

Edgar Filing: HUANENG POWER INTERNATIONAL INC - Form 6-K

HUANENG POWER INTERNATIONAL INC

Form 6-K

April 19, 2005

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of April, 2005

(Indicate by check mark whether the registrant files or will file annual  
reports under cover of Form 20-F or Form 40-F.)  
Form 20-F  Form 40-F

(Indicate by check mark whether the registrant by furnishing the information  
contained in this form is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under  
the Securities Exchange Act of 1934. )  
Yes  No

(If "Yes" is marked, indicate below the file number assigned to registrant  
in connection with Rule 12g3-2(b): 82-\_\_\_\_\_. )  
N/A

Huaneng Power International, Inc.  
West Wing, Building C, Tianyin Mansion  
No. 2C Fuxingmennan Street  
Xicheng District  
Beijing, 100031 PRC

This Form 6-K consists of:

An overseas regulatory announcement on first quarterly report of 2005  
of Huaneng Power International, Inc. (the "Registrant"), made by the Registrant  
in English on April 15, 2005.

SIGNATURE

## Edgar Filing: HUANENG POWER INTERNATIONAL INC - Form 6-K

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the under-signed, thereunto duly authorized.

HUANENG POWER INTERNATIONAL, INC.

By /s/ Huang Long  
-----

Name: Huang Long

Title: Company Secretary

Date: April 15, 2005

[GRAPHIC OMITTED]

(a Sino-foreign joint stock limited company  
incorporated in the People's Republic of China)

(Stock code : 902)

Overseas Regulatory Announcement

First Quarterly Report of 2005

Pursuant to the regulations of the China Securities Regulatory Commission, Huaneng Power International, Inc. (the "Company") is required to publish a quarterly report for each of the first and third quarters.

All financial information set out in this quarterly report is unaudited and prepared in accordance with the PRC Accounting Standards ("PRC GAAP").

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### 1. IMPORTANT NOTICE

1.1 The Directors of the Company guarantee that the information contained in this report does not contain any false statements, misleading representations or material omissions. The Directors collectively and individually accept responsibility as to the authenticity, accuracy and completeness of the content of this report.

1.2 For other business reasons, Mr. Huang Yongda, Mr. Yang Shengming, Mr. Liu Shuyuan (Directors) and Mr. Zheng Jianchao (Independent Non-executive Directors) did not attend the eleventh meeting of the fourth session of the Board of Directors and appointed Mr. Li Xiaopeng (Chairman) to



## Edgar Filing: HUANENG POWER INTERNATIONAL INC - Form 6-K

### 2.2.1 Major Unaudited Financial Information and Financial Indicators (Amounts: In Rmb Yuan)

	End of current reporting period	End of la
Total Assets	86,756,410,415	71,324,
Shareholders' equity (excluding: minority interests)	37,972,200,736	37,183,
Net assets per share	3.15	
Adjusted net assets per share	3.08	

  

	Current reporting period	From t beginning of t year to the e of curre reporting peri
Net cash inflow from operating activities	1,776,629,440	1,776,629,440
Earnings per share	0.07	0.07
Return on net assets	2.08	2.08
Return on net assets after deducting non-recurring items	2.08	2.08

#### Non-recurring items

Gains/(Losses) from disposal of assets other than the products of the Company  
 Non-operating income/(expense), net, after deducting impairment provisions for assets  
 Tax impact on non-recurring items

Total

### 2.2.2 Profit and Loss Accounts UNAUDITED PROFIT AND LOSS ACCOUNTS (PRC GAAP) FOR THE FIRST QUARTER ENDED 31ST MARCH, 2005

Item	For the first quarter ended 31st March, 2005 Consolidated	For the first quarter ended 31st March, 2005 The Company	Amount For the fi quarter en 31st Mar 2 Consolida
1. Revenues from principal operations	9,317,001,922	5,988,989,897	6,461,086,
Less: Cost of principal operations	(7,544,915,698)	(5,163,484,022)	(4,492,816,

