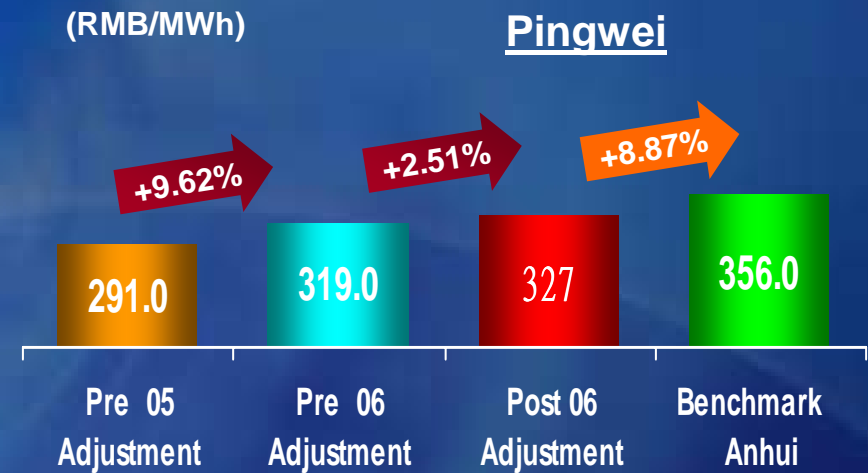
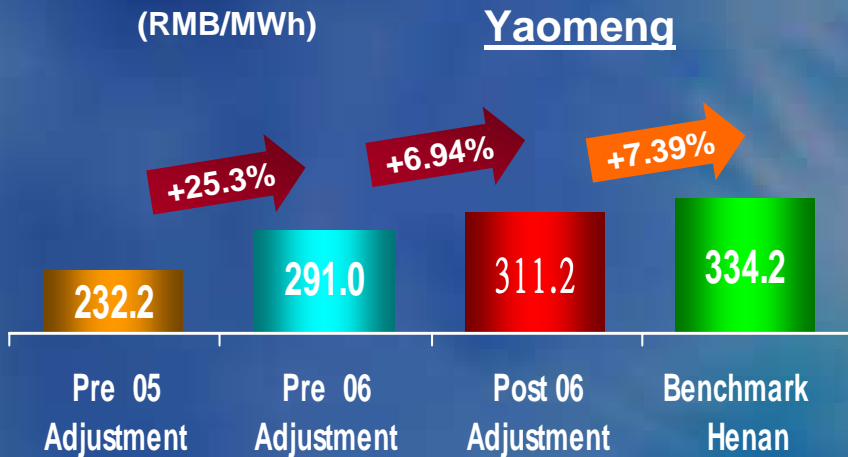
- Capacity increase from acquisition & technical upgrades
- Well positioned in power grids
- Strengthened production management

- Except that of the associated Changshu Power Plant, utilization rates of our power plants were better than national thermal average in 1H06.

(1) Data does not reflect results of 50% owned Changshu.
Source: Company data and China Electricity Council



Tariff Analysis



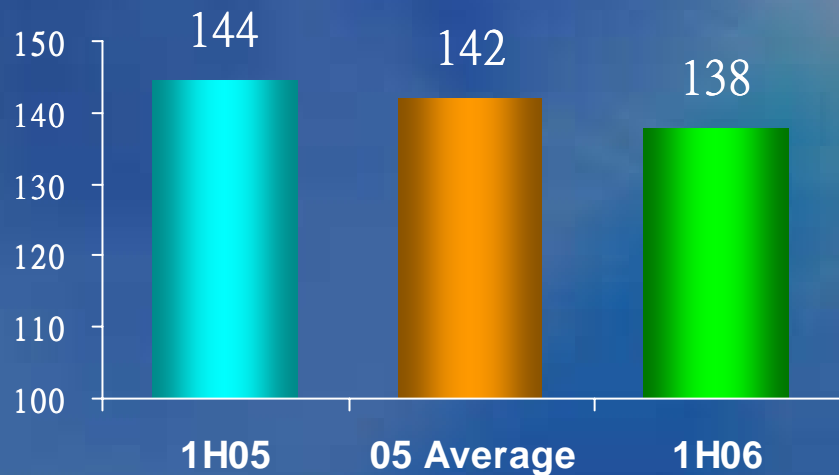
Note: (1) Includes VAT, effective June 30, 2006; (2) Benchmark tariff is the unified tariff for new plants in the same province. (3) 15 RMB/MWh extra tariff for desulphurization units



