



华能国际电力股份有限公司  
HUANENG POWER INTERNATIONAL, INC.

# 2006 Annual Results Presentation

April 4, 2007 · Hong Kong

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## Financial Highlights

	2004	2005	2006
Operating Revenue (Billion RMB)	30.151	40.190	44.301
Net Profit attributable to equity holders (Billion RMB)	5.324	4.872	6.071
Earnings per Share (RMB)	0.44	0.40	0.50
Total Asset (Billion RMB)	72.78	99.44	113.601
Net Asset attributable to equity holders (Billion RMB)	36.266	40.037	43.458

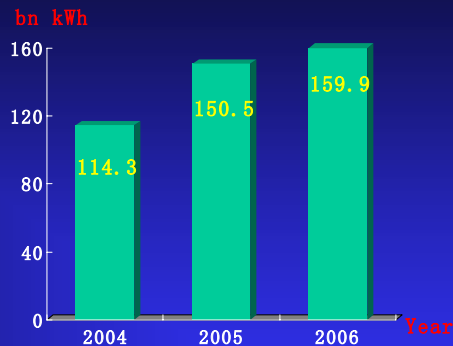
Note: Calculated in accordance with IAS.



## Operating Performance

### ◆ Power Generation

- Total power generation: **159.897 Billion kWh** on consolidated basis, up **6.24 %** over the same period of last year.

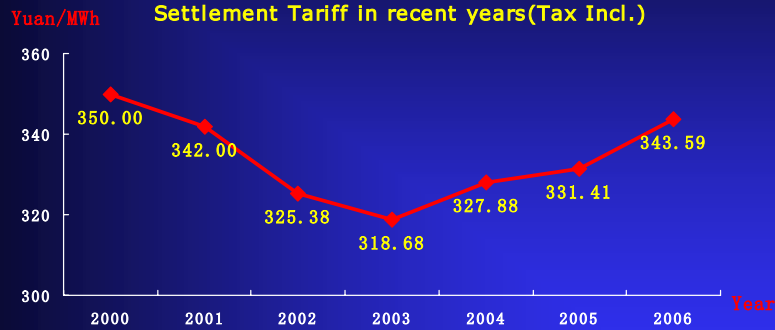


- Annual utilization of coal-fired units averaged **6,045 hours**, **412 hours** higher than national average.



## Operating Performance (cont')

### ◆ Tariff



- Full year weighted average settlement tariff: **343.59** Yuan/MWh, **12.18** Yuan/MWh higher than that of last year.

## Operating Performance (cont')

### ◆ Coal Procurement

	2004	2005	2006
Total Coal Procurement (million ton)	55.72	68.08	67.76
Contract Coal	45%	55%	62%
Contract Coal Fulfilled	71.6%	73.0%	81.7%
Unit Fuel Cost (Yuan/MWh)	139.69	156.13	157.31

## Operating Performance (cont')

### ◆ Techno-economical Indicators

- Average Coal Consumption for Power Generated **316.39g/kWh**
- Average Coal Consumption for Power Sold **335.60g/kWh**
- Auxiliary Power Consumption Rate **5.69%**
- Average Equivalent Availability **93.61%**
- Average Capacity Factor **66.88%**



## Operating Performance (cont')

### ◆ Thermal Projects Completed in 2006

- Taicang Phase II 2 × 600MW
- Yueyang Phase II 2 × 300MW
- Shanghai CCGT 3 × 390MW
- Huaiyin Phase III 2 × 330MW
- Xindian Phase III 2 × 300MW
- Yuhuan Phase I 2 × 1000MW
- Luohuang Phase III 1 × 600MW



## Operating Performance (cont')

### ◆ Huaneng Yuhuan Power Plant

➢ Unit 1 commenced commercial operation on Nov. 28, 2006 and became China's **first** operational ultra-supercritical coal-fired unit of **1,000MW** capacity.

➢ Unit 2 commenced operation on Dec. 30, 2006, making Yuhuan **the first** commercially operational power plant in China installed with domestic made 1,000MW ultra-supercritical units.