## Edgar Filing: HUANENG POWER INTERNATIONAL INC - Form 6-K

	operations			
	Tax and levies on	(29,960,349)	(1,412,853)	(13,570,
	principal operations			
2.	Profit from principal operations	1,742,125,875	824,093,022	1,954,699,
	Add: Profit from other	13,136,715	12,526,996	6,366,
	operations			
	Less: General and	(192,356,708)	(117,598,207)	(112,726,
	administrative expenses			
	Financial expenses, net	(331,114,801)	(161,304,702)	(129,185,
3.	Operating profit	1,231,791,081	557,717,109	1,719,154,
	Add: Investment income	1,114,166	315,248,367	23,290,
	Non-operating income	114,714	103,164	5,029,
	Less: Non-operating expenses	(2,716,982)	(2,115,234)	(1,277,
4.	Profit before taxation and	1,230,302,979	870,953,406	1,746,197,
	minority interests			
	Less: Income tax	(208,640,158)	(82,259,155)	(286,370,
	Minority interests	(232,968,570)	-	(55,862,
5.	Net profit	788,694,251	788,694,251	1,403,964,

2.3 Total number of shareholders and shareholding of the ten largest holders of shares in circulation as at the end of the reporting period

Total number of shareholders as at the end of the reporting period: 38,395

Ten largest holders of shares in circulation

Name	Number of shares in circulation at the end of reporting period
The Bank of China - Jiashi Services Value Added Industry Securities Investment Fund	29,721
Xinghe Securities Investment Fund	29,060
Horizon Asset Management. Inc.	22,102
Xinghua Securities Investment Fund	19,849
Nanjing Municipal Investment Company	17,400
Industrial and Commercial Bank of China - Tianyuan Securities Investment Fund	13,899
Smith Barney Asset Management	13,666
Industrial and Commercial Bank of China - Southern Stable Development Securities Investment Fund	13,567
Fenghe Value Securities Investment Fund	13,394
Matthews International Capital Management LLC	12,648

3. MANAGEMENT'S DISCUSSION AND ANALYSIS

## Edgar Filing: HUANENG POWER INTERNATIONAL INC - Form 6-K

- 3.1 Brief analysis on the overall situation of the operating activities of the Company during the reporting period

Compared to the same period last year, the newly acquired and operating generating units brought about an expansion of the Company's overall operating scale in the first quarter of 2005, while the average tariff rate increased slightly and power generation and revenue continued to grow substantially. The price of coal has been rising since April 2004 and now still remains at a high level. Therefore, compared to the same period last year, the unit fuel cost increased significantly, thus causing a substantial decrease in gross margin in power sale. The expansion of the operating scale could not fully offset the increases in fuel costs and fixed costs, and as a result, the profits of the Company decreased compared to the same period last year.

- 3.1.1 Principal operations or products contributing more than 10% of revenue or profit from principal operations (unaudited)

Applicable  Not applicable

Sector	Revenue from principal business	Cost of principal business	Gross pro n
Power	9,317,001,922	7,544,915,698	18
Including related transactions	-	-	
Power	9,317,001,922	7,544,915,698	18
Including related transactions	-	-	

- 3.1.2 Seasonal or periodic characteristics of the Company's operations

Applicable  Not applicable

- 3.1.3 Composition of profit for the reporting period (disclosure as to any material changes in the ratios of profit from principal operations, profit from other businesses, expenses for the period, investment income, subsidy income and net non-operating income/expenses to profit before taxation and minority interests, when compared with those of the previous reporting period) and the reasons therefor

Applicable  Not applicable

- 3.1.4 Significant changes in principal operations and its structure when compared with those of the previous reporting period and the reasons therefor

Applicable  Not applicable

- 3.1.5 Significant change in profitability (gross margins) of principal operations when compared with that of the previous reporting period and the reasons therefor

Applicable  Not applicable

As the price of coal has continuously increased since April 2004 and still remains at a high level, the unit fuel cost increased

## Edgar Filing: HUANENG POWER INTERNATIONAL INC - Form 6-K

substantially, compared to the same period last year. The gross margin of power sale decreased significantly. The gross margins of the first quarter of 2004, the whole year of 2004 and the first quarter of 2005 are 30.25%, 25.46% and 18.70% respectively.

### 3.2 Significant matters and analysis on their impact and solutions

Applicable  Not applicable

#### I. Regular Related Transactions During the Reporting Period:

##### 1. General information of related persons

- 1) Huaneng International Economic Trading Corporation ("Huaneng International Economic Trading")

Legal Representative: Xu Fangjie; Registered Capital: RMB30 million; Principal Scope of Business: Import and export, foreign economic co-operation, domestic trade, international tendering; Address: Huaneng Tower, No.23A, Fuxing Road, Haidian District, Beijing.

- 2) Shanghai Time Shipping Co. Ltd. ("Time Shipping")

Legal Representative: Jin Langchuan; Registered Capital: RMB200 million; Principal Scope of Business: maritime transportation along coastal region and upper and middle stream of Yangtze River ; Address: 16/F., No.139 Yincheng Road East, Pudong District, Shanghai.