Coal Cost Analysis

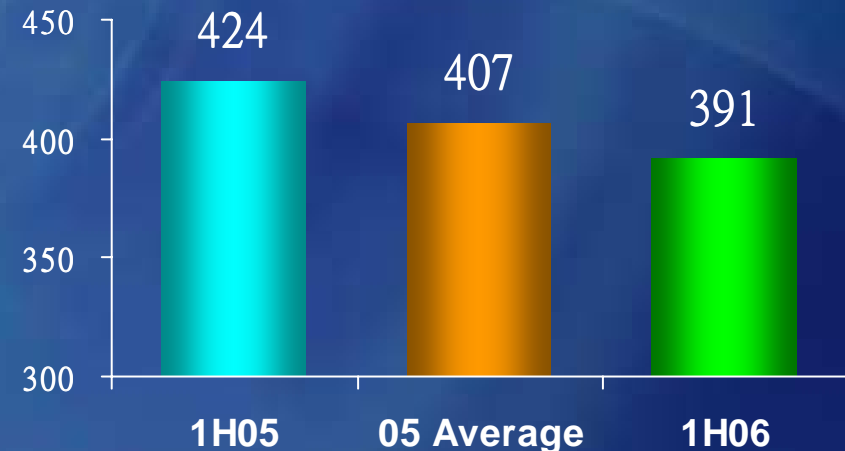
Unit Fuel Cost

RMB / MWh



Standard Coal Price

RMB / ton



- More balanced coal supply and demand
- Improved coal quality & strengthened coal cost control
- Benefiting from low coal cost of acquired Shentou I Power Plant



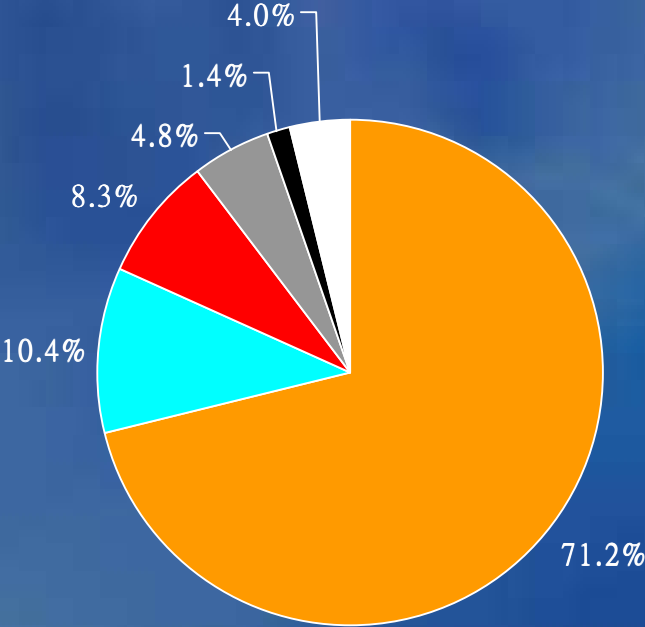
Operating Cost per MWh Sold

<i>(RMB per MWh Sold)</i>	<i>1H06</i>	<i>1H05</i>	<i>Change</i>	<i>Analysis</i>
Fuel costs	137.69	144.35	-4.6%	Lower coal consumption; Improved coal quality; Low coal cost of Shentou I
Depreciation	17.33	21.08	-17.8%	Light asset base of Shentou I
Staff costs	13.83	16.76	-17.5%	Low staff cost of Shentou I
Repairs and maintenance	9.70	9.69	0.1%	
Consumables	3.40	2.82	20.2%	Higher unit consumables of Shentou I
Other operating expenses, net	<u>16.5</u>	<u>8.1</u>	102.3%	Higher emission charge and water usage charge; Higher expenses for new plant construction; Exchange loss, etc.
Total	198.39	202.84	-2.2%	

