

HUANENG POWER INTERNATIONAL INC
Form 6-K
March 17, 2004

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

March, 2004

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 announcement on 2003 annual operating results made on March 16, 2004, in English by Huaneng Power International Inc.

Exhibit 99.1

(Graphic Omitted)

To: Business Editor
[For Immediate Release]

HUANENG POWER INTERNATIONAL, INC.
Announces Annual Operating Results for 2003

Net Profit Increases by 38.50% to RMB5.430 billion

(Beijing, China, March 16, 2004) Huaneng Power International, Inc. (the "Company") [NYSE: HNP; HKEx: 902; SSE: 600011] today announced its audited operating results under International Financial Reporting Standards for the year ended December 31, 2003. The Company's net operating revenues for 2003 were RMB23.388 billion (approximately US\$2.826 billion based on the exchange rate of US\$1 to RMB8.2767 on December 31, 2003), a 26.60% increase over 2002. Net profit was RMB5.430 billion (approximately US\$656 million), a 38.50% increase over 2002. Basic earnings per share was RMB0.90 (approximately US\$0.11). Basic earnings per American Depository Share (ADS) was RMB36

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(approximately US\$4.35). The Board of Directors of the Company was very satisfied with the operating results for last year.

The Company's Board of Directors proposed that the Company pay dividend consisting of both cash and the Company's stock to its shareholders. Under the proposed dividend plan, which is subject to the approval by the Company's shareholders at the annual general meeting of the Company, every 10 shares of the issued and outstanding common stock of the Company will be entitled to receiving RMB5.0 in cash and 10 shares of the Company's common stock.

In 2003, the Company strengthened equipment management and effective cost control, thereby achieving safe and stable operation of the Company's power plants. The Company has contributed to meeting power consumption demand, ensuring safe power generation and supporting economic development.

In 2003, the Company's total power generation based on a consolidated basis was 90.91 billion kWh (which includes the power generation of Xindian Power Plant and Taicang Power Plant from November to December), an increase of 27.30% over 2002. The average availability factor of the power plants of the Company was 92.15% and the average capacity factor was 68.06%. Average coal consumption rates for power sold and for power generated were 335.12 gram/kWh and 318.23 gram/kWh, respectively, while the average house consumption rate was 4.76%. The unit fuel cost for output stayed within its estimated range as set in the beginning of the year and only increased by 2.28%. The Company's techno-economic indices continued to score the industry's bests in the PRC.

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The steady growth in the operating results of the Company was, on the one hand, attributable to the increased power demand driven by the rapid and steady economic growth of the country. On the other hand, the Company's power project development and acquisitions also made significant contribution to the remarkable growth of the Company's operating results for year 2003.

The Company made new breakthroughs in asset acquisitions in 2003. After acquiring 25% equity interest in Shenzhen Energy Group in the beginning of the year, the Company also acquired equity interest and assets of Qinbei Power Plant, Yushe Power Plant and Xindian Power Plant from China Huaneng Group. These two acquisitions increased the generation capacity of the Company on an equity basis by 1,231MW, and the generation capacity under construction on an equity basis by 1,020MW. The acquisitions made contribution to the growth of the Company's annual operating results.

The Company is making good and smooth progress on the preliminary work of its power plant constructions and planned projects. Two generating units with cycled fluidized bed combustion boilers at Jining Power Plant came into commercial operation in July and August 2003 respectively. Construction of two 330MW coal-fired generating units at Huaiyin Power Plant Phase II and one 600MW coal-fired generating unit at Shantou Power Plant Phase II have commenced. The feasibility study report on constructing China's first two 1,000MW ultra-supercritical coal-fired generating units at Yuhuan Power Plant Phase I has been approved by the State Council. In addition, project proposals in relation to the construction of Taicang Power Plant Phase II (2x600MW coal-fired generating units), Shanghai Gas-fired Power Plant (3 x 300MW-class Combined-Cycle-Gas-Turbine generating units) and Jinling Gas-fired Power Plant (3 x 300MW-class Combined-Cycle-Gas-Turbine generating units) have been approved by the State Council. The Company will actively push forward the

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progress of these projects based on sound commercial principles.

In addition, in considering rising oil prices and the need of reducing operating costs, the Company shut down two 100MW oil-fired generating units at Xindian Power Plant Phase I at the end of 2003. These two units have been in operation for 30 years and made an operating loss in the current period. Thus the generation capacity of Xindian Power Plant on an equity basis has decreased from 650MW to 450MW.

Year 2004 is a year full of challenges and opportunities. The Company needs to ensure safe production and sufficient supply of coal as well as to complete the construction projects on schedule. We expect to continue to face pressures from rising fuel prices, increased environmental related expenses and increasing market competition. However, the Company has full confidence and strength to seize opportunities and overcome challenges, and will endeavor to fulfill the following objectives in 2004:

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1. To ensure safe and operating stability of the Company's power plants, and achievement of their annual generation plans; and on this basis, to analyze and formulate effective market strategies with respect to power market and power pooling, so as to enlarge our power market shares;
2. To undertake stringent control of operating costs, in particular with respect to fuel costs and construction costs;
3. To actively develop the proposed projects and push forward the work for the power plants under construction, with a view to expanding the Company's operating scale and enhancing its business strengths; and
4. To actively seek new opportunities for asset acquisitions in order to assure continuous growth of the Company's profits and shareholder value.

