

Company Profile

Huaneng Power International, Inc. ("Huaneng" or the "Company") and its subsidiaries develop, construct, operate and manage large-scale coal-fired power plants throughout China. The Company is one of the largest independent power producers in China with an owned equity generation capacity of 14,363 MW and a total capacity under construction and planning of 5,070 MW.

The Company was incorporated on 30th June 1994 and completed its initial public offering of 1,250,000,000 overseas listed foreign shares ("foreign shares") in October, 1994 and such shares (represented by 31,250,000 American Depositary Shares) were listed on the New York Stock Exchange (NYSE: HNP). In January, 1998, the foreign shares of the Company were listed on The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") by way of introduction (Stock Code: 902). Subsequently, in March 1998, the Company successfully completed the global placement of 250,000,000 foreign shares along with a private placement of 400,000,000 domestic shares. In November, 2001, the Company successfully completed the issue of 350,000,000 A shares in the PRC, of which 250,000,000 shares were domestic public shares. Currently, the total share capital of the Company amounts to approximately 6 billion shares, approximately 1.75 billion shares of which are tradable listed shares.

Currently, the Company and its subsidiaries wholly own 13 power plants and have controlling interests in 3 power plants and minority interests in 1 power plant. Its power plants have advanced equipment and their operations were widely located in seven provinces on the coastal area, namely, Liaoning, Hebei, Shandong, Jiangsu, Zhejiang, Fujian and Guangdong and the largest financial and business centre of China, Shanghai. The core business of the Company is to develop, construct, and operate large-scale coal-fired power plants by making use of modern technology and equipment and financial resources available domestically and internationally. The technical and economic indices of the Company's power plants have been maintained the forefront in China's power industry. In 2000, the Company was awarded the honour of "First Class Power Company in China" by the former State Power Corporation.

During these years, with its best efforts to seek expansion and operate the business in a prudent manner, the Company has expanded gradually through project developments and asset acquisitions with steady profit growth and increasing competitive strengths. The successful achievements of the Company are attributable to the following merits of the Company: (1) advanced equipment, highly efficient generating units and stable operation of the power plants; (2) high-quality staff and experienced management; (3) a regulated corporate governance structure and rationalised decision making mechanisms; (4) geographical advantages of the locations of the power plants which present promising prospects in the power market; and (5) good credit standing and respectability inside and outside China and rich experience in capital market.

As regards future development, the Company will continue to explore development opportunities according to the principle of "emphasising both development and acquisition, emphasising both greenfield and expansion, emphasising both coal-fuel and other types of fuels, and emphasising both domestic and overseas funds". At the same time, the Company will continue to focus on the improvement of management, cost control and enhancement of efficiency, so as to increase shareholders' value and maintain long term stable growth.

Huaneng International Power Development Corporation ("HIPDC"), the Company's parent company and controlling shareholder, was incorporated as a Sino-foreign joint venture enterprise in 1985. The Company was incorporated by way of joint promotion by HIPDC and local government investment companies in the regions where the power plants are located.