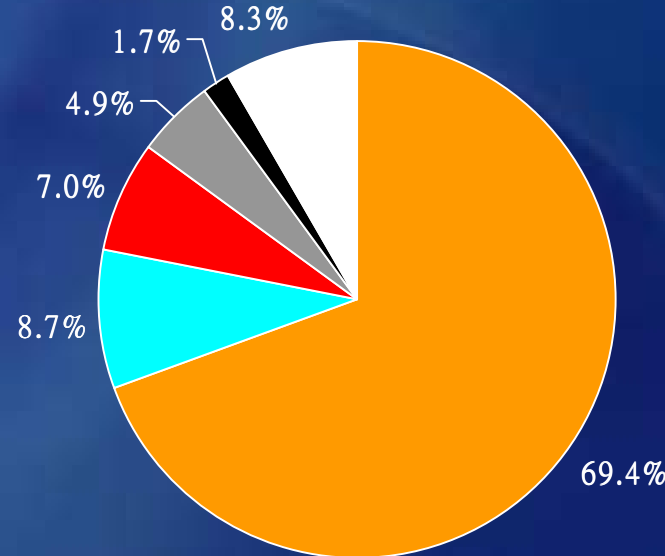


Operating Cost Structure Analysis

1H 05



1H 06



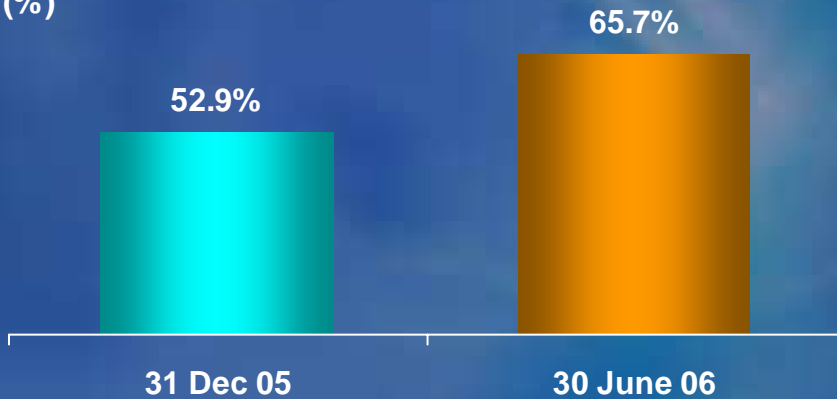
- Fuel costs
- Depreciation
- Staff costs
- Repairs & Maintenance
- Consumables
- Other operating costs, net



Financial Position & Use of Proceeds

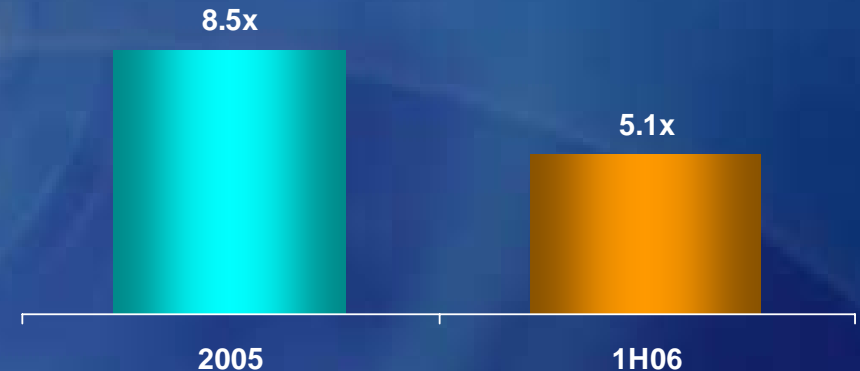
Debt to Equity

(%)



EBITDA Interest Coverage

(x)



Use of Proceeds

- Power plants under construction: 285 million RMB
 - General operating expenses: 28 million RMB
- Total 313 million RMB

