

HUANENG POWER INTERNATIONAL INC

Form 6-K

August 07, 2003

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

August, 2003

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 interim results by Huaneng Power International Inc. made on August 6, 2003, in English by Huaneng Power International Inc.

EXHIBIT 99.1

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[graphic logo omitted]

To: Business Editor  
[For Immediate Release]

HUANENG POWER INTERNATIONAL, INC.  
Announces 2003 Interim Results

Net Profit Increases 28.58% to RMB2,285 Million

(Beijing, China, August 6, 2003) Huaneng Power International, Inc. (the "Company") [NYSE: HNP; HKEx: 902; SSE: 600011] today announced its unaudited operating results for the six months period ended June 30, 2003.

Consolidated net profit of the Company and its subsidiary for the first half of 2003 was RMB 2,285 million (equivalent to US\$276 million), representing an increase of 28.58% compared to the same period last year. Earnings per share was RMB0.38 or RMB15.20 (equivalent to US\$1.84) for each American Depositary

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Share. The board of directors does not recommend any interim dividends for year 2003.

The increase in profit is due to power generation increase of the Company's power plants, as well as the Company's effective cost control measures. The Company's average unit cost for power sold for the first half of 2003 was decreased by 2.19% compared to the same period last year. The board of directors of the Company is satisfied with the above operating results.

With the joint efforts made by the management and all the staff, the Company achieved satisfactory results in all aspects in the first half of this year:

1. The Company's total power generation based on a consolidation basis for the first half of the year was 41.079 billion kWh, an increase of 39.67% over the same period last year.
2. The Company made breakthrough in acquiring power assets. i) The Company entered into an agreement with Shenzhen Energy Group Co., Ltd. ("SEG") and Shenzhen Investment Holding Corporation to acquire a 25% interest of the enlarged share capital of SEG. The transaction was completed and it enlarged the Company's market share in Guangdong Province, in particular Shenzhen Municipality, an area with rapid economic growth and substantial power demand. ii) The Company entered into a transfer agreement with China Huaneng Group on June 5, 2003 about transferring China Huaneng Group's equity interests in Henan Huaneng Qinbei Power Generation Limited Liability Company, Shanxi Huaneng Yushe Power Limited Liability Company and the entire assets and liabilities of China Huaneng Group Xindian Power Plant. The acquisition and the connected transactions ancillary thereto were approved by the extraordinary general meeting on July 22, 2003, now pending the approvals from the relevant government authorities. The Company believes that the acquisition will bring increase in earnings per share for the Company.
3. In addition, i) the two environmental friendly 135 MW coal-fired generating units (Units 5 and 6) of Jining Power Plant expansion project (using Cycled Fluidized Bed Combustion Boilers) have completed their 168 hours full-load trial run on July 11 and August 5, 2003, respectively and the generating unit 5 has commenced commercial operation. ii) The two gas-fired generation projects in Shanghai and Jinling and the expansion projects of Huaiyin Power Plant Phase II and Shantou Power Plant Phase II, as well as Zhejiang Yuhuan Power Plant have made progress on their preliminary work.

In the second half of year 2003, increasing power demand will put a lot of pressure on the power supply, and the power tariff reform will be further deepened. The management of the Company will continue to put optimization of shareholders' interests as its operating objective, seizing the opportunities and overcoming the difficulties. Accordingly, the management and all the staff of the Company will make joint efforts to ensure the achievement of the annual targets in terms of generation and operation as well as other aspects, and to bring stable and growth return to all of its shareholders.

Huaneng Power International, Inc. develops, constructs, operates and manages large thermal power plants in China nationwide, with a total generation capacity of 14,915MW on an equity basis. The Company wholly owns 13 power plants, and has controlling interests in three power plants and minority interests in three power companies. Today, it is one of the largest independent power producers in China.

~ End ~

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For any details regarding the interim results, please refer to the announcements published on Wen Wei Po and South China Morning Post dated August 7, 2003. The soft copy of the announcement will also be made available at the following websites: Hong Kong Stock Exchange: <http://www.hkex.com.hk>  
The Company: <http://www.hpi.com.cn>

Encl: The unaudited condensed consolidated balance sheet and condensed consolidated income statement of the Company and its subsidiary for the six months period ended June 30, 2003, prepared under International Financial Reporting Standards.

For further information, please contact:

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EXHIBIT 99.2  
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HUANENG POWER INTERNATIONAL, INC. AND ITS SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)  
AS AT 30TH JUNE, 2003

(Amounts expressed in thousands of Rmb)

	As of 30th June, 2003		As of 31st December,
	(Rmb)	(US\$)	(Rmb)
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment, net	39,582,291	4,781,972	41,103,468
Investment in an associates	2,656,942	320,988	200,960
Available-for-sale investments	254,990	30,806	254,990
Other long-term assets	1,054,040	127,340	1,067,838
Goodwill	130,847	15,808	126,560
Less: Negative goodwill	(1,854,588)	(224,054)	(1,978,227)
Total non-current assets	41,824,522	5,052,860	40,775,589
Current assets			
Inventories, net	925,284	111,784	923,341
Other receivables and assets, net	247,223	29,865	242,905
Accounts receivable	2,411,838	291,376	2,361,833
Restricted cash	11,870	1,434	13,259
Temporary cash investments	934,252	112,868	1,141,502