##### 2. Relationship

China Huaneng Group is the controlling shareholder of the Company. Huaneng International Trading and Time Shipping controlled by China Huaneng Group. China Huaneng Group is regarded as a "related party" under item II of Rule 10.1.3 of the Listing Rules of Shanghai Stock Exchange.

##### 3. Ability of performance

The aforesaid related parties have strong ability to perform the relevant contracts Throughout the past years, they have not failed to perform the relevant contracts. According to experience and based on reasonable judgement, such related parties will continue to perform their respective obligations under the relevant contracts.

##### 4. Details of the regular related party transactions:

Related Party	Type	Classification by reference to products or services	Basis of pricing	Transaction price (RMB/ton)	Transaction amount (RMB'0000)	tra
Huaneng International Trading	Purchase of fuel and trans-	Coal purchase	market price	433.27	19,324	(R

## Edgar Filing: HUANENG POWER INTERNATIONAL INC - Form 6-K

portation  
service

Time shipping	Transporta- tion of coal	by mutual negotiation	38.96	19,388
---------------	-----------------------------	--------------------------	-------	--------

The related transactions occurred during the reporting period are the same kind of transactions as estimated for the year of 2005.

### 5. Reasons of the transactions and impact on the Company

- (1) The purchase of coal from Huaneng International Trading can take advantages from the scale and expertises of China Huaneng Group, and can help to reduce purchase costs.
- (2) Time Shipping is a company owned by China Huaneng Group specialising in maritime transportation. Compared with other similar companies, it has strengths in management and service qualities and enjoys good reputation. Therefore, transportation of part of the Company's coal was undertaken by Time Shipping.
- (3) Such related transactions will be conducted in strict compliance with the aforesaid pricing policy and basis of pricing. Such transactions will not have any adverse impact on the financial position and operating results of the reporting period as well as those in future.

### II. Impact of the commencement of operation of the power market of the northeastern region on the Company.

The power market of the northeastern region commenced operation on 15 January 2004 by adopting a "dual pricing with full competition" mode. The market has been in trial operation since the end of 2004 after several simulated operations and has held its annual price bidding.

Recently, the Company has received the Notice Regarding the Commencement of Trial Monthly Price Bidding in Power Market of the Northeastern Region issued by the National Development and Reform Commission and the Electricity Regulatory Commission. Such notice has included an Opinion to Improve the Trial Run of the Power Market in the Northeastern Region, which requests that the trial monthly price bidding in the power market of the northeastern region shall commence in April 2005.

The Company has 3 power plants in the northeastern region, namely Dalian Power Plant, Dandong Power Plant and Yingkou Power Plant with a total of 8 generating units and an aggregate generation capacity of 2,740 MW. All of them are located in the loading centre in Liaoning.

At the same time as the Company actively supports and participates in the establishment of the power market of the northeastern region, the Company has also formulated a clear strategy by conducting serious analysis and evaluation of the market conditions, with a view to leveraging its competitive strengths under a fair, reasonable and open market environment.

### 3.3 Disclosure as to and reasons for changes in accounting policies, accounting estimates, consolidation scope and significant accounting errors

## Edgar Filing: HUANENG POWER INTERNATIONAL INC - Form 6-K

Applicable

Not applicable

Compared to the same period last year, there was no significant change in the accounting policies and accounting estimates adopted by the Company and its subsidiaries during the reporting period. The Company acquired 55% interests in Yueyang Generation Company and 60% interests in Luohuang Generation Company on 1st July 2004, and further acquired 65% interests in Pingliang Generation Company and 60% interests in Sichuan Hydro Power on 1st January 2005. The financials of such companies were consolidated into the Company's financial statements since their respective dates of acquisition.

- 3.4 Relevant explanations by the Board of Directors and the Supervisory Committee in respect of "qualified" audit opinion

Applicable

Not applicable

- 3.5 Forecast of a probable loss in respect of the accumulated net profit from the beginning of the financial year to the end of the next reporting period or warning in respect of any significant changes in profit as compared with that of the corresponding period of last year and the reasons therefor

Applicable

Not applicable

- 3.6 Cumulative adjustments to the annual operating plan or budget previously disclosed by the Company

