



**To: Business Editor**  
**[For Immediate Release]**

**HUANENG POWER INTERNATIONAL, INC.**  
**Announces Results for the First Three Quarters of 2006**

*Net Profit Rises 13.25% to RMB 3.455 billion*

(Beijing, China, October 24, 2006) Huaneng Power International, Inc. (the “Company”) [NYSE: HNP; HKEx: 902; SSE: 600011] today announced its unaudited results for the nine months ended September 30, 2006.

Under the PRC Accounting Standards, for the first three quarters of 2006, the Company realized operating revenues of RMB31.451 billion, representing an increase of 7.98% over the same period last year. Net profit amounted to RMB3.455 billion, representing an increase of 13.25% over the same period last year. The Company’s total power generation on a consolidated basis amounted to 116.847 billion kWh, an increase of 5.31% over the same period last year. The board of directors was satisfied with the Company’s first three quarters production and operation results.

In the first three quarters of 2006, the Company capitalized on the opportunity arising from the rapid growth of the power industry. The power generation capacity of the Company was raised through putting new generating units into commercial operation on schedule. The utilization hours of the Company’s power plants declined slightly as a result of an alleviation of the intense power supply and demand situation, the volume of electricity sold by the Company increased by 5.39%. The commencement of the commercial operation of the new generating units led to an increase of 7.66% in the volume of electricity sold. The decrease in utilization hours of the original generating units caused a 2.27% decrease in the volume of electricity sold.

Electricity tariffs are mainly affected by the tariff adjustments implemented in May 2005 and June 2006 under the policies on the Coal-electricity Price Linkage Mechanism, the average settlement tariff rate increased by RMB8.01 per MWh compared to the same period last year, amounting to RMB333.93 per MWh. During the first three quarters, the tariffs of the generating units which participated in power pooling in Northeast China were calculated based on the provisional tariffs. The relevant authorities of the State are currently formulating the relevant tariff settlement mechanisms. Once effective, the tariff will be tracked back and adjusted.

As regards cost controls, the Company has taken various measures in controlling fuel costs which contributed to a 1.22% decrease in the unit average fuel cost for electricity sold.

Huaneng Power International, Inc. develops, constructs, operates and manages power plants in China nationwide, with a total generation capacity of 25,267MW on an equity basis. The Company wholly owns sixteen operating power plants, and has controlling interests in thirteen operating power companies and minority interests in four operating power companies. Currently, it is the largest listed power producer in China.

Encl: The unaudited summary financial information of the Company for the three months ended September 30, 2006.

(The summary financial information is disclosed under the listing regulations of the China Securities Regulatory Commission. The summary financial information was prepared in accordance with “Accounting System for Business Enterprises” and “Accounting Standards for Business Enterprises” of the People’s Republic of China (“PRC GAAP”), which differs from the International Financial Reporting Standards (“IFRS”) and the accounting principles generally accepted in the United States of America (“US GAAP”). No reconciliation with IFRS or US GAAP has been made in the presentation of the summary financial information.)

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**HUANENG POWER INTERNATIONAL, INC.**  
**UNAUDITED BALANCE SHEETS (PRC GAAP)**  
**AS AT 30TH SEPTEMBER, 2006**

