

HUANENG POWER INTERNATIONAL INC
Form 6-K
August 20, 2018

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 August 2018

(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.
Huaneng Building,
6 Fuxingmennei Street,
Xicheng District,
Beijing, 100031 PRC

This Form 6-K consists of:

A copy of 2018 interim report of Huaneng Power International, Inc. (the Registrant”).

THE OBJECTIVES OF THE COMPANY

As a power company, devoted to providing sufficient, reliable and eco-friendly energy to the community; as a listed company, devoted to creating long-term, stable and increasing returns for shareholders; and as a first class power producer, devoted to having excellency in operation, becoming a leading power enterprise in China and an advanced enterprise internationally.

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INTERIM RESULTS

The Board of Directors of Huaneng Power International, Inc. (the “Company”) announces the unaudited operating results for the six months ended 30 June 2018 and a comparison with the operating results for the same period of last year. For the six months ended 30 June 2018, the Company and its subsidiaries recorded consolidated operating revenue of RMB82.405 billion, representing an increase of 15.36% compared to the same period of last year. The net profit attributable to equity holders of the Company was RMB1.731 billion, representing an increase of 609.74% compared to the same period of last year. The earnings per share was RMB0.11.

Please refer to the unaudited financial information below for details of the operating results.

BUSINESS REVIEW FOR THE FIRST HALF OF THE YEAR

In the first half of 2018, the Company took the initiative to cope with to the severe challenges arising from power, fuel and capital markets. While maintaining safe and clean production with stability, the Company strived to streamline and strengthen its structure, and improve its efficiency and performance. The Company continuously optimized the power structure, stayed competitive and strengthened the ability of securing fuel supply and cost control, in order to better accomplish the intended objectives and tasks.

1. POWER GENERATION

In the first half of this year, the power plants of the Company in operation within China achieved a total power generation of 208.167 billion kWh on a consolidated basis, representing an increase of 11.51% from the same period of last year, as well as an aggregate sales volume of 196.387 billion kWh, representing an increase of 11.51% from the same period of last year, and with 2,051 utilization hours, representing an increase of 150 hours compared to the same period of the previous year.

The increase in the Company’s power generation was mainly attributable to (1) the growth in the macro-economy was better than expected; (2) the growth rate of electricity consumption for residents’ electricity, tertiary industries and non high-energy-consuming manufacturing industries increased significantly; and (3) in the first half of the year, the growth rate of hydropower generation in the country was relatively low, far lower than the growth rate of the electricity consumption of the whole society and national power generation while the Company has a relatively higher proportion of thermal power units and seized the opportunity to increase power generation.

In addition, the aggregate power generation of Tuas Power Ltd., which is wholly owned by the Company, accounted for a market share of 20.8%, representing a decrease of 0.7 percentage point from the same period of last year.

2. COST CONTROL

Since the first half of year 2018, the coal market has followed the trend from the fourth quarter of last year to continue to volatile at a high level. With a close watch on market development trends, the relevant State authorities adopted a series of measures to ensure the coal supply, and stabilized the market coal price. After thorough market research and analysis, the Company strengthened and deepened its cooperation with large coal enterprises, strictly implemented the medium and long term contracts for the thermal coal, and ensured the fulfillment. The Company also put in place strict measures to curb prices as well as to regulate bidding procurement of market coals, and to optimize imported coal so as to fully control the fuel costs.

3. ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION

The Company maintained its leading positions in certain economic and technical indicators for power sector, such as coal consumption for power supply and house consumption rate. All of its coal-fired power plants have obtained the sewage discharge permit. Emission of all kinds of pollutants has met the national and local environmental requirements.

4. PROJECT DEVELOPMENT AND CONSTRUCTION

In the first half of 2018, the Company's power generation projects went well and a total capacity of 124.6 MW had been put into operation, including the projects in Huaneng Heilongjiang Shuangyu Photovoltaic with a total capacity of 46.6 MW, 30 MW PV units of the Huaneng Jiangsu Huaiyin Photovoltaic Power Plant, 10 MW PV units of the Huaneng Jiangsu Taicang Photovoltaic Ash Field Phase II, 8 MW PV units of Huaneng Hainan Chengmai Photovoltaic, 20 MW PV units of the Jilin ZhenLai Wind Farm, and 10 MW PV units of the Shanxi Yushe Photovoltaic. As of 30 June 2018, the Company had a controlled installed capacity of 104,425 MW, and an equity-based installed capacity of 91,894 MW, of which 15.58% was from clean energy sources (gas turbine, hydro, wind, photovoltaic and biomass power generation).

