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HUANENG POWER INTERNATIONAL INC

Form 6-K

March 17, 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 March, 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:

A press release on the annual operating results for the year 2004 by Huaneng Power International, Inc. in English on March 15, 2005.

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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 under-signed, thereunto duly authorized.

HUANENG POWER INTERNATIONAL, INC.

By /s/ Huang Long

Name: Huang Long

Title: Company Secretary

Date: March 15, 2005

[GRAPHIC OMITTED]

To: Business Editor
[For Immediate Release]

HUANENG POWER INTERNATIONAL, INC.
Announces Annual Operating Results for 2004

Net Profit amounted to RMB 5.324 billion

(Beijing, China, March 15, 2005) 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, 2004. The Company's net operating revenues for 2004 amounted to RMB30.118 billion (approximately US\$3.639 billion based on the exchange rate of US\$1 to RMB8.2765 on December 31, 2004), a 28.78% increase

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over 2003. Net profit was RMB5.324 billion (approximately US\$643 million), a 1.96% decrease over 2003. Basic earnings per share was RMB0.44 (approximately US\$0.05). Basic earnings per American Depositary Share (ADS) was RMB17.60 (approximately US\$2.13). In view of the difficult situations of the coal supply market in 2004, the Board of Directors of the Company was satisfied with the operating results of last year.

The Board of Directors proposed to declare cash dividend of RMB0.25 per share to all shareholders in 2004.

The main reason for the decline of the Company's net profit in 2004 was due to the sharp increase of operation costs of the Company and its subsidiaries. Although the increase in power generation and rise in tariffs had resulted in a significant increase in the Company's net operating revenues in 2004, and newly acquired plants (Xindian Power Plant and Yushe Power Plant acquired in October 2003; and five power plants including Yingkou Power Plant, Jinggangshan Power Plant, Yueyang Power Plant, Luohuang Power Plant and Hanfeng Power Plant acquired in July 2004) had brought considerable profits to the Company, these could not completely offset the increase in power generation costs caused by escalating coal prices and its impact to profits. Therefore, total net profit of the Company and its subsidiaries has dropped when compared to RMB 5.430 billion in 2003.

In 2004, the operating power plants of the Company and its subsidiaries achieved power generation totaling 114.28 billion kWh on a consolidated basis, representing an increase of 25.7% over the same period of the previous year. The average availability factor of the power plants of the Company was 93.84%, with an average capacity factor of 72.92% while weighted average coal consumption rates for power sold and power generated were 337.49 gram/kWh and 319.27 gram/kWh respectively. The weighted average house consumption rate was 5.64%. The Company's technical and economic indices remained at the forefront among power companies in the PRC.

During 2004, the nationwide short supply of coal, rising coal prices and declining coal quality caused great impact on the production and operation of the Company. Although there is a relatively significant increase in power generation when compared to the same period in 2003 and the Company has adopted various measures to control costs, the Company still could not offset the increase in power generation costs caused by escalating coal prices. Unit fuel cost of the Company increased 32.97% when compared to the same period of the previous year.

On power asset acquisition, during 2004 the Company has completed the largest acquisition since its establishment. The Company acquired the equity interests in five power plants including Jinggangshan Power Plant, Hanfeng Power Plant, Yingkou Power Plant, Luohuang Power Plant and Yueyang Power Plant. Power generation capacity on an equity basis increased by 3,096MW and generation capacity under construction on an equity basis increased by 1,050MW. The Company also acquired 60% equity interest in Sichuan Hydro Power and 65% equity interest in Pingliang Power Plant from the China Huaneng Group Corporation. The acquisitions were effective in January 2005, thereby increasing the power generation capacity of the Company on an equity basis by 1,146MW and the generation capacity under construction of the Company on an equity basis by 389MW. Owing to the current strong growth of demand for electricity in the PRC and shortage of coal, both the acquisition of hydropower assets for improving the energy structure of power generation and the acquisition of mine-mouth power plant (such as Pingliang Power Plant) for lowering fuel costs are instrumental in enhancing the profitability of the Company and effectively controlling fuel costs.

