

(For immediate release)



**HUANENG POWER INTERNATIONAL, INC.**

**RMB 1.580 BILLION NET PROFIT ATTRIBUTED TO EQUITY  
HOLDERS OF THE COMPANY IN 2017  
DECREASED BY 81.46% COMPARED TO THE SAME PERIOD LAST YEAR**

(Beijing, China, March 13, 2018) Huaneng Power International, Inc. (“HPI” or “the Company”) (NYSE : HNP ; HKEx : 902 ; SSE : 600011) today announced its audited annual operating results for the twelve months ended December 31, 2017 prepared under the International Financial Reporting Standards, in which the Company recorded consolidated operating revenue of RMB152.459 billion (equivalent to approximately USD23.333 billion, based on the exchange rate of USD1 to RMB6.5342 as of December 31, 2017), representing an increase of 33.95% compared to the same period last year, and net profit attributable to equity holders of the Company amounted to RMB1.580 billion (equivalent to approximately USD0.242 billion), representing a decrease of 81.46% compared to the same period last year, which was mainly because coal price rose drastically in 2017. Earnings per share amounted to RMB0.10 (equivalent to approximately USD0.02), and earnings per ADS amounted to RMB4.00 (equivalent to approximately USD0.61). The Board is satisfied with the Company’s results last year.

The Board of the Company proposed to declare a cash dividend of RMB0.10 (inclusive of tax) for each ordinary share of the Company held by shareholders. The dividend payment proposal will be presented at the 2017 annual general meeting to be convened on 3 May 2018 for consideration. In addition, in order to better share the development results of the Company with all shareholders, after taking into account the strategic planning and development goal of the Company as well as the development trend of the industry, the Company has decided to further increase the distribution percentage of cash dividends to investors in the next three years and will formulate “Shareholders Return Plan for the Next Three Years (2018-2020) of Huaneng Power International, Inc. ” in accordance with the relevant regulations. The specific condition and percentage of the Company’s cash dividends in the next three years: under the circumstances that the profit and aggregate undistributed profit are positive and the Company’s cash flow can satisfy normal operation and sustainable development of the Company, the Company will distribute profit in cash on the principle that the profit distributed in cash annually shall not be less than 70% of the distributable profit in the consolidated statement for the year and the dividend distributed per share shall not be less than RMB0.1.

In 2017, the Company proactively adapted to the new changes in the power system reform, grasping opportunities while at the same time tackling challenges. The Company maintained its leading position in terms of the level of safe and clean production in the industry for the year. With continuous improvement in the power structure, power generation saw an increase in both volume and price, while the capabilities on sustaining the supply of and controlling the price of fuels were enhanced. In addition, outstanding performance was achieved in capital operation, thus the annual operating objectives were accomplished in a more satisfactory manner.

Total power generated by the Company’s domestic operating power plants for the year on consolidated basis amounted to 394.481 billion kWh, representing an increase of 25.76% year-on-year. The electricity sold amounted to 371.399 billion kWh, representing an increase of 25.56% year-on-year.

The annual average utilization hours of the Company's domestic power plants reached 3,951 hours, increased 30 hours compared to the same period last year, of which the utilization hours of the coal-fired units reached 4,194 hours, increased 87 hours compared to the same period last year. In most of the areas where the Company's coal-fired power plants are located, the utilization hours of the Company was in a leading position within those areas. Total heat supplied by the Company's domestic operating power plants on consolidated basis amounted to 176 million GJ, representing a year-on-year increase of 79 million GJ or 81.44%.

The Company continued to reinforce the cooperation with major coal mines, optimized the structure of the regional supply, made an accurate judgement of the coal market and decreased the procurement price of Standard Coal by adopting effective measures. Given that the price in the coal market remained at a high level throughout the year, the Company exercised better control over the fuel procurement costs. The unit fuel cost of our domestic power plants throughout the year occurred for sales of power was RMB225.92/MWh, representing a year-on-year increase of 32.41%.

In 2017, the Company continued to lead its peers in terms of production safety, technical, economic and energy consumption indicators. The average equivalent availability ratio of coal-fired units of the Company's domestic power plants was 94.55% and its weighted average house consumption rate was 4.66%. The average yearly coal consumption rate of the Company's coal-fired units for the power generated was 288.28 grams/kWh, which was 2.05 grams/kWh lower than that of the same period last year. The average yearly coal consumption rate of the Company's coal-fired units for the power sold was 306.48 grams/kWh, representing a decrease of 1.21 grams/kWh from that of the same period last year.