PROSPECTS FOR THE SECOND HALF OF 2018

In the first half of the year, in spite of the external environment of increasing uncertainties in the international outlook with intensifying competition, China's economic performance has achieved a continuous positive trend, though there are still many uncertainties to be faced with in the future development. In the second half of the year, the Company will continue to prepare for meeting all kind of challenges, adhere to the overall work tone of seeking progress while maintaining stability and focus on the structural reform on the supply side as the main line. The Company will also attach more emphasis on encouraging promotion, optimizing environment and improving quality efficiency so as to strive to accomplish its full-year development goal.

In terms of the power market, China's power market reform has steadily advanced. In the second half of the year, economic growth and power demand will continue to grow steadily, with newly increased installed capacity still large in scale and nationwide power supply capacity having surplus on the whole. The Company will strengthen communication and coordination with governments at all levels and power grid companies, actively participate in the power industry reform, examine and closely monitor the market trends so as to identify and seize business opportunities for maintaining and expanding the Company's market share.

In terms of the coal market, under the guidance of the policy by the National Development and Reform Commission for the purpose of ensuring the stable supply of coal and of promoting reasonable coal price, the market supply and demand is expected to reach a basic balance in the second half of the year. The coal price will become rational where it is unlikely that there will be a substantial increase or decrease in coal price. The Company will continue to study and analyse the market trends and strengthen the research on policy interpretation. The Company will also intensify its efforts to develop new resources, and will strive for railway capacity support for transportation. It will also strive to ensure full delivery of coal supplies and on-site procurement under the long- and medium-term contracts, optimise imported coal so as to firmly control fuel costs.

In terms of the capital market, the State Council Executive Meeting recently confirmed that the prudent monetary policy currently executed by the People's Bank of China would be carried out in a well-regulated and befitted manner so as to maintain the financing available in the market at appropriate level as well as a reasonably ample liquidity. It is expected that in the second half of this year, the central bank will, in response to the changes of the situation, make slight policy adjustments and modifications (either in advance or so) and impose target-oriented measures to ensure the stability and aptness of the scales of monetary credit and social financing. The Company will keep a close watch on the changes in monetary policy and capital market so as to ensure its fund safety.

In the second half of this year, the Company will continue to put great efforts on innovative development, safe production, quality improvement and deepening reforms. By way of thorough research on and analysis of the market, the Company will take effective measures to prevent operational risks, continuously enhance its business performance, and strive to create more value for the country, society, and its shareholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS (PREPARED UNDER IFRS)

I. COMPARISON AND ANALYSIS OF OPERATING RESULTS

Summary

According to the preliminary statistics of the Company, for the second quarter of 2018, the Company's total power generation by power plants within China on consolidated basis amounted to 103.856 billion kWh, representing an increase of 14.52% over the same period last year. Total electricity sold by the Company amounted to 98.075 billion kWh, representing an increase of 14.54% over the same period last year. In the first half of 2018, the Company's total power generation by the power plants within China on consolidated basis amounted to 208.167 billion kWh, representing an increase of 11.51% over the same period last year. Total electricity sold by the Company amounted to 196.387 billion kWh, representing an increase of 11.51% over the same period last year. In the first half of 2018, the Company's average on-grid electricity settlement price for its power plants within China amounted to RMB418.57 per MWh (VAT included), representing an increase of 2.72% over the same period last year.

The increase in the Company's power generation was mainly attributable to the following factors: (i) the growth in the macro-economy was better than expected; (ii) the growth rate of electricity consumption for residents' electricity, tertiary industries and non high-energy-consuming manufacturing industries increased significantly; and (iii) in the first half of the year, the growth rate of hydropower generation in the country was relatively low, far lower than the growth rate of the electricity consumption of the whole society and national power generation while the Company has a relatively higher proportion of thermal power units and seized the opportunity to increase power generation.