Green Field Projects

Pingwei II – Construction Site



Pingwei II

1H06 Capex : 600 million RMB
Expected Commissioning : Q2&3, 2007

Yaomeng II

1H06 Capex : 507 million RMB
Expected Commissioning: Q1&2, 2008

Huanggang Dabieshan

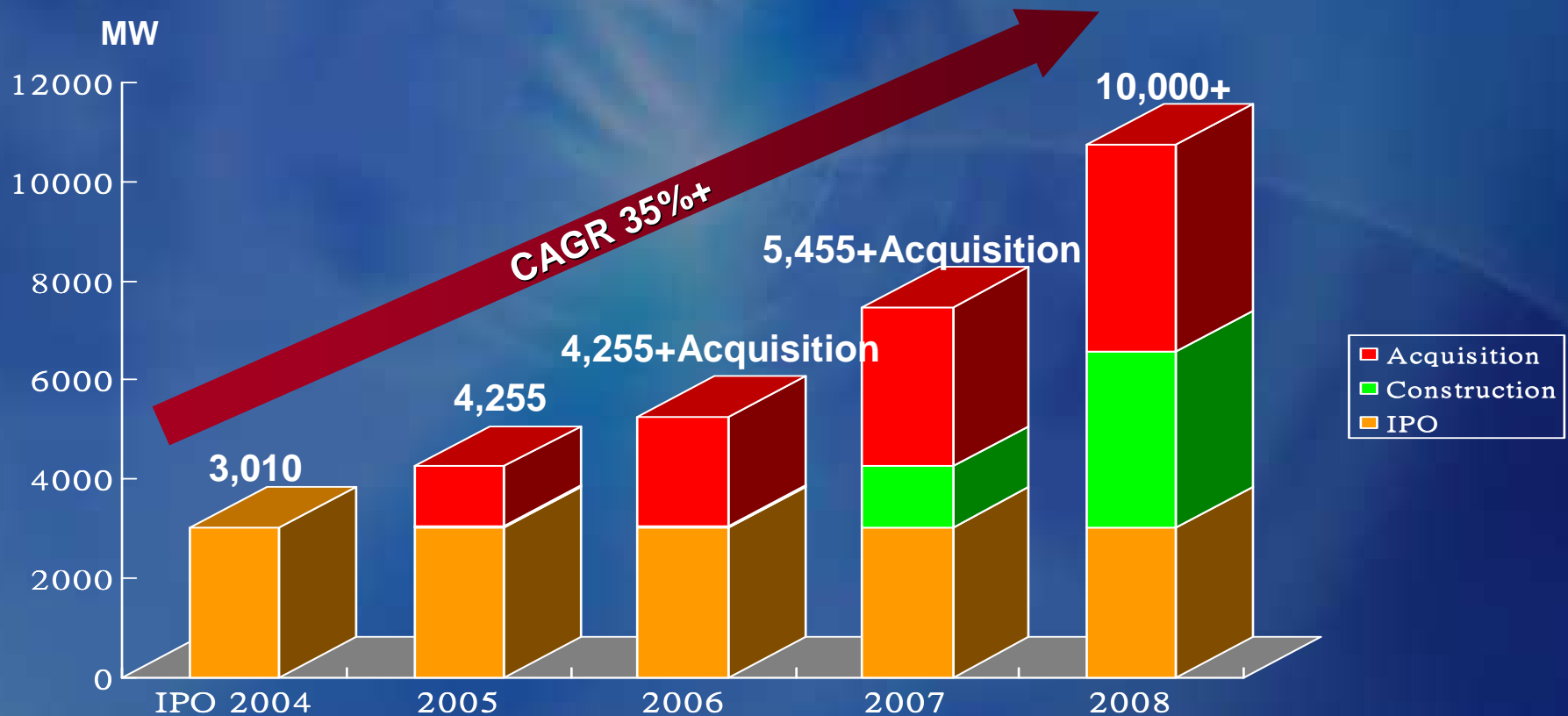
1H06 Capex: 457 million RMB
Expected Commissioning : Q3&4, 2008

Confident for on-time completion with controllable cost



Future Outlook

Growth Roadmap



- Develop and acquire power assets through the preferential rights granted by the parent
- Maximizing shareholder value is our first priority in choosing future acquisitions