The Company progressed smoothly in construction of power supply projects. During the year, the controlled generation capacity of the newly commissioned coal-fired cogeneration units, gas-fired generating units, wind generating units and photovoltaic units of the Company was 150 MW, 1,660 MW, 888MW and 628 MW, respectively. As of 31 December 2017 and 12 March 2018, the Company's controlled and equity-based generating capacities were 104,321 MW and 92,003 MW, respectively.

In 2018, the Company will remain committed to enhancing development quality and efficiency and will proactively participate in the electric power market reform. The Company will strive to achieve 410 billion kWh for annual domestic power generation and 4,000 hours for average utilisation hours. Besides, the Company will push ahead with the enhancement in quality and efficiency as well as transformation and upgrade. By adhering to the goal of building a world class listed power generation company, the Company will continue to improve its operating performance so as to create more values to the country, society and shareholders.

~ End ~

Encl: The 2017 consolidated financial information of the Company and its subsidiaries prepared under IFRS.

## **About the Company**

Huaneng Power International, Inc. is one of China's largest listed power producers with controlled generation capacity of 104,321 MW and equity-based generation capacity of 92,003MW. The power plants of the Company are located in 26 provinces, autonomous regions and municipalities in China. The Company also has a wholly-owned power company in Singapore.

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**HUANENG POWER INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2017**  
(Amounts expressed in thousands)

	As at December 31, 2017		As at December 31, 2016
	RMB	US\$	RMB
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	284,328,093	43,513,834	223,061,809
Investments in associates and joint ventures	19,517,623	2,986,995	19,632,113
Investment property	217,406	33,272	-
Available-for-sale financial assets	1,604,993	245,630	3,406,032
Land use rights	11,264,785	1,723,973	8,456,347
Power generation licences	3,916,246	599,346	3,849,199
Mining rights	1,646,271	251,947	1,646,271
Deferred income tax assets	2,300,091	352,008	1,263,957
Derivative financial assets	75,328	11,528	99,721
Goodwill	15,484,120	2,369,704	12,135,729
Other non-current assets	7,696,845	1,177,932	4,321,945
<b>Total non-current assets</b>	<u>348,051,801</u>	<u>53,266,169</u>	<u>277,873,123</u>
<b>Current assets</b>			
Inventories	7,385,411	1,130,270	6,879,143
Other receivables and assets	6,081,517	930,722	5,533,770
Accounts receivable	25,447,595	3,894,523	16,393,471
Derivative financial assets	258,364	39,540	278,602
Bank balances and cash	9,364,823	1,433,201	7,881,630
<b>Total current assets</b>	<u>48,537,710</u>	<u>7,428,256</u>	<u>36,966,616</u>
<b>Total assets</b>	<u><u>396,589,511</u></u>	<u><u>60,694,425</u></u>	<u><u>314,839,739</u></u>

	As at December 31, 2017		As at December 31, 2016
	RMB	US\$	RMB
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	15,200,383	2,326,281	15,200,383
Perpetual corporate bonds	5,068,550	775,696	-
Capital surplus	24,114,400	3,690,490	24,760,331
Surplus reserves	8,140,030	1,245,758	8,140,030
Currency translation differences	(675,054)	(103,311)	(787,881)
Retained earnings	35,793,257	5,477,832	38,690,132
	<u>87,641,566</u>	<u>13,412,746</u>	<u>86,002,995</u>
<b>Non-controlling interests</b>	<u>19,973,038</u>	<u>3,056,692</u>	<u>16,183,742</u>
<b>Total equity</b>	<u>107,614,604</u>	<u>16,469,438</u>	<u>102,186,737</u>
<b>Non-current liabilities</b>			
Long-term loans	107,030,958	16,380,117	64,990,361
Long-term bonds	15,993,833	2,447,711	12,182,971
Deferred income tax liabilities	4,566,680	698,889	2,262,752
Derivative financial liabilities	148,486	22,724	201,169
Other non-current liabilities	5,284,462	808,739	2,819,498
<b>Total non-current liabilities</b>	<u>133,024,419</u>	<u>20,358,180</u>	<u>82,456,751</u>
<b>Current liabilities</b>			
Accounts payable and other liabilities	38,900,132	5,953,312	28,746,617
Taxes payable	1,302,210	199,291	1,089,105
Dividends payable	1,735,426	265,591	1,575,180
Derivative financial liabilities	62,178	9,516	133,569
Short-term bonds	11,068,357	1,693,912	27,311,103
Short-term loans	80,251,348	12,281,740	57,668,874
Current portion of long-term loans	18,098,458	2,769,805	9,560,885
Current portion of long-term bonds	3,997,033	611,710	3,294,736
Current portion of other non-current liabilities	535,346	81,930	816,182
<b>Total current liabilities</b>	<u>155,950,488</u>	<u>23,866,807</u>	<u>130,196,251</u>
<b>Total liabilities</b>	<u>288,974,907</u>	<u>44,224,987</u>	<u>212,653,002</u>
<b>Total equity and liabilities</b>	<u>396,589,511</u>	<u>60,694,425</u>	<u>314,839,739</u>