The power generation (in billion kWh) by each region of the Company's domestic power plants is listed below:

Region	Power Generation				Electricity sold					
	April to June		January to June		April to June		January to June			
	2018	Change	2018	Change	2018	Change	2018	Change		
Heilongjiang Province	3.630	14.06	% 6.930	8.01	% 3.417	14.55	% 6.503	8.12	%	
Coal-fired	3.343	16.61	% 6.387	6.79	% 3.130	17.06	% 5.969	6.81	%	
Wind-power	0.275	-13.07	% 0.528	21.05	% 0.274	-11.22	% 0.518	21.52	%	
PV	0.0127	–	0.0160	–	0.0080	–	0.0112	–		
Jilin Province	2.778	40.13	% 5.089	27.77	% 2.643	40.81	% 4.822	28.52	%	
Coal-fired	2.389	47.49	% 4.403	28.89	% 2.268	48.37	% 4.161	29.57	%	
Wind-power	0.285	0.68	% 0.519	21.92	% 0.278	1.48	% 0.506	23.28	%	
Hydro-power	0.039	3.06	% 0.043	-4.59	% 0.039	2.71	% 0.042	-4.83	%	
PV	0.0064	2,259.26	% 0.0122	4,391.16	% 0.0063	2,284.19	% 0.0121	4,465.92	%	
Biomass power	0.058	41.91	% 0.112	16.68	% 0.052	42.85	% 0.101	17.97	%	
Liaoning Province	4.728	40.66	% 9.320	8.74	% 4.429	41.30	% 8.654	8.00	%	
Coal-fired	4.550	40.54	% 9.005	7.57	% 4.253	41.19	% 8.341	6.74	%	
Wind-power	0.119	16.83	% 0.210	23.84	% 0.118	16.91	% 0.209	23.99	%	
Hydro-power	0.015	19.93	% 0.023	64.36	% 0.015	19.86	% 0.022	63.74	%	
PV	0.0439	367.82	% 0.0826	382.25	% 0.0434	379.26	% 0.0817	394.30	%	
Inner Mongolia	0.065	2.11	% 0.128	14.20	% 0.064	2.39	% 0.126	14.12	%	
Wind-power	0.065	2.11	% 0.128	14.20	% 0.064	2.39	% 0.126	14.12	%	
Hebei Province	3.611	-7.42	% 6.439	-4.85	% 3.388	-7.76	% 6.050	-4.92	%	
Coal-fired	3.534	-7.69	% 6.264	-5.66	% 3.314	-8.06	% 5.881	-6.01	%	
Wind-power	0.061	0.35	% 0.144	35.66	% 0.059	1.04	% 0.140	61.16	%	
PV	0.0157	44.09	% 0.0305	46.31	% 0.0151	46.81	% 0.0293	49.62	%	
Gansu Province	2.654	37.69	% 6.503	27.26	% 2.518	38.56	% 6.178	27.56	%	
Coal-fired	2.163	42.28	% 5.523	25.61	% 2.044	43.15	% 5.231	25.82	%	
Wind-power	0.491	20.57	% 0.980	37.44	% 0.475	21.72	% 0.947	38.09	%	
Ningxia	0.0069	1,495.35	% 0.0108	2,419.15	% 0.0066	1,512.89	% 0.0104	2,439.24	%	
PV	0.0069	1,495.35	% 0.0108	2,419.15	% 0.0066	1,512.89	% 0.0104	2,439.24	%	
Beijing	1.755	83.22	% 3.958	18.26	% 1.702	82.07	% 3.775	19.86	%	
Coal-fired	0.00	–	0.436	-59.88	% 0.00	–	0.381	-59.63	%	
Combined Cycle	1.755	83.22	% 3.522	55.79	% 1.702	82.07	% 3.393	53.93	%	
Tianjin	1.568	6.16	% 3.595	10.81	% 1.474	5.40	% 3.368	10.44	%	
Coal-fired	1.311	23.69	% 2.878	6.97	% 1.224	23.41	% 2.672	6.51	%	
Combined Cycle	0.256	-38.59	% 0.716	29.14	% 0.249	-38.71	% 0.694	28.34	%	
PV	0.0009	800	% 0.0016	11,187.59	% 0.0009	–	0.0016	–		
Shanxi Province	2.247	-20.96	% 4.793	-11.37	% 2.081	-22.00	% 4.483	-12.03	%	
Coal-fired	2.227	5.30	% 3.596	4.41	% 2.061	5.20	% 3.318	4.19	%	
Combined Cycle	0.001	-99.90	% 1.161	-40.89	% 0.001	-99.91	% 1.128	-41.00	%	
PV	0.0189	5,300	% 0.0368	10,315.31	% 0.0191	–	0.0370	–		