Amounts: In Rmb Yuan

|  | 30th September,<br>2006<br>Consolidated | 31st December,<br>2005<br>Consolidated | 30th September,<br>2006<br>The Company | 31st December,<br>2005<br>The Company |
|--|---|--|--|---------------------------------------|
| <b>ASSETS</b>                                  |   |  |  |                                       |
| <b>CURRENT ASSETS</b>                          |   |  |  |                                       |
| Cash   | 3,662,026,072                           | 2,851,592,978                          | 1,942,110,405                          | 889,902,906                           |
| Including: Cash and cash equivalents           | 3,466,360,456                           | 2,647,665,997                          | 1,760,742,084                          | 713,396,158                           |
| Short-term investments                         | -                                       | 13,200                                 | -                                      | 13,200                                |
| Notes receivable                               | 825,556,409                             | 1,117,533,416                          | 331,543,599                            | 622,462,278                           |
| Dividend receivable                            | -                                       | -                                      | 15,000,000                             | -                                     |
| Interest receivable                            | 946,634                                 | 3,086,294                              | 946,634                                | 3,052,633                             |
| Accounts receivable                            | 4,936,040,203                           | 4,904,892,612                          | 2,800,391,237                          | 3,180,096,467                         |
| Other receivables                              | 232,169,475                             | 597,773,628                            | 190,219,681                            | 420,624,141                           |
| Advance to suppliers                           | 308,987,230                             | 268,606,059                            | 141,313,028                            | 148,818,016                           |
| Inventories                                    | 2,173,092,405                           | 2,311,356,766                          | 1,419,662,444                          | 1,380,845,041                         |
| Deferred expenses                              | 41,163,929                              | 8,319,695                              | 26,660,779                             | 7,451,902                             |
| <b>Total current assets</b>                    | <b>12,179,982,357</b>                   | <b>12,063,174,648</b>                  | <b>6,867,847,807</b>                   | <b>6,653,266,584</b>                  |
| <b>LONG-TERM INVESTMENTS</b>                   |   |  |  |                                       |
| Long-term equity investments                   | 6,856,657,630                           | 6,479,002,579                          | 15,611,611,314                         | 14,454,590,885                        |
| Long-term debt investments                     | 53,700                                  | 53,700                                 | 53,700                                 | 53,700                                |
| <b>Total long-term investments</b>             | <b>6,856,711,330</b>                    | <b>6,479,056,279</b>                   | <b>15,611,665,014</b>                  | <b>14,454,644,585</b>                 |
| Including: Consolidated difference in value    | 1,626,363,194                           | 1,810,484,726                          | -                                      | -                                     |
| <b>FIXED ASSETS</b>                            |   |  |  |                                       |
| Fixed assets, cost                             | 110,529,277,899                         | 97,895,004,782                         | 58,535,571,577                         | 58,299,821,850                        |
| Less: Accumulated depreciation                 | (46,289,578,732)                        | (41,694,498,618)                       | (28,894,453,029)                       | (25,971,327,299)                      |
| Fixed assets, net                              | 64,239,699,167                          | 56,200,506,164                         | 29,641,118,548                         | 32,328,494,551                        |
| Less: Provision for impairment of fixed assets | (72,080,000)                            | (30,080,000)                           | (72,080,000)                           | (30,080,000)                          |
| Fixed assets, net book value                   | 64,167,619,167                          | 56,170,426,164                         | 29,569,038,548                         | 32,298,414,551                        |
| Construction materials                         | 4,632,473,244                           | 6,289,151,847                          | 3,258,283,307                          | 2,841,684,052                         |
| Construction-in-progress                       | 16,504,052,695                          | 13,907,010,486                         | 9,140,122,619                          | 3,988,534,167                         |
| <b>Total fixed assets</b>                      | <b>85,304,145,106</b>                   | <b>76,366,588,497</b>                  | <b>41,967,444,474</b>                  | <b>39,128,632,770</b>                 |
| <b>INTANGIBLE AND OTHER ASSETS</b>             |   |  |  |                                       |
| Intangible assets                              | (17,578,941)                            | (177,780,256)                          | (205,070,718)                          | (368,916,945)                         |
| Long-term deferred expenses                    | 54,395,685                              | 61,386,622                             | 3,624,311                              | 5,468,353                             |
| Share floating right                           | 63,636,790                              | 63,636,790                             | 63,636,790                             | 63,636,790                            |
| Other long-term assets                         | 88,620,890                              | 91,875,899                             | -                                      | -                                     |
| <b>Total intangible and other assets</b>       | <b>189,074,424</b>                      | <b>39,119,055</b>                      | <b>(137,809,617)</b>                   | <b>(299,811,802)</b>                  |
| <b>TOTAL ASSETS</b>                            | <b>104,529,913,217</b>                  | <b>94,947,938,479</b>                  | <b>64,309,147,678</b>                  | <b>59,936,732,137</b>                 |

**HUANENG POWER INTERNATIONAL, INC.**  
**UNAUDITED BALANCE SHEETS (PRC GAAP) (CONTINUED)**  
**AS AT 30TH SEPTEMBER, 2006**