For the convenience of the reader, translation of amounts from Renminbi (RMB) into United States dollars (US\$) has been made at the rate of US\$1.00=RMB6.5342 announced by the People's Bank of China on December 29, 2017. No representation is made that Renminbi amounts could have been, or could be, converted into United States dollars at that rate as at December 29, 2017, or at any other certain rate.

**HUANENG POWER INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(Amounts expressed in thousands, except per share data)

	For the year ended December 31,		
	2017		2016
	RMB	US\$	RMB
<b>Operating revenue</b>	152,459,444	23,332,534	113,814,236
Tax and levies on operations	(1,376,312)	(210,632)	(1,177,818)
<b>Operating expenses</b>			
Fuel	(92,737,304)	(14,192,603)	(56,617,542)
Maintenance	(4,347,723)	(665,380)	(4,343,349)
Depreciation	(20,180,830)	(3,088,493)	(14,815,620)
Labor	(10,590,084)	(1,620,716)	(8,043,406)
Service fees on transmission and transformer facilities of HIPDC	(95,894)	(14,676)	(138,038)
Purchase of electricity	(3,787,032)	(579,571)	(3,066,415)
Others	(10,160,875)	(1,555,029)	(7,234,308)
Total operating expenses	<u>(141,899,742)</u>	<u>(21,716,468)</u>	<u>(94,258,678)</u>
<b>Profit from operations</b>	<u>9,183,390</u>	<u>1,405,434</u>	<u>18,377,740</u>
Interest income	198,906	30,441	147,063
<b>Financial expenses, net</b>			
Interest expense	(9,749,004)	(1,491,997)	(6,817,526)
Exchange gain/ (loss) and bank charges, net	144,359	22,093	(250,076)
Total financial expenses, net	<u>(9,604,645)</u>	<u>(1,469,904)</u>	<u>(7,067,602)</u>
Share of profits less losses of associates and joint ventures	425,215	65,075	1,298,889
Gain/(loss) on fair value changes of financial assets/liabilities	856,786	131,123	(12,986)
Other investment income	1,742,081	266,611	1,070,034
<b>Profit before income tax expense</b>	<u>2,801,733</u>	<u>428,780</u>	<u>13,813,138</u>
Income tax expense	(1,217,526)	(186,331)	(3,465,151)
<b>Net profit</b>	<u>1,584,207</u>	<u>242,449</u>	<u>10,347,987</u>

	For the year ended December 31,		
	2017		2016
	RMB	US\$	RMB
<b>Other comprehensive (loss)/income, net of tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value changes of available-for-sale financial assets	281,663	43,106	(148,041)
Gain on disposal of available-for-sale financial assets reclassified to profit or loss	(1,135,356)	(173,756)	(741,648)
Share of other comprehensive income/(loss) of investees accounted for under the equity method	121,208	18,550	(180,572)
Effective portion of cash flow hedges	62,853	9,619	1,015,103
Translation differences of the financial statements of foreign operations	84,418	12,919	540,442
<b>Other comprehensive (loss)/income, net of tax</b>	<u>(585,214)</u>	<u>(89,562)</u>	<u>485,284</u>
<b>Total comprehensive income</b>	<u>998,993</u>	<u>152,887</u>	<u>10,833,271</u>
<b>Net profit attributable to:</b>			
- Equity holders of the Company	1,579,836	241,780	8,520,427
- Non-controlling interests	4,371	669	1,827,560
	<u>1,584,207</u>	<u>242,449</u>	<u>10,347,987</u>
<b>Total comprehensive income/(loss) attributable to:</b>			
- Equity holders of the Company	1,023,118	156,579	9,005,227
- Non-controlling interests	(24,125)	(3,692)	1,828,044
	<u>998,993</u>	<u>152,887</u>	<u>10,833,271</u>
<b>Earnings per share attributable to the equity holders of the Company (expressed in RMB per share)</b>			
- Basic and diluted	<u>0.10</u>	<u>0.02</u>	<u>0.56</u>

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