The Company develops, constructs, operates and manages large thermal power plants in China nationwide, with a total generation capacity of 15,736MW on an equity basis. The Company wholly owns 14 power plants, and has controlling interests in five power plants and minority interests in three power companies. Today, the Company is one of the largest independent power producers in China.

- End -

Attached are the consolidated financial information of the Company and its subsidiaries as at and for the year ended December 31, 2003 (prepared under International Financial Reporting Standards).

For further information, please contact:

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Exhibit 99.2

HUANENG POWER INTERNATIONAL, INC.
 BALANCE SHEET
 AS OF 31ST DECEMBER, 2003
 (Amounts expressed in thousands)

The Company and its subsidiaries
 As of 31st December,
 2003
 (Rmb) (US\$)

ASSETS

Non-current assets

Property, plant and equipment, net	42,658,365	5,154,
Investment in associates	2,766,031	334,
Available-for-sale investments	254,990	30,
Land use rights and other assets	1,037,859	125,
Deferred tax assets	21,311	2,
Good will	298,876	36,
Less: Negative goodwill	(1,730,949)	(209,
	-----	-----
Total non-current assets	45,306,483	5,473,
	-----	-----

Current assets

Inventories, net	800,281	96,
Other receivables and assets, net	259,421	31,
Accounts receivable	2,804,026	338,
Due from related parties	5,862	
Restricted cash	159,961	19,
Temporary cash investments	144,996	17,
Cash and cash equivalents	4,128,648	498,
	-----	-----
Total current assets	8,303,195	1,003,
	-----	-----

Total assets

53,609,678 6,477,
 =====

EQUITY AND LIABILITIES

Shareholders equity

4,250,000,000 PRC Domestic Shares, par value		
Rmb1.00 each, in form of legal person shares	4,250,000	513,
250,000,000 A shares, par value Rmb1.00 each	250,000	30,
1,527,671,200 (2002: 1,500,273,960) Overseas Listed		
Foreign Shares, par value Rmb 1.00 each	1,527,671	184,
Additional paid-in capital	10,780,133	1,302,
Dedicated capital	4,328,423	522,
Equity component of convertible notes	255	
Retained earnings	12,818,873	1,548,
	-----	-----
Total shareholders equity	33,955,355	4,102,
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Minority interests	1,155,197	139,
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Non-current liabilities		
Liability component of convertible notes	-	
Long-term loans from shareholders	-	
Long-term bank loans	8,305,320	1,003,
Other long-term loans	848,284	102,
Other financial liabilities	-	
Deferred tax liabilities	103,114	12,
<hr/>		
Total non-current liabilities	9,256,718	1,118,
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Current liabilities		
Accounts payable and other liabilities	3,342,517	403,
Taxes payable	917,362	110,
Due to HIPDC	87,508	10,
Due to other related parties	27,338	3,
Staff welfare and bonus payable	220,896	26,
Short-term loans	1,600,000	193,
Current portion of long-term loans from shareholders	388,875	46,
Current portion of long-term bank loans	2,409,240	291,
Current portion of other long-term loans	243,386	29,
Liability component of convertible notes	935	
Other financial liabilities	4,351	
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Total current liabilities	9,242,408	1,116,
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Total equity and liabilities	53,609,678	6,477,
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HUANENG POWER INTERNATIONAL, INC.
STATEMENT OF INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2003
(Amounts expressed in thousands, except per share data)

	The Company and its subsidiaries		
	For the Year ended 31st December,		
	2003		2003
	(Rmb)	(US\$)	(Rmb)
Operating revenue, net	23,388,237	2,825,793	18,
<hr/>			
Operating expenses			
Fuel	(9,025,013)	(1,090,412)	(6,
Maintenance	(921,561)	(111,344)	(
Depreciation	(4,117,478)	(497,478)	(3,
Labor	(1,439,673)	(173,943)	(1,
Service fees to HIPDC	(214,723)	(25,943)	(
Others	(596,627)	(72,085)	(

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Total operating expenses	(16,315,075)	(1,971,205)	(12,343,870)
Profit from operation	7,073,162	854,588	5,918,574
Interest income	53,044	6,409	46,635
Interest expense	(569,148)	(68,765)	(500,383)
Bank charges and exchange losses, net	(28,181)	(3,405)	(24,776)
Total financial expenses	(544,285)	(65,761)	(478,524)
Share of profit (loss) of associates	212,091	25,625	186,466
Gain from disposal of investments	10,705	1,293	9,412
Other income, net	12,070	1,458	10,612
Profit before tax	6,763,743	817,203	5,946,540
Income tax expense	(1,149,441)	(138,877)	(1,010,564)
Profit before minority interests	5,614,302	678,326	4,935,976
Minority interests	(183,894)	(22,218)	(161,676)
Net profit attributable to shareholders	5,430,408	656,108	4,774,300
Proposed dividend	3,013,836	364,135	2,649,701
Proposed dividend per share	0.50	0.06	0.44
Basic earnings per share	0.90	0.11	0.79
Diluted earnings per share	0.90	0.11	0.79

For the convenience of the reader, translation of amounts from Renminbi (Rmb) into United States Dollars has been made at the rate of US\$1.00=Rmb8.2767 announced by the People's Bank of China as of 31st December 2003. No representation is made that Renminbi amounts could have been, or could be, converted into United States Dollars at that rate as of 31st December 2003, or at any other certain rate.

SIGNATURE

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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/ Wang Xiaosong

Name: Wang Xiaosong
Title: Vice Chairman

Date: March 16, 2004