## Operating Performance (cont')

- As of March 31, 2007, the Company wholly owned **17** operating power plants, had controlling interests in **12** operating power companies and minority interests in **5** others. Installed capacity was **28,187MW** on equity basis and **32,224MW** on consolidated basis.
- Power plants wholly owned or controlled by the Company are situated in **12** provinces and **2** municipalities in China.



# Operating Performance (cont')

## ◆ Corporate Governance

- PwC, independent auditor of the Company, has issued an unqualified opinion on the effectiveness of the Company's internal control over financial reporting, making HPI one of the first US listed Chinese company in fulfilling the requirements of Section 404 of Sarbanes Oxley Act.



# Profit Appropriation

- The Board proposed a cash dividend of **RMB 2.8 Yuan** (tax incl.) for every **10** shares.
- The Company will continue to adopt an active, balanced and stable dividend policy and work hard to enhance shareholder return.

	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>EPS (Yuan)</b>	0.33	0.33	0.44	0.60	0.65	0.90	0.44	0.40	0.50
<b>DPS (Yuan)</b>	0.08	0.09	0.22	0.30	0.34	0.50	0.25	0.25	0.28

Note: Calculated in accordance with IAS.

## Conservation & Environment

- First to build large coal-fired FGD power plant in China. (Luohuang Power Plant)
- First to introduce **600MW** supercritical coal-fired unit. (Shidongkou Second Power Plant)
- First to build and operate domestic made **600MW** supercritical unit. (Qinbei Power Plant)
- First to build **1,000MW** ultra-supercritical coal-fired unit, which has the biggest unit capacity and highest cycle parameters in China. (Yuhuan Power Plant)
- During the 11th Five-year Period, units completing FGD retrofitting shall exceeds **85%** in terms of capacity.
- By 2015 **all** operating units will be equipped with FGD.



## Business Outlook

- Rapid development of national economy and improving living standard provide good opportunity for new projects and growth
- Market competition to intensify due to excessive growth in installed capacity, utilization rate will continue to decline this year
- “Big replaces small” and “conservation and emission reduction” policies allow the company to leverage its strength in “larger units, higher efficiency and broader footprint”
- Challenge to management lies in how to seize opportunities, take advantage of policies, and turn our advantage into growth rate and business results.
- Relative balance between coal demand and supply and easing bottleneck this year will help address coal issue
- Relative big increase in key contract price and high spot price for coal present challenge to the effort of controlling unit fuel cost



## Business Outlook (cont')

### ◆ Construction Project

	Expected Capacity (MW)	HPI Interest	Expected Time of Completion
Yingkou Phase II	2 × 600	100%	2007
Qinbei Phase II	2 × 600	60%	2007-2008
Yuhuan Phase II	2 × 1000	100%	2007-2008
Shangan Phase III	2 × 600	100%	2008
Haimen Phase I	2 × 1000	100%	2008-2009
Rizhao Phase II	2 × 600	100%	2009

## Ownership Structure

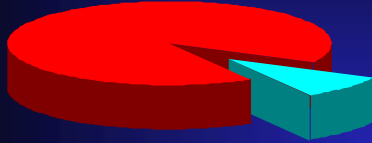
### ◆ Huaneng Power International, Inc.





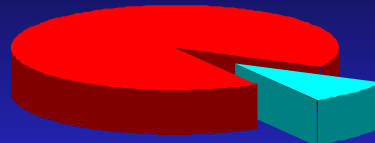
# Huaneng Group

National  
Installed  
Capacity



Huaneng Group 9.19%

National  
Power  
Generation



Huaneng Group 10%

- As at the end of 2006, Huaneng Group had **57,185MW** of consolidated installed capacity, accounting for **9.19%** of installed capacity in China

- In 2006, total power generation of Huaneng Group was 282.035 billion kWh, roughly **10%** of the total power generation in the country.

# Huaneng Group (cont')

- Over the years Huaneng Group has injected well over **10,000MW** of installed capacity on equity basis into HPI. Going forward, Huaneng Group will continue to transfer high quality asset to the Company.





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