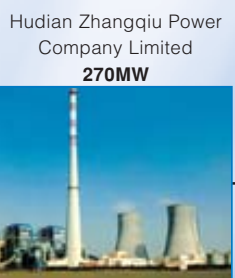
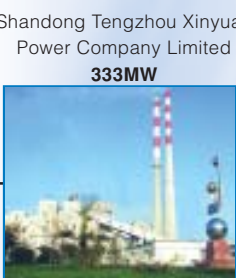
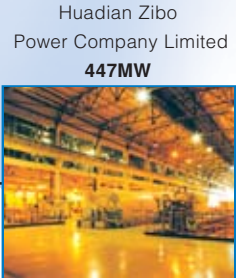




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# COMPANY PROFILE



# COMPANY PROFILE

Huadian Power International Corporation Limited (formerly known as “Shandong International Power Development Company Limited”) ( the “Company”) and its subsidiaries (the “Group”) and its jointly controlled entities are one of the largest listed power producers in the People’s Republic of China (the “PRC”). The Group is primarily engaged in the construction and operation of power plants and other business related to power generation. By the end of 2003, the total installed capacity in which the Group has interests amounted to 6,388.5MW, while the total installed capacity managed by the Group amounted to 7,380MW, representing approximately 24.2% of the total installed capacity of Shandong Province. The total number of employees amounted to 6,426. As at the date of this report, the total installed capacity in which the Group has interests amounted to 6,868.5MW and the total installed capacity managed by the Group amounted to 7,980MW.

The Company was incorporated in Jinan, Shandong Province, the PRC on 28 June 1994. On 30 June 1999, the Company issued approximately 1,431 million H shares in its initial global offering, representing 27.22% of its total share capital comprising 5,256,084,200 shares of the Company, and was listed on The Stock Exchange of Hong Kong Limited on the same day.

At present, there are a total of 11 power plants controlled or invested by the Group. The Group has 80% of interests in Sichuan Guangan Power Generation Company Limited since 1 January 2004.

The power plants of the Group are all strategically located in the vicinity of major mines or electricity load centers. To date, details of the Group’s power plants are as follows:

<b>Power Plants</b>	<b>Installed Capacity (MW)</b>	<b>Equity Interest</b>	<b>Generating Units</b>	<b>Notes</b>
Zouxian Plant	2,540	100%	2 x 600MW + 4 x 335MW	
Shiliquan Plant	1,270	100%	2 x 300MW + 3 x 140MW + 2 x 125MW	
Laicheng Plant	1,200	100%	4 x 300MW	
Qingdao Plant	660	55%	2 x 300MW + 60MW	
Weifang Plant	660	30%	2 x 330MW	
Huadian Zibo Power Company Limited (“Zibo Company”)	447	100%	2 x 135MW + 2 x 88.5MW	

# COMPANY PROFILE

Power Plants	Installed Capacity (MW)	Equity Interest	Generating Units	Notes
Huadian Zhangqiu Power Company Limited ("Zhangqiu Company")	270	70%	2 x 135MW	
Shandong Tengzhou Xinyuan Power Company Limited ("Tengzhou Company")	333	54.49%	2 x 150MW + 1 x 33MW	
Sichuan Guangan Power Generation Company Limited ("Guangan Company")	600	80%	2 x 300MW	2 x 300MW under construction
Ningxia Yinglite Zhongning Power Company Limited ("Zhongning Company")	—	50%		2 x 330MW under construction
Ningxia Power Generation Company (Group ) Limited ("Ningxia Power Group")	—	31.11%		
Total capacity managed by the Group	7,980			
Total interested capacity	6,868.5			

In August 2003, a total of 158 generating units of the State participated in the 32nd Large-scale Thermal Power Units (with unit capacity of 300MW and above) Competition of the PRC for the Year 2002. The generating units were examined in accordance with such capabilities as operating efficiency, safe operating period and production rate of the units. Altogether 46 generating units won awards in the competition. The rate of winning prize was about 29.1%. A total of fourteen 300MW and 600MW generating units of the Group participated in this competition and 10 of which won awards. The rate of winning prize was about 71.4%. The fifth generating unit of Zouxian Plant won top-rank prize (No. one) under the category of 600MW generating units and the second generating unit of Laichen Plant won top-rank prize (No. one) under the category of domestically produced 300 MW generating units.

In accordance with the reform of the electricity power system in the PRC, the State Council of the PRC approved the establishment of five electricity generating group enterprises to manage the electricity generating assets of the PRC State which were originally under the administrative control of State Power Corporation of China (renamed State Power Grid Corporation of China). Following the implementation of the reform, China Huadian Corporation ("China Huadian"), one of these five electricity generating group enterprises, was formally established on 1 April 2003.

Following the formal establishment of China Huadian, the entire shareholding interest in 2,815,075,430 domestic shares in the Company which was originally held by Shandong Electric Power (Group) Corporation ("SEPCO") was transferred by way of administrative allocation to be held by China Huadian. After the shareholding reallocation, China Huadian became the immediate controlling shareholder of the Company holding 2,815,075,430 domestic shares, representing approximately 53.56% of the total issued share capital of the Company. As both China Huadian and SEPCO are wholly-owned by the State, there has been no change in the ultimate beneficial ownership of the approximately 53.56% shareholding interest in the Company following completion of the shareholding reallocation.



As certain other electricity generating assets of the PRC State have been and will continue to be transferred to China Huadian, the business of such other enterprises which are under the control and operation (or will be under the control and operation) of China Huadian may compete with that of the Group. In respect of the potential competition, China Huadian has issued an undertaking in favour of the Company in support of its development (please refer to the paragraph headed "Support from China Huadian" in the announcement of the Company dated 8 April 2003 for details in relation to the undertaking given by China Huadian in favour of the Company). At the same time, to the knowledge of the Directors, members of the senior management of China Huadian have extensive experience in the management of power industry. Accordingly, the Company's Board of Directors believes that the implementation of this restructuring plan and the shareholding reallocation will have positive impact on the Company's future operations.

## SHAREHOLDING STRUCTURE

The shareholding structure of the Group as at the date of this report is set out as follows:

