

Guangan Company



Luzhou Company



Suzhou Company



Chizhou Company



Lingwu Company



Zhongning Company



Ningxia Power Company



Xinxiang Company

COMPANY PROFILE

Huadian Power International Corporation Limited (the “Company”), its subsidiaries and jointly controlled entity (together, the “Group”) 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 businesses related to power generation. By the end of 2006, the total installed capacity in which the Group has interests amounted to 11,748.9MW, while the total installed capacity controlled or invested by the Group amounted to 14,782.2MW. The total number of employees amounted to 13,649.

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 public offering, which were listed on The Stock Exchange of Hong Kong Limited. At the beginning of year 2005, the Company issued 765,000,000 A shares at an issue price of RMB2.52 per share, which were listed on the Shanghai Stock Exchange on 3 February 2005. Following the issue of A shares, the total share capital of the Company increased from 5,256,084,200 shares to 6,021,084,200 shares. In August 2006, the Company completed its share reform in respect of A shares. To date, the Company has 4,590,056,200 domestic shares and 1,431,028,000 H shares, accounting for approximately 76.23% and 23.77% respectively of the total enlarged issued share capital of the Company.



Zouxian Plant



Shiliquan Plant



Laicheng Plant



Qingdao Company



Weifang Company



Zibo Company



Tengzhou Company



Zhangqiu Company

At present, there are a total of 20 power plants/companies wholly-owned or controlled or invested by the Group. The power plants of the Group are all strategically located in the vicinity of major coal mines or electricity load centres. As at present, details of the Group's power generation facilities are as follows:

Power Plants	Installed Capacity (MW)	Equity Interest	Generating Units	Notes
Zouxian Plant (note 1)	3,540	100%	1 x 1,000MW + 2 x 600MW + 4 x 335MW	1 x 1,000MW generating unit under construction
Shiliquan Plant (note 2)	1,300	100%	2 x 300MW + 5 x 140MW	
Laicheng Plant	1,200	100%	4 x 300MW	
Huadian Weifang Power Generation Company Limited ("Weifang Company") (notes 1 and 3)	1,330	45%	1 x 670MW + 2 x 330MW	1 x 670MW generating unit under construction
Huadian Qingdao Power Company Limited ("Qingdao Company") (note 1)	1,260	55%	4 x 300MW + 60MW	
Huadian Zibo Power Company Limited ("Zibo Company")	467	100%	2 x 145MW + 2 x 88.5MW	
Huadian Zhangqiu Power Company Limited ("Zhangqiu Company") (notes 1 and 4)	890	84.45%	2 x 300MW + 2 x 145MW	
Huadian Tengzhou Xinyuan Power Company Limited ("Tengzhou Company") (notes 1 and 4)	963	88.16%	2 x 315MW + 2 x 150MW + 1 x 33MW	
Sichuan Guangan Power Generation Company Limited ("Guangan Company") (note 1)	1,800	80%	1 x 600MW + 4 x 300MW	1 x 600MW generating unit under construction
Anhui Huadian Suzhou Power Generation Company Limited ("Suzhou Company")	—	97%	—	2 x 600MW generating units under construction
Anhui Huadian Wuhu Power Generation Company Limited ("Wuhu Company") (note 5)	—	95%	—	2 x 660MW generating units under construction

Power Plants	Installed Capacity (MW)	Equity Interest	Generating Units	Notes
Huadian Xinxiang Power Generation Company Limited ("Xinxiang Company")	—	90%	—	2 x 660MW generating units under construction
Huadian Ningxia Lingwu Power Generation Company Limited ("Lingwu Company") (note 6)	—	65%	—	2 x 600MW generating units under construction
Ningxia Zhongning Power Generation Company Limited ("Zhongning Company") (note 7)	660	50%	2 x 330MW	
Ningxia Power Generation (Group) Company Limited ("Ningxia Power Company")	1,432.2	31.11%	4 x 330MW + 112.2MW	112.2MW wind power; 4 x 330MW thermal power
Anhui Chizhou Jiu Hua Power Generation Company Limited ("Chizhou Company")	600	40%	2 x 300MW	
Sichuan Luzhou Chuannan Power Generation Company Limited ("Luzhou Company")	—	40%	—	2 x 600MW generating units under construction
Sichuan Huadian Luding Hydropower Company Limited ("Luding Hydropower Company") (note 8)	—	100%	—	4 x 230MW hydroelectric generating units under construction
Jiangsu Huadian Binhai Wind Power Company Limited ("Binhai Wind Power Company") (note 9)	—	100%	—	200MW wind power generating units under construction
Huadian Ningxia Ningdong Wind Power Company Limited ("Ningdong Wind Power Company") (note 10)	—	100%	—	45MW wind power generating units under construction
Total installed capacity controlled or invested (note 11)	<u>14,782.2</u>			
Total interested capacity (note 12)	<u>11,748.9</u>			