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Cash and cash equivalents	1,011,849	122,242	3,002,601
Due from Huaneng Group	8,324	1,006	-
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Total current assets	5,550,640	670,575	7,685,441
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Total assets	47,375,162	5,723,435	48,461,030
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EQUITY AND LIABILITIES			
Shareholders' equity			
4,250,000,000 PRC Domestic Shares, par value Rmb 1.00 each, in form of legal person shares	4,250,000	513,446	4,250,000
250,000,000 A Shares, par value Rmb 1.00 each	250,000	30,203	250,000
1,527,671,200 (2002:1,500,273,960) Overseas Listed Foreign Shares, par value Rmb 1.00 each	1,527,671	184,559	1,500,274
Additional paid-in capital	10,780,133	1,302,357	10,604,843
Dedicated capital	3,373,423	407,546	3,373,423
Equity component of convertible notes	255	31	44,647
Retained earnings	10,628,670	1,284,059	10,392,873
	-----	-----	-----
Total shareholders' equity	30,810,152	3,722,201	30,416,060
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Minority interests	857,711	103,621	910,704
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Non-current liabilities			
Liability component of convertible notes	-	-	155,999
Long-term loans from shareholders	194,460	23,493	388,891
Long-term bank loans	7,477,104	903,316	8,464,521
Other long-term loans	391,389	47,284	331,389
Other financial liabilities	13,322	1,609	19,397
Deferred tax liabilities	112,492	13,590	121,853
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Total non-current liabilities	8,188,767	989,292	9,482,050
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Current liabilities			
Accounts payable and other liabilities	3,527,392	426,150	3,734,350
Taxes payable	652,942	78,882	620,189
Due to HIPDC	34,560	4,175	100,475
Staff welfare and bonus payable	241,154	29,134	233,566
Short-term loans	200,000	24,162	550,000
Current portion of long-term loans from shareholders	388,896	46,983	388,891
Current portion of long-term bank loans	2,060,638	248,947	1,928,732
Current portion of other long-term loans	349,953	42,278	96,013
Liability component of convertible notes	913	110	-
Dividend payable	62,084	7,500	-
	-----	-----	-----
Total current liabilities	7,518,532	908,321	7,652,216
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Total equity and liabilities	47,375,162	5,723,435	48,461,030
	=====	=====	=====

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=Rmb8.2774 announced by the People's Bank of China on 30th June 2003. No representation is made that Renminbi amounts could have been, or could be, converted into United States dollars at that rate on 30th June 2003, or at any other certain rate.

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HUANENG POWER INTERNATIONAL, INC. AND ITS SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)  
 FOR THE SIX MONTHS ENDED 30TH JUNE, 2003

(Amounts expressed in thousands of Rmb, except per share data)

	For the six months ended 30th June 2003	
	2003	
	(Rmb)	(US\$)
Operating revenue, net	10,514,107	1,270,219
Operating expenses		
Fuel	(4,031,851)	(487,091)
Maintenance	(309,316)	(37,369)
Depreciation	(2,046,390)	(247,226)
Labor	(676,911)	(81,778)
Transmission fees	(24,876)	(3,005)
Service fees to HIPDC	(105,220)	(12,712)
Others	(231,819)	(28,006)
Total operating expenses	(7,426,383)	(897,187)
Profit from operation	3,087,724	373,032
Interest income	32,329	3,906
Interest expense	(305,968)	(36,964)
Bank charges and exchange losses, net	(10,439)	(1,261)
Total financial expenses	(284,078)	(34,319)
Share of profit (loss) of associates	62,897	7,599
Gain from disposal of investments	10,168	1,228
Other income, net	10,035	1,212
Profit before tax	2,886,746	348,752
Income tax expenses		
The Company and its subsidiaries	(512,522)	(61,918)
Associates	(11,476)	(1,386)
Total income tax expenses	(523,998)	(63,304)

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Profit before minority interests	2,362,748	285,448	
Minority interests	(77,543)	(9,368)	
	-----	-----	-----
Net profit attributable to shareholders	2,285,205	276,080	
	=====	=====	=====
Basic earnings per share(Rmb)	0.38	0.05	
	=====	=====	=====
Diluted earnings per share(Rmb)	0.38	0.05	
	=====	=====	=====

For the convenience of the reader, translation of amounts from Renminbi (Rmb) into United States has been made at the rate of US\$1.00=Rmb8.2774 announced by the People's Bank of China on 30th June 2003. No representation is made that Renminbi amounts could have been, or could be, converted into United States dollars at that rate on 30th June, 2003, or at any other certain rate.

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SIGNATURE

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 undersigned, thereunto duly authorized.

HUANENG POWER INTERNATIONAL, INC.

By /s/ Wang Xiaosong

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Name: Wang Xiaosong  
 Title: Vice Chairman

Date: August 8, 2003