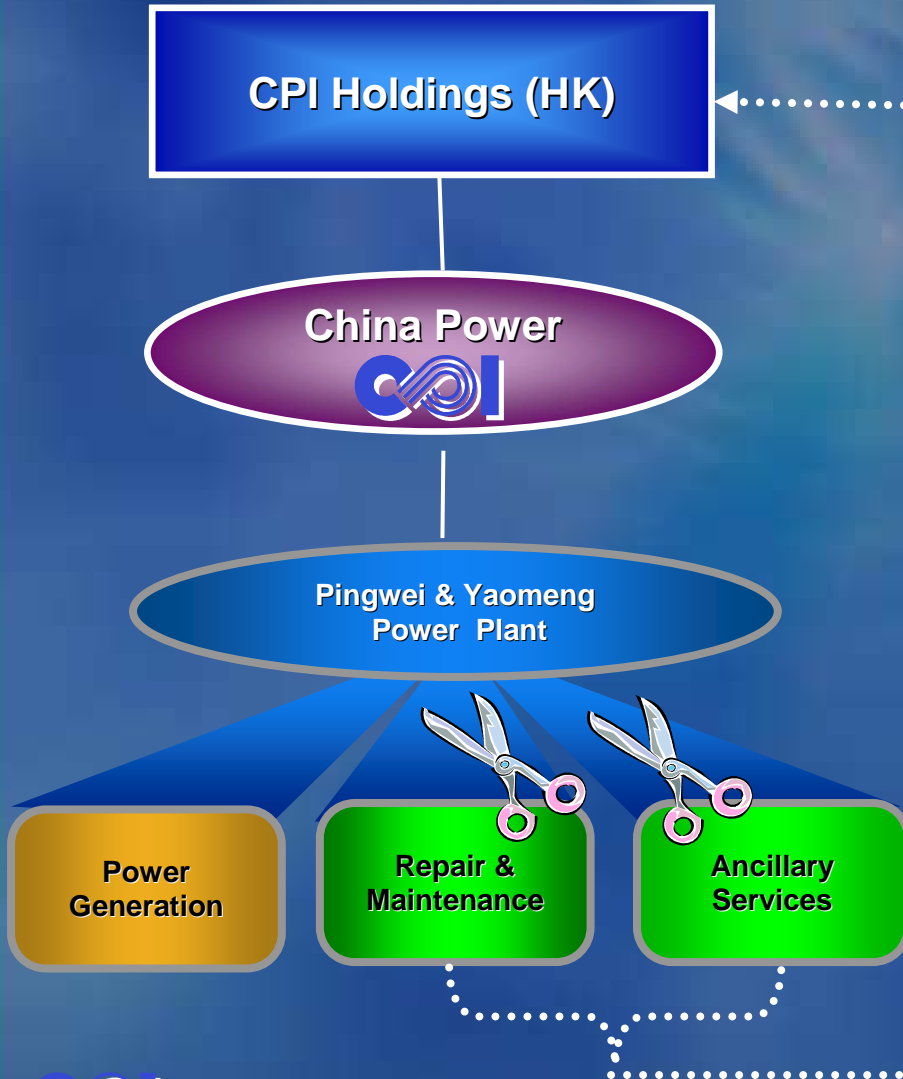
Planning Power Plants for Future Expansion



Installed Capacity

P Power Plants under planning	
Pingwei III:	2×1,000 MW
Yaomeng III:	2×1,000 MW
Changshu III:	2×1,000 MW
Wuhu :	2×600 MW
Total:	7,200 MW

Separating Non-core Assets to Control Costs



- **Rationale of Restructuring**

- **Separate non-core business**
- **Enhance productivity**
- **Achieve cost savings through competition**
- **Alleviate future labor cost increase pressure**

Scheduling Technical Upgrades and Desulphurization

Background

- Government requirement – Reducing energy consumption Per GDP
- Environment Pressure and Incentives – reducing pollutant emissions and implementing extra tariff for Desulphurization
- Good timing – balanced power supply and demand situation

Plan

- Period: 5 years (2007-2011)
- Target capacity for Upgrades: 3100MW
Desulphurization: 3800MW
- Estimated Capex for Upgrades : 1.4 billion RMB
Desulphurization: 1 billion RMB

Benefits

- Capacity increase: 5-10%
- Lower coal consumption: 12~20 g/kWh
- Improved reliability and safety
- Extra tariff hike & lower emission charge
- Payback period: 6~9 years



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