In 2004, the Company is making good and smooth progress on the preliminary work of its power plant construction and planned projects. Owing to the

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Company's careful organisation and various parties' efforts, generating units 3 and 4 of Yushe Power Plant commenced commercial operation in October and November 2004 respectively whereas generating units 1 and 2 of Qinbei Power Plant also commenced commercial operation in November and December respectively. Moreover, generating unit 3 and unit 4 of Huaiyin Power Plant Phase II project commenced commercial operation in January and March 2005. Construction works for one 600MW generating unit at Shantou Power Plant Phase II, two 300MW generating units at Yueyang Power Plant Phase II, two 600MW generating units at Taicang Phase II, two 600MW generating units at Luohuang Phase III and two 1,000MW generating units at Yuhuan Phase I has been carried out smoothly, with works quality and investment costs under effective control and works being carried out on schedule.

Year 2005 is a year full of challenges and opportunities. On the one hand, driven by the continued rapid development of the national economy, continued growth in power demand will provide opportunities to the Company for stable power generation. On the other hand, coal will continue to be in short supply in 2005. However, the Company has full confidence and strength to seize opportunities and overcome challenges, and will endeavor to fulfill the following work objectives in 2005:

1. To enhance production safety and to ensure stable and safe power generation;
2. To strengthen coal purchase management and ensure a safe, stable and effective supply of coal;
3. To strengthen marketing and cost controls so as to increase income and decrease expenses, thus enhancing economic returns;
4. To strengthen management of projects under construction so as to achieve high quality, speedy completion, low costs and on-time commencement of operation;
5. To enhance strategic planning to ensure a long-term, stable and healthy development of the Company.

The Company develops, constructs, operates and manages large thermal power plants in China nationwide, with a total generation capacity of 21,418MW on an equity basis. The Company wholly owns 16 operating power plants, and has controlling interests in ten operating power companies and minority interests in four operating 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, 2004 (prepared under International Financial Reporting Standards).

For further information, please contact:

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Ms. Christy Lai / Ms. Edith Lui
Rikes Communications Limited
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HUANENG POWER INTERNATIONAL, INC.
BALANCE SHEET
AS OF 31ST DECEMBER, 2004
(Amounts expressed in thousands)

	The Company and its subsidiaries		The Company	
	As of 31st December,		As of 31st	
	2004	2003	2004	
ASSETS	(Rmb)	(US\$)	(Rmb)	(US\$)
Non-current assets				
Property, plant and equipment, net	57,780,410	6,981,261	42,658,365	36,861,955
Investment in associates	4,328,307	522,963	2,766,031	4,309,319
Investment in subsidiaries	-	-	-	5,835,204
Available-for-sale investments	254,990	30,809	254,990	254,990
Land use rights	1,546,026	186,797	831,026	1,091,128
Other non-current assets	225,890	27,293	206,833	115,060
Deferred income tax assets	97,539	11,785	21,311	12,536
Goodwill	376,726	45,518	298,876	108,938
Less: Negative goodwill	(1,483,670)	(179,263)	(1,730,949)	(1,483,670)
Total non-current assets	63,126,218	7,627,163	45,306,483	47,105,460
Current assets				
Inventories, net	1,431,404	172,948	800,281	822,344
Other receivables and assets, net	723,316	87,394	259,421	327,865
Accounts receivable	4,973,103	600,870	2,804,026	3,090,071
Due from subsidiaries	-	-	-	20,256
Due from other related parties	14,970	1,809	5,862	14,970
Restricted cash	202,688	24,490	159,961	157,691
Temporary cash investments	12,641	1,527	144,996	12,641
Cash and cash equivalents	2,295,531	277,355	4,128,648	1,211,178
Total current assets	9,653,653	1,166,393	8,303,195	5,657,016
Total assets	72,779,871	8,793,556	53,609,678	52,762,476
EQUITY AND LIABILITIES				
Shareholders equity				
8,500,000,000 (2003: 4,250,000,000)				
Domestic Shares, par value Rmb				
1.00 each, in form of legal				