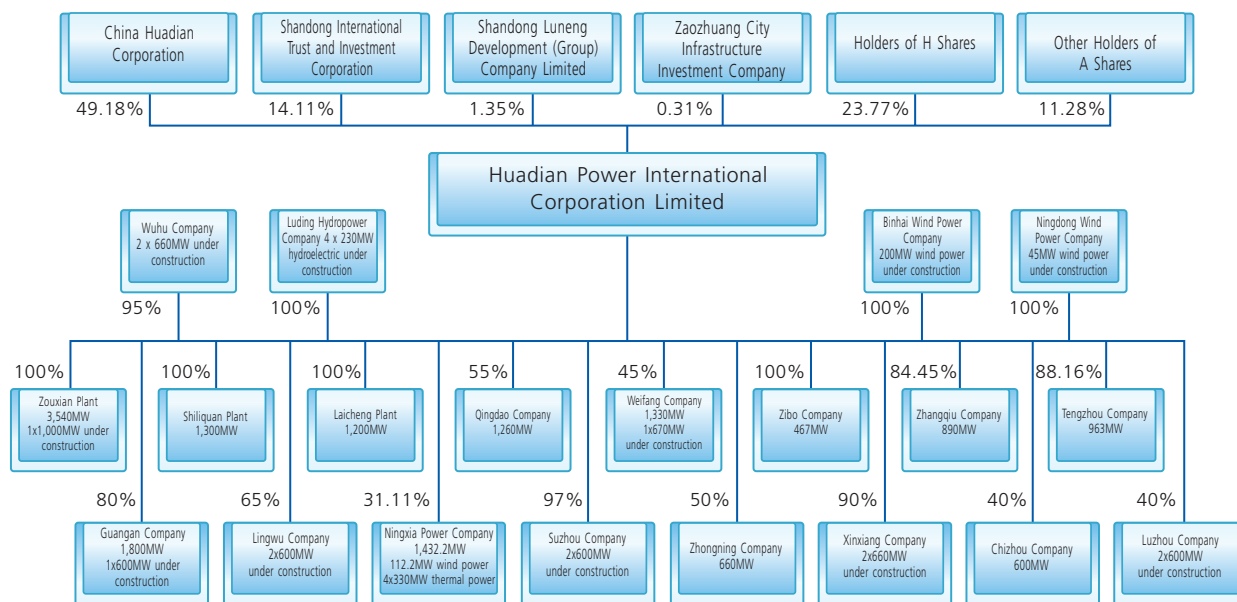
- Note 1: The second 300MW generating unit of Qingdao Company Phase II expansion project was completed and commenced commercial operation on 9 July 2006. The two 300MW generating units of Zhangqiu Company Phase II expansion project were completed and commenced commercial operation on 14 July 2006 and 19 November 2006 respectively. The first 670MW generating unit of Weifang Company Phase II expansion project was completed and commenced commercial operation on 24 October 2006. The two 315MW generating units of Tengzhou Company Phase II expansion project were completed and commenced commercial operation on 10 November 2006 and 13 December 2006 respectively. The first 1,000MW generating unit Zouxian Plant Phase IV expansion project was completed and commenced commercial operation on 4 December 2006. The first 600MW generating unit of Guangan Company Phase III expansion project was completed and commenced commercial operation on 13 December 2006.
- Note 2: In 2006, the capacity of unit No. 1 of Shiliquan Plant was expanded from 125MW to 140MW, which increased the total installed capacity of Shiliquan Plant to 1,300MW.
- Note 3: Upon the completion of capital increase and change of business registration procedures in January 2006, the Company held 45% equity interest in and obtained the power to govern the financial and operating policies of Weifang Company. Starting from January 2006, Weifang Company has been accounted for 100% instead of the previous 30% in the consolidated financial statements.
- Note 4: In April 2006, the Company's equity interest in Zhangqiu Company was increased from 80.41% to 84.45%. Equity held by the Company in Tengzhou Company was increased from 54.49% to 88.16% as of November 2006.
- Note 5: On 26 September 2006, the Company entered into Wuhu Share Transfer Agreement with China Huadian Corporation ("China Huadian"), pursuant to which the Company proposed to acquire the 95% equity interest in Wuhu Company from China Huadian at a consideration of RMB25.41 million. The transaction was approved by relevant state authorities on 30 December 2006. In January 2007, the Company paid up the consideration for this acquisition and the acquisition was completed.
- Note 6: In February 2006, Lingwu Company was established in which the Company held 65% equity interest, and was included into the Group's consolidated financial statement since its incorporation.
- Note 7: Zhongning Company, formerly known as Ningxia Yinglite Zhongning Power Company Limited, was renamed as Ningxia Zhongning Power Company Limited upon the change of business registration in June 2006.
- Note 8: On 8 June 2006, Luding Hydropower Company was incorporated in which the Company held 100% equity interests, and was included into the consolidated financial statement since its incorporation.
- Note 9: On 1 June 2006, Binhai Wind Power Company was incorporated in which the Company held 100% equity interests, and was included into the consolidated financial statement since its incorporation.
- Note 10: Ningdong Wind Power Company, in which the Company has 100% ownership, was incorporated on 19 March 2007 and was included into the consolidated financial statement since its incorporation.
- Note 11: The aggregate installed capacities of the Company, its subsidiaries, jointly controlled entity and associates of which the capacity of Ningxia Power Company was aggregated by excluding the capacity of 660MW of Zhongning Company, a jointly controlled entity with 50% equity interest held by Ningxia Power Company.
- Note 12: The aggregate proportionate installed capacities of the Company and companies controlled or invested by the Company, determined based on the respective percentage of equity interest held by the Company, of which the interested capacity of Ningxia Power Company of 1,092MW was 31.11% included, representing the Company's equity interest in Ningxia Power Company.

