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Standard coal consumption of 330MW units was 324 g/kWh!

November 14, 2017

So, China Hongqiao announced another "clarification" November 12, 2017. The "clarification" claims that the company's power supply standard coal consumption is 21% lower than that of the leading Chinese IPPs because it uses heat and power combined generating units with high energy efficiency.

China Hongqiao hopes to defend its data by citing the design guidelines of the National Energy Administration of the PRC. But the cited article on the NEA website actually refers to generating units whose ratio of heat-to-electricity is more than 50%. Based on our knowledge that China Hongqiao's steam had a heat value of 3,150,000 kJ/ton, it follows that the company's overall steam output was only 13.8% of electricity output for 2015. Is the management so blind of the difference between 50% and 13.8% that it has quoted an irrelevant article, or is it trying to mislead the investment community?

The 330MW generating units are the biggest and most efficient ones that China Hongqiao has ever used. According to data that have come to our attention, the power supply standard coal consumption of China Hongqiao's 330MW generators was about **324 g/kWh for 2015, as much as 30% higher than that claimed by the company.**

Detailed evidences had been sent to the Securities and Futures Commission of Hong Kong last week.

Disclaimer

We are a group of seasoned equities analysts with many years of experience in the research of economic and political trends as well as individual stocks around the world. With background in various international investment banks, we have followed the development of the Chinese equities market right from day one.

We are determined to expose as much of the fraud in the Chinese stock market as we can. The most widespread and serious fraud is probably that undertaken by listed companies, in fabricating non-existent businesses and stealing shareholders money, among other tricks.

In exposing these crimes we challenge the listed companies to prove the integrity of their announcements and financial statements. The listed companies, of course, want everybody to believe that their announcements and financial statements are true. Their auditors, employees, independent directors, lawyers, shareholders and even the general public all hope that these announcements and financial statements are true.

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