Applicable

Not applicable

### 4 APPENDIX

UNAUDITED BALANCE SHEETS (PRC GAAP)  
AS AT 31ST MARCH, 2005

	31st March, 2005 Consolidated	31st December, 2004 Consolidated	31st March, 2004 The Company
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	3,468,027,499	2,510,859,390	1,299,330,600
Including: Cash and cash equivalents	3,265,420,369	2,295,530,972	1,133,072,900
Short-term investments	30,013,200	13,200	30,013,200
Notes receivable	1,148,326,969	1,242,671,845	334,526,300
Interest receivable	1,233,134	1,734,452	1,233,134
Accounts receivable	5,180,451,652	3,730,431,156	2,936,276,600
Other receivables	404,558,717	292,845,939	206,762,500
Advance to suppliers	710,420,679	441,370,775	244,291,800
Inventories	1,893,527,098	1,431,403,605	1,224,767,800
Deferred expenses	63,903,300	2,319,162	51,729,700
Current portion of long-term debt investments	4,000	5,000	4,000
<b>Total current assets</b>	<b>12,900,466,248</b>	<b>9,653,654,524</b>	<b>6,328,935,800</b>

Edgar Filing: HUANENG POWER INTERNATIONAL INC - Form 6-K

LONG-TERM INVESTMENTS			
Long-term equity investments	6,542,504,126	5,886,238,518	12,769,065,5
Long-term debt investments	53,700	53,700	53,7
Total long-term investments	6,542,557,826	5,886,292,218	12,769,119,2
Including: Consolidated difference in value	1,928,477,526	1,331,850,487	
FIXED ASSETS			
Fixed assets, cost	94,585,675,694	80,565,305,102	56,213,239,1
Less: Accumulated depreciation	(37,903,628,647)	(33,246,132,232)	(23,333,363,31
Fixed assets, net book value	56,682,047,047	47,319,172,870	32,879,875,8
Construction materials	4,249,240,391	3,876,065,407	1,502,920,6
Construction-in-progress	6,644,173,700	5,128,225,240	2,584,965,4
Total fixed assets	67,575,461,138	56,323,463,517	36,967,761,9
INTANGIBLE AND OTHER ASSETS			
Intangible assets	(430,074,568)	(551,009,877)	(545,883,75
Long-term deferred expenses	35,039,530	12,577,696	7,694,4
Other long-term assets	132,960,241	-	
Total intangible and other assets	(262,074,797)	(538,432,181)	(538,189,31
TOTAL ASSETS	86,756,410,415	71,324,978,078	55,527,627,7
LIABILITIES AND SHAREHOLDERS' EQUITY			
	Consolidated	2004 Consolidated	The Comp
CURRENT LIABILITIES			
Short-term loans	10,193,300,000	8,099,000,000	6,120,000,
Notes payable	24,000,000	29,000,000	
Accounts payable	1,491,742,792	738,762,443	878,764,
Salary payable	39,098,808	39,736,104	3,635,
Welfare payable	207,882,839	219,555,237	129,876,
Interest payable	84,140,248	121,270,836	77,489,
Dividends payable	45,452,542	21,668,696	
Taxes payable	917,918,812	999,792,185	286,754,
Other levies payable	58,868,356	37,477,764	17,109,
Other payables	4,124,846,640	3,706,812,746	2,409,639,
Accrued expenses	121,655,290	43,572,392	63,383,
Current portion of long-term loans	2,317,189,700	1,543,237,546	825,126,
Provisions	4,416,483	-	
Total current liabilities	19,630,512,510	15,599,885,949	10,811,779,
LONG-TERM LIABILITIES			
Long-term loans	24,801,013,737	15,955,289,378	6,743,647,
Other non-current liability	14,500,000	13,000,000	
Total long-term liabilities	24,815,513,737	15,968,289,378	6,743,647,

Edgar Filing: HUANENG POWER INTERNATIONAL INC - Form 6-K

TOTAL LIABILITIES	44,446,026,247	31,568,175,327	17,555,426,
MINORITY INTERESTS	4,338,183,432	2,573,400,216	
SHAREHOLDERS' EQUITY			
Share capital	12,055,383,440	12,055,383,440	12,055,383,
Capital surplus	8,616,086,160	8,615,982,210	8,616,086,
Surplus reserves	4,112,214,828	4,112,214,828	4,112,214,
Including: Statutory public welfare fund	1,863,280,308	1,863,280,308	1,863,280,
Undistributed profits	13,188,516,308	12,399,822,057	13,188,516,
Total shareholders' equity	37,972,200,736	37,183,402,535	37,972,200,
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	86,756,410,415	71,324,978,078	55,527,627,