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Region	Power Generation				Electricity sold			
	April to		January		April to		January	
	June	Change	to June	Change	June	Change	to June	Change
	2018		2018		2018		2018	
Shandong Province	21.724	2.42 %	42.866	2.42 %	20.380	2.27 %	40.113	2.28 %
Coal-fired	21.399	1.70 %	42.258	1.73 %	20.062	1.52 %	39.539	1.60 %
Wind-power	0.207	55.24 %	0.416	61.62 %	0.201	52.20 %	0.383	53.15 %
PV	0.1184	222.78 %	0.1923	251.39 %	0.1174	249.04 %	0.1909	277.56 %
Henan Province	6.763	38.31 %	12.693	16.74 %	6.380	38.21 %	11.963	16.63 %
Coal-fired	6.321	44.46 %	12.138	23.06 %	5.947	44.60 %	11.418	23.19 %
Combined Cycle	0.413	-16.28 %	0.495	-48.91 %	0.405	-16.18 %	0.485	-48.85 %
Wind-power	0.021	12.28 %	0.046	21.35 %	0.021	12.28 %	0.046	21.49 %
PV	0.0072	402.1 %	0.0132	823.41 %	0.0071	400.54 %	0.0130	820.58 %
Jiangsu Province	9.823	-14.58 %	20.526	-4.02 %	9.317	-14.69 %	19.474	-4.03 %
Coal-fired	7.703	-24.43 %	16.678	-11.95 %	7.241	-24.89 %	15.705	-12.35 %
Combined Cycle	1.712	55.94 %	2.957	46.93 %	1.679	55.97 %	2.902	46.97 %
Wind-power	0.388	96.83 %	0.855	104.19 %	0.378	96.62 %	0.834	115.06 %
PV	0.0207	72.5 %	0.0347	189.32 %	0.0191	62.67 %	0.0329	180.86 %
Shanghai	4.488	24.53 %	10.001	14.09 %	4.246	24.50 %	9.472	13.95 %
Coal-fired	4.024	26.42 %	9.204	17.44 %	3.791	26.42 %	8.693	17.39 %
Combined Cycle	0.465	10.29 %	0.797	-14.16 %	0.455	10.52 %	0.780	-14.12 %
Chongqing	1.683	8.27 %	4.517	7.28 %	1.540	7.57 %	4.173	6.67 %
Coal-fired	1.547	14.34 %	4.127	18.54 %	1.408	13.88 %	3.793	18.45 %
Combined Cycle	0.136	-32.55 %	0.390	-46.53 %	0.132	-32.41 %	0.380	-46.51 %
Zhejiang Province	8.257	14.93 %	14.798	10.08 %	7.945	15.08 %	14.231	10.19 %
Coal-fired	8.020	14.02 %	14.439	9.35 %	7.712	14.14 %	13.878	9.43 %
Combined Cycle	0.219	58.90 %	0.330	52.51 %	0.215	59.47 %	0.324	53.10 %
PV	0.0187	40.49 %	0.0293	29.05 %	0.0186	47.32 %	0.0292	33.50 %
Hubei Province	3.545	42.29 %	8.064	23.46 %	3.305	42.47 %	7.534	23.29 %
Coal-fired	3.329	44.91 %	7.715	23.80 %	3.111	46.07 %	7.221	24.10 %
Wind-power	0.103	29.89 %	0.192	31.57 %	0.083	6.25 %	0.159	11.24 %
Hydro-power	0.107	-7.24 %	0.146	-4.96 %	0.104	-6.83 %	0.142	-4.31 %
PV	0.0066	65,900 %	0.0111	110,400 %	0.0065	-	0.0110	-
Hunan Province	2.328	71.45 %	5.526	41.41 %	2.185	72.92 %	5.191	42.05 %
Coal-fired	2.061	86.75 %	5.038	47.37 %	1.922	89.75 %	4.709	48.49 %
Wind-power	0.160	17.62 %	0.326	12.64 %	0.159	17.49 %	0.322	12.60 %
Hydro-power	0.096	-17.26 %	0.146	-26.38 %	0.094	-17.32 %	0.143	-26.44 %
PV	0.0102	608.33 %	0.0161	1,014.96 %	0.0100	594.30 %	0.0157	994.51 %