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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

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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/ 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

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exercise their respective voting rights.

- 1.3 Each of Mr. Li Xiaopeng (Chairman), Mr. Huang Yongda (President), Mr. Huang Jian (Chief Accountant) and Ms. Zhou Hui (person in charge of Financial Department) declared to guarantee the accuracy and completeness of the content of the first quarterly report of 2005.
- 1.4 All financial information set out in this quarterly report is unaudited and prepared in accordance with the PRC Accounting Standards.
- 1.5 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.

## 2. COMPANY PROFILE

### 2.1 Corporate Information

-----  
Stock Abbreviation at Shanghai Stock Exchange [GRAPHIC OMITTED]  
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-----  
Stock Code Shanghai Stock Exchange: The Stock Exchange of New York  
600011 Hong Kong Limited: 902 HNP  
-----

-----  
Company Secretary Securities Representative  
-----

Name Huang Long Gu Biqun  
-----

Correspondence Address West Wing, Building C, Tianyin Mansion, 2C Fuxingmennan Street, Xicheng District, Beijing West Wing, Building C, Tianyin Mansion, 2C Fuxingmennan Street, Xicheng District, Beijing  
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Telephone Number 8610-66491999 8610-66491021  
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Fax Number 8610-66491888 8610-66491860  
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E-mail huangl @hpi.com.cn gbq @hpi.com.cn  
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### 2.2 Financial Information (PRC GAAP)

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

|                                                      | End of current<br>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<br>reporting period | From t<br>beginning of t<br>year to the e<br>of curre<br>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<br>quarter ended<br>31st March,<br>2005<br>Consolidated | For the first<br>quarter ended<br>31st March,<br>2005<br>The Company | Amount<br>For the fi<br>quarter en<br>31st Mar<br>2<br>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,                                                      |

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|    |                                               |               |               |               |
|----|-----------------------------------------------|---------------|---------------|---------------|
|    | operations                                    |               |               |               |
|    | Tax and levies on principal operations        | (29,960,349)  | (1,412,853)   | (13,570,000)  |
| 2. | Profit from principal operations              | 1,742,125,875 | 824,093,022   | 1,954,699,000 |
|    | Add: Profit from other operations             | 13,136,715    | 12,526,996    | 6,366,000     |
|    | Less: General and administrative expenses     | (192,356,708) | (117,598,207) | (112,726,000) |
|    | Financial expenses, net                       | (331,114,801) | (161,304,702) | (129,185,000) |
| 3. | Operating profit                              | 1,231,791,081 | 557,717,109   | 1,719,154,000 |
|    | Add: Investment income                        | 1,114,166     | 315,248,367   | 23,290,000    |
|    | Non-operating income                          | 114,714       | 103,164       | 5,029,000     |
|    | Less: Non-operating expenses                  | (2,716,982)   | (2,115,234)   | (1,277,000)   |
| 4. | Profit before taxation and minority interests | 1,230,302,979 | 870,953,406   | 1,746,197,000 |
|    | Less: Income tax                              | (208,640,158) | (82,259,155)  | (286,370,000) |
|    | Minority interests                            | (232,968,570) | -             | (55,862,000)  |
| 5. | Net profit                                    | 788,694,251   | 788,694,251   | 1,403,964,000 |

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

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- 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<br>principal<br>business | Cost of<br>principal<br>business | Gross pro<br>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

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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  |

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portation  
service

|               |                             |                          |       |        |
|---------------|-----------------------------|--------------------------|-------|--------|
| Time shipping | Transporta-<br>tion of coal | by mutual<br>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



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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,<br>2005<br>Consolidated | 31st December,<br>2004<br>Consolidated | 31st March,<br>2004<br>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    | 4,000                               | 5,000                                  | 4,000                              |
| investments                          |                                     |                                        |                                    |
| <b>Total current assets</b>          | <b>12,900,466,248</b>               | <b>9,653,654,524</b>                   | <b>6,328,935,800</b>               |

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|                                             |                  |                   |                |
|---------------------------------------------|------------------|-------------------|----------------|
| 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,     |

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|                                            |                |                |             |
|--------------------------------------------|----------------|----------------|-------------|
| 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              |    |             |

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|                                                                                          |                 |
|------------------------------------------------------------------------------------------|-----------------|
| 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,          |
| <br>Sub-total of cash inflows                                                            | <br>22,975,     |
| <br>Cash paid to acquire fixed assets, intangible assets and other long-term assets      | <br>(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,        |
| <br>Sub-total of cash outflows                                                           | <br>(3,682,253, |
| <br>Net cash flows used in investing activities                                          | <br>(3,659,278, |
| <br>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,      |
| <br>Sub-total of cash inflows                                                            | <br>4,614,090,  |
| <br>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                       |                 |
| <br>Sub-total of cash outflows                                                           | <br>(1,761,551, |
| <br>Net cash flows from financing activities                                             | <br>2,852,538,  |
| <br>4. Effect of foreign exchange rate changes on cash                                   |                 |
| <br>5. Net increase/(decrease) in cash and cash equivalents                              | <br>969,889,    |

Legal  
representative:  
Li Xiaopeng

Person in charge of accounting  
function:  
Huang Jian

Person in charge of  
depa  
Zho

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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:

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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