During the reporting period (from 1 January 2006 to 31 December 2006), the operational safety of the Group's generating units has been maintained at a satisfactory level and had achieved 32 consecutive 100-day safety records. The companies managed by the Group such as Qingdao Company, Zibo Company and Tengzhou Company have recorded continuous safe production for over 3,000 days while the safe production record achieved by each of Zouxian Plant, Laicheng Plant and Weifang Company was a period of over 2,000 days. Zhangqiu Company recorded continuous safe production for over 1,500 days.

In 2006, a total of 317 generating units nationwide participated in the 35th Large-scale Thermal Power Units Competition of the PRC for the Year 2005 (with unit capacity of 300MW and above). Generating units were assessed in accordance with their performance in terms of operating efficiency, safe operating period and production rate. Awards were given to 69 generating units in the competition, representing an overall award rate of 21.8%. The Group participated in the competition and represented by 20 generating units of 300MW or 600MW, and 9 of them won awards, representing an award rate of 45%. In the competition, unit No.5 and unit No.6 of Zouxian Plant won the first-class award and third-class award respectively under the 600MW generating units category; unit No.3 of Zouxian Plant, unit No.2 of Qingdao Company, and unit No.3 of Laicheng Plant won the first-class awards under the category of 300MW generating units; unit No.34 of Guangan Company won the second-class awards under the category of 300MW generating units; and unit No.2 of Weifang Company, unit No.6 of Shiliquan Plant and unit No.1 of Qingdao Company won third-class awards under the 300MW generating units category.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company and its principal subsidiaries, associates and jointly controlled entity as at the date of this report is set out as follows:



Particulars of the Company's subsidiaries, associates and jointly controlled entity as at 31 December 2006 are set out in notes 17, 18 and 19 respectively of the financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") included in this annual report.