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person shares	8,500,000	1,027,004	4,250,000	8,500,000	1,
500,000,000 (2003: 250,000,000) A					
shares, par value Rmb 1.00 each	500,000	60,412	250,000	500,000	
3,055,383,440 (2003: 1,527,671,200)					
Overseas Listed Foreign Shares,					
par value Rmb 1.00 each	3,055,383	369,164	1,527,671	3,055,383	
Additional paid-in capital	8,972,184	1,084,055	10,780,133	8,972,184	1,
Dedicated capital	4,065,970	491,267	4,328,423	4,065,970	
Equity component of convertible					
notes	-	-	255	-	
Retained earnings					
Proposed dividend	3,013,846	364,145	3,013,836	3,013,846	
Others	8,158,136	985,699	9,805,037	8,158,136	
Total shareholders equity	36,265,519	4,381,746	33,955,355	36,265,519	4,
Minority interests	3,266,393	394,659	1,155,197	-	
Non-current liabilities					
Long-term loans from shareholders,					
unsecured	800,000	96,659	-	-	
Long-term bank loans, unsecured	14,854,471	1,794,777	8,305,320	6,485,209	
Other long-term loans, unsecured	300,818	36,346	848,284	-	
Deferred income tax liabilities	546,717	66,057	103,114	15,306	
Other non-current liability	13,000	1,571	-	-	
Total non-current liabilities	16,515,006	1,995,410	9,256,718	6,500,515	
Current liabilities					
Accounts payable and other liabilities	4,551,158	549,887	3,342,517	2,844,987	
Dividends payable to shareholders of					
the Company	8,250	997	-	8,250	
Taxes payable	999,792	120,799	917,362	547,545	
Due to HIPDC	1,258,799	152,093	87,508	1,258,518	
Due to other related parties	13,426	1,622	27,338	6,645	
Staff welfare and bonus payables	259,291	31,329	220,896	175,355	
Short-term loans, unsecured	8,099,000	978,554	1,600,000	4,330,000	
Current portion of long-term loans					
from shareholders, unsecured	-	-	420,380	-	
Current portion of long-term bank					
loans, unsecured	1,257,476	151,933	2,409,240	825,142	
Current portion of other long-term					
loans, unsecured	285,761	34,527	211,881	-	
Liability component of convertible notes					
	-	-	935	-	
Other financial liabilities					
	-	-	4,351	-	
Total current liabilities	16,732,953	2,021,741	9,242,408	9,996,442	1,
Total equity and liabilities	72,779,871	8,793,556	53,609,678	52,762,476	6,

For the convenience of the reader, translation of amounts from Renminbi (Rmb) into United States made at the rate of US\$1.00=Rmb8.2765 announced by the People's Bank of China as of 31st December is made that Renminbi amounts could have been, or could be, converted into United States dollars December 2004. or at any other certain rate.

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HUANENG POWER INTERNATIONAL, INC.
STATEMENT OF INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2004

(Amounts expressed in thousands, except per share data)

	The Company and its subsidiaries			
	For the Year ended 31st December,			
	2004		2003	2002
	(Rmb)	(US\$)	(Rmb)	(Rmb)
Operating revenue, net	30,118,278	3,639,011	23,388,237	18,400,000
Operating expenses				
Fuel	(15,068,188)	(1,820,599)	(9,025,013)	(6,900,000)
Maintenance	(807,689)	(97,588)	(921,561)	(600,000)
Depreciation	(4,706,992)	(568,718)	(4,117,478)	(3,500,000)
Labor	(1,877,264)	(226,819)	(1,439,673)	(1,000,000)
Service fees to HIPDC	(133,609)	(16,143)	(214,723)	(200,000)
Others	(606,346)	(73,261)	(596,627)	(500,000)
Total operating expenses	(23,200,088)	(2,803,128)	(16,315,075)	(12,800,000)
Profit from operations	6,918,190	835,883	7,073,162	5,600,000
Interest income	43,092	5,207	53,044	80,000
Interest expense	(663,424)	(80,158)	(569,148)	(560,000)
Bank charges and exchange losses, net	(119,452)	(14,433)	(28,181)	(30,000)
Total financial expenses	(739,784)	(89,384)	(544,285)	(510,000)
Share of profit of associates	377,565	45,619	212,091	(100,000)
Investment income	22,542	2,724	-	-
(Loss) / Gain from disposal of investments	(1,988)	(240)	10,705	-
Other income, net	18,666	2,255	12,070	-
Profit before tax	6,595,191	796,857	6,763,743	5,050,000
Income tax expense	(1,014,262)	(122,547)	(1,149,441)	(980,000)
Profit before minority interests	5,580,929	674,310	5,614,302	4,070,000
Minority interests	(257,053)	(31,058)	(183,894)	(150,000)
Net profit attributable to shareholders	5,323,876	643,252	5,430,408	3,920,000
Dividends paid and proposed	6,019,432	727,292	5,063,244	3,840,000
Proposed dividend	3,013,846	364,145	3,013,836	2,040,000
Proposed dividend per share	0.25	0.03	0.25	0.25

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Basic earnings per share	0.44	0.05	0.45
Diluted earnings per share	0.44	0.05	0.45

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