| LIABILITIES AND<br>SHAREHOLDERS'<br>EQUITY            | Amounts: In Rmb Yuan                    |  |  |                                       |
|---|---|--|--|---------------------------------------|
|   | 30th September,<br>2006<br>Consolidated | 31st December,<br>2005<br>Consolidated | 30th September,<br>2006<br>The Company | 31st December,<br>2005<br>The Company |
| <b>CURRENT LIABILITIES</b>                            |   |  |  |                                       |
| Short-term loans                                      | 8,354,930,000                           | 6,580,869,370                          | 3,858,540,000                          | 2,200,000,000                         |
| Notes payable   | 718,155,130                             | 87,239,523                             | 289,568,000                            | -                                     |
| Short-term bonds                                      | 5,045,205,480                           | 4,946,814,783                          | 5,045,205,480                          | 4,946,814,783                         |
| Accounts payable                                      | 1,860,331,461                           | 1,151,850,940                          | 997,557,409                            | 708,685,787                           |
| Salary payable  | 31,144,989                              | 98,338,245                             | 1,729,397                              | 60,992,291                            |
| Welfare payable                                       | 179,246,644                             | 153,610,803                            | 106,494,776                            | 68,214,318                            |
| Interest payable                                      | 172,504,424                             | 197,637,488                            | 91,914,959                             | 123,936,169                           |
| Dividends payable                                     | 10,000,000                              | 138,279,959                            | -                                      | -                                     |
| Taxes payable   | 963,566,358                             | 1,131,284,360                          | 437,521,411                            | 506,983,238                           |
| Other levies payable                                  | 32,167,541                              | 42,350,052                             | 19,851,670                             | 18,756,496                            |
| Other payables  | 4,805,583,277                           | 4,129,346,099                          | 2,008,655,270                          | 1,609,893,354                         |
| Accrued expenses                                      | 246,811,387                             | 90,859,085                             | 115,154,137                            | 50,617,043                            |
| Current portion of<br>long-term loans                 | 2,672,717,186                           | 3,165,979,238                          | 1,143,136,699                          | 1,005,555,185                         |
| Provisions  | 4,416,482                               | 4,416,482                              | -                                      | -                                     |
| <b>Total current liabilities</b>                      | <b>25,096,780,359</b>                   | <b>21,918,876,427</b>                  | <b>14,115,329,208</b>                  | <b>11,300,448,664</b>                 |
| <b>LONG-TERM LIABILITIES</b>                          |   |  |  |                                       |
| Long-term loans                                       | 34,107,097,344                          | 28,862,263,799                         | 10,475,475,398                         | 9,475,460,000                         |
| Specific payables                                     | 98,086,934                              | 86,457,662                             | 69,956,934                             | 61,427,662                            |
| Other non-current liabilities                         | 56,447,158                              | 64,139,628                             | -                                      | -                                     |
| <b>Total long-term liabilities</b>                    | <b>34,261,631,436</b>                   | <b>29,012,861,089</b>                  | <b>10,545,432,332</b>                  | <b>9,536,887,662</b>                  |
| <b>TOTAL LIABILITIES</b>                              | <b>59,358,411,795</b>                   | <b>50,931,737,516</b>                  | <b>24,660,761,540</b>                  | <b>20,837,336,326</b>                 |
| <b>MINORITY INTERESTS</b>                             | <b>5,577,090,490</b>                    | <b>4,934,649,003</b>                   | <b>-</b>                               | <b>-</b>                              |
| <b>SHAREHOLDERS' EQUITY</b>                           |   |  |  |                                       |
| Share capital   | 12,055,383,440                          | 12,055,383,440                         | 12,055,383,440                         | 12,055,383,440                        |
| Capital surplus                                       | 8,837,362,566                           | 8,765,352,464                          | 8,837,362,566                          | 8,765,352,464                         |
| Surplus reserves                                      | 4,945,674,209                           | 4,945,674,209                          | 4,945,674,209                          | 4,945,674,209                         |
| Including: Statutory<br>public welfare fund           | -                                       | 2,217,003,964                          | -                                      | 2,217,003,964                         |
| Undistributed profits                                 | 13,755,990,717                          | 13,315,141,847                         | 13,809,965,923                         | 13,332,985,698                        |
| <b>Total shareholders' equity</b>                     | <b>39,594,410,932</b>                   | <b>39,081,551,960</b>                  | <b>39,648,386,138</b>                  | <b>39,099,395,811</b>                 |
| <b>TOTAL LIABILITIES AND<br/>SHAREHOLDERS' EQUITY</b> | <b>104,529,913,217</b>                  | <b>94,947,938,479</b>                  | <b>64,309,147,678</b>                  | <b>59,936,732,137</b>                 |

Legal  
representative:  
Li Xiaopeng

Person in charge of accounting  
function:  
Zhou Hui

Person in charge of accounting  
department:  
Huang Lixin

**HUANENG POWER INTERNATIONAL, INC.**  
**UNAUDITED PROFIT AND LOSS ACCOUNTS (PRC GAAP)**  
**FOR THE THIRD QUARTER ENDED 30TH SEPTEMBER, 2006**