Legal  
representative:  
Li Xiaopeng

Person in charge of accounting  
function:  
Huang Jian

Person in charge  
depa  
Zho

UNAUDITED CASH FLOW STATEMENTS (PRC GAAP)  
FOR THE FIRST QUARTER ENDED 31ST MARCH, 2005

Item	Am	Consolida
1. Cash flows from operating activities		
Cash received from sale of goods and services		10,045,628,
Other cash received relating to operating activities		34,455,
Sub-total of cash inflows		10,080,083,
Cash paid for goods and services		(5,859,770,
Cash paid to and on behalf of employees		(607,189,
Payment of all types of taxes		(1,477,555,
Other cash paid relating to operating activities		(358,938,
Sub-total of cash outflows		(8,303,454,
Net cash flows from operating activities		1,776,629,
2. Cash flows from investing activities		

## Edgar Filing: HUANENG POWER INTERNATIONAL INC - Form 6-K

Cash received on disposal of investments other than investments in subsidiaries	14,381,
Net cash received from disposals of fixed assets	263,
Other cash received relating to investing activities	8,330,
 Sub-total of cash inflows	 22,975,
 Cash paid to acquire fixed assets, intangible assets and other long-term assets	 (2,213,477,
Cash injection to subsidiaries	
Cash paid to acquire branches and equity interest in subsidiaries and associates	(1,458,296,
Other cash paid relating to investing activities	(10,479,
 Sub-total of cash outflows	 (3,682,253,
 Net cash flows used in investing activities	 (3,659,278,
 3. Cash flows from financing activities	
Cash received from investments	15,000,
Including: Cash received from equity investment in subsidiaries of minority shareholders	15,000,
Cash received from borrowings	4,599,090,
 Sub-total of cash inflows	 4,614,090,
 Cash paid on repayment of borrowings	(1,262,493,
Cash payments of interest expenses and appropriation of dividends or profit	(499,057,
Including: Dividends paid to minority shareholders of subsidiaries	
 Sub-total of cash outflows	 (1,761,551,
 Net cash flows from financing activities	 2,852,538,
 4. Effect of foreign exchange rate changes on cash	
 5. Net increase/(decrease) in cash and cash equivalents	 969,889,

Legal  
representative:  
Li Xiaopeng

Person in charge of accounting  
function:  
Huang Jian

Person in charge of  
depa  
Zho

# Edgar Filing: HUANENG POWER INTERNATIONAL INC - Form 6-K

Amounts: In Rmb Yuan  
Supplementary Information

Consolidated

1. Reconciliation of net profit to cash flows from operating activities

Net profit	788,694,
Add: Minority interests	232,968,
Reversal for asset impairment	(2,822,
Depreciation of fixed assets	1,495,593,
Amortization of intangible assets	(54,498,
Amortization of long-term deferred expenses	760,
Increase in deferred expenses	(61,175,
Increase in accrued expenses	78,047,
Loss on disposal of fixed assets	472,
Financial expenses	326,270,
Gains arising from investments	(1,114,
Increase in inventory	(407,387,
Increase in operating receivables items	(1,030,233,
Increase in operating payables items	411,054,
Net cash flows from operating activities	1,776,629,

2. Investing and financing activities that do not involve cash receipts and payments

Conversion of debt into capital  
Convertible notes maturing within one year  
Fixed assets capitalized under finance leases

3. Net increase in cash and cash equivalents

Cash at end of period	3,265,420,
Less: cash at beginning of period	(2,295,530,9
Cash equivalents at end of period	
Less: cash equivalents at beginning of period	

Net increase/(decrease) in cash and cash equivalents	969,889,
--	----------

Legal  
representative:  
Li Xiaopeng

Person in charge of accounting  
function:  
Huang Jian

Person in char  
depa  
Zho

By Order of  
Huaneng Power Int  
Li Xia  
Chai

As at the date of this announcement, the Board comprises:

Edgar Filing: HUANENG POWER INTERNATIONAL INC - Form 6-K

Li Xiaopeng (Non-executive director)  
Wang Xiaosong (Non-executive director)  
Huang Yongda (Executive director)  
Ye Daji (Non-executive director)  
Huang Jinkai (Non-executive director)  
Liu Jinlong (Non-executive director)  
Shan Qunying (Non-executive director)  
Yang Shengming (Non-executive director)  
Xu Zujian (Non-executive director)  
Liu Shuyuan (Non-executive director)

Gao Zongze (Independent non-executive di  
Zheng Jianchao (Independent non-executiv  
Qian Zhongwei (Independent non-executive  
Xia Donglin (Independent non-executive d  
Liu Jipeng (Independent non-executive di

15th April, 2005  
Beijing, the PRC