Amounts: In Rmb Yuan

| Item  | For the third<br>quarter ended<br>30th September,<br>2006<br>Consolidated | For the third<br>quarter ended<br>30th September,<br>2006<br>The Company | For the third<br>quarter ended<br>30th September,<br>2005<br>Consolidated | For the third<br>quarter ended<br>30th September,<br>2005<br>The Company |
|---|---|--|---|--|
| <b>1. Revenues from principal operations</b>            | 11,588,633,255  | 7,162,733,411  | 10,264,947,517  | 6,967,583,382  |
| Less: Cost of principal operations                      | (8,802,475,546)   | (5,639,838,259)  | (7,906,533,310)   | (5,520,126,664)  |
| Tax and levies on principal operations                  | (43,187,790)  | (1,511,535)  | (29,713,556)  | (1,351,227)  |
| <b>2. Profit from principal operations</b>              | 2,742,969,919   | 1,521,383,617  | 2,328,700,651   | 1,446,105,491  |
| Add: Profit from other operations                       | 12,548,610  | 10,528,993   | 16,194,602  | 11,249,557   |
| Less: General and administrative expenses               | (290,463,315)   | (195,442,036)  | (182,889,342)   | (154,694,935)  |
| Financial expenses, net                                 | (422,317,864)   | (133,113,523)  | (245,064,876)   | (65,707,880)   |
| <b>3. Operating profit</b>                              | 2,042,737,350   | 1,203,357,051  | 1,916,941,035   | 1,236,952,233  |
| Add: Investment income                                  | 90,792,902  | 459,379,072  | 66,681,900  | 354,442,158  |
| Subsidy income  | 800,000   | 800,000  | 16,933,538  | 16,933,538   |
| Non-operating income                                    | 1,954,046   | 29,085,312   | 3,934,989   | 908,374  |
| Less: Non-operating expenses                            | (9,301,081)   | (3,487,426)  | (9,865,930)   | (2,107,876)  |
| <b>4. Profit before taxation and minority interests</b> | 2,126,983,217   | 1,689,134,009  | 1,994,625,532   | 1,607,128,427  |
| Less: Income tax  | (421,261,333)   | (192,775,086)  | (350,770,791)   | (177,020,018)  |
| Minority interests                                      | (237,277,604)   | -  | (213,746,332)   | -  |
| <b>5. Net profit</b>                                    | <u>1,468,444,280</u>  | <u>1,496,358,923</u>   | <u>1,430,108,409</u>  | <u>1,430,108,409</u>   |

Legal  
representative:  
**Li Xiaopeng**

Person in charge of accounting  
function:  
**Zhou Hui**

Person in charge of accounting  
department:  
**Huang Lixin**

**HUANENG POWER INTERNATIONAL, INC.**  
**UNAUDITED PROFIT AND LOSS ACCOUNTS (PRC GAAP)**  
**FOR THE NINE MONTHS ENDED 30TH SEPTEMBER, 2006**

Amounts: In Rmb Yuan

| Item  | For the nine months ended 30th September, 2006<br>Consolidated | For the nine months ended 30th September, 2006<br>The Company | For the nine months ended 30th September, 2005<br>Consolidated | For the nine months ended 30th September, 2005<br>The Company |
|---|--|---|--|---|
| <b>1. Revenues from principal operations</b>            | 31,450,749,315   | 19,864,002,673  | 29,125,622,148   | 19,432,833,149  |
| Less: Cost of principal operations                      | (24,433,427,929)   | (16,063,917,639)  | (23,287,828,606)   | (16,103,720,747)  |
| Tax and levies on principal operations                  | (110,511,976)  | (4,249,671)   | (84,694,084)   | (4,745,129)   |
| <b>2. Profit from principal operations</b>              | 6,906,809,410  | 3,795,835,363   | 5,753,099,458  | 3,324,367,273   |
| Add: Profit from other operations                       | 31,112,867   | 26,683,612  | 46,793,227   | 35,932,321  |
| Less: General and administrative expenses               | (780,433,055)  | (547,648,275)   | (627,786,410)  | (446,150,999)   |
| Financial expenses, net                                 | (1,253,939,544)  | (401,320,295)   | (932,220,309)  | (407,871,582)   |
| <b>3. Operating profit</b>                              | 4,903,549,678  | 2,873,550,405   | 4,239,885,966  | 2,506,277,013   |
| Add: Investment income                                  | 227,064,666  | 1,113,598,136   | 165,354,074  | 915,170,311   |
| Subsidy income  | 5,768,900  | 5,768,900   | 16,933,538   | 16,933,538  |
| Non-operating income                                    | 10,625,093   | 34,578,610  | 17,263,941   | 13,796,716  |
| Less: Non-operating expenses                            | (58,551,008)   | (50,407,241)  | (52,798,175)   | (5,763,624)   |
| <b>4. Profit before taxation and minority interests</b> | 5,088,457,329  | 3,977,088,810   | 4,386,639,344  | 3,446,413,954   |
| Less: Income tax  | (981,612,658)  | (486,262,725)   | (751,231,119)  | (396,017,396)   |
| Minority interests                                      | (652,149,941)  | -   | (585,011,667)  | -   |
| <b>5. Net profit</b>                                    | <u>3,454,694,730</u>   | <u>3,490,826,085</u>  | <u>3,050,396,558</u>   | <u>3,050,396,558</u>  |

Legal representative:  
Li Xiaopeng

Person in charge of accounting function:  
Zhou Hui

Person in charge of accounting department:  
Huang Lixin