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**華能國際電力股份有限公司**

**HUANENG POWER INTERNATIONAL, INC.**

*(a Sino-foreign joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 902)**

## **THIRD QUARTERLY REPORT OF 2016**

Pursuant to the regulations of the China Securities Regulatory Commission, the Company is required to publish a quarterly report for each of the first and third quarters.

All financial information set out in this quarterly report is unaudited and prepared in accordance with the PRC Accounting Standards (“PRC GAAP”).

This announcement is made by the Company pursuant to Rule 13.09 and Rules 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

### **1. IMPORTANT NOTICE**

- 1.1 The board of directors and the supervisory committee of Huaneng Power International, Inc. (the “Company”, “Huaneng Power International”) together with the members thereof and the senior management warrant that the information contained in this report does not contain any false statements, misleading representations or material omissions. All of them jointly and severally accept responsibility as to the truthfulness, accuracy and completeness of the content of this report.
- 1.2 All financial information set out in this quarterly report is unaudited and prepared in accordance with the PRC GAAP.
- 1.3 Cao Peixi (Chairman), Huang Lixin (person in charge of accounting function) and Li Yinghui (person in charge of the Accounting Department) warrant the truthfulness, accuracy and completeness of the content of the quarterly report.
- 1.4 This announcement is made by the Company pursuant to Rule 13.09 and Rules 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

## 2 MAJOR FINANCIAL INFORMATION AND CHANGES IN SHAREHOLDERS OF THE COMPANY

### 2.1 Major financial information (PRC GAAP) (unaudited)

(Amounts: In RMB Yuan)

|  | End of current reporting period  | End of last year  | Variance from end of last year (%)               |
|--|--|---|--|
| Total Assets   | 299,723,834,000  | 299,729,722,622   | (0.002)  |
| Shareholders' equity attributable to shareholders of the Company                           | 82,776,358,171   | 79,408,970,292  | 4.24   |
|  | From the beginning of the year to the end of current reporting period (January to September) | From the beginning of the preceding year to the end of the equivalent period (January to September) | Variance from equivalent period of last year (%) |
| Net cash flows generated from operating activities   | 27,399,318,462   | 35,552,547,885  | (22.93)  |
|  | From the beginning of the year to the end of current reporting period (January to September) | From the beginning of the preceding year to the end of the equivalent period (January to September) | Variance from equivalent period of last year (%) |
| Operating Revenue  | 83,220,630,924   | 97,249,318,901  | (14.43)  |
| Net profit attributable to shareholders of the Company                                     | 9,388,699,756  | 13,234,752,709  | (29.06)  |
| Net profit after deducting non-recurring items attributable to shareholders of the Company | 9,286,317,318  | 12,817,950,431  | (27.55)  |
| Return on net assets (weighted average) (%)  | 11.42  | 18.40   | Decrease by 6.98 percentage points               |
| Basic earnings per share (RMB per share)   | 0.62   | 0.92  | (32.61)  |
| Diluted earnings per share (RMB per share)   | 0.62   | 0.92  | (32.61)  |

**Non-recurring items and amounts:**
 Applicable     Not applicable
*(Amounts: In RMB Yuan)*

| Items   | Total amount of<br>Current<br>reporting period<br>(July to<br>September) | Total amount from<br>the beginning of<br>the year to<br>the end of current<br>reporting period<br>(January to<br>September) | Notes   |
|---|--|---|---|
| Losses from disposal of non-current assets  | (158,425,237)  | (200,796,816)   |   |
| Government grant recorded in income statement,<br>excluding government grant closely related to the<br>Company's business and calculated according to<br>national unified standards   | 110,821,770  | 287,243,477   |   |
| Losses from the changes in fair value from held-<br>for-trading financial assets, held-for-trading<br>financial liabilities other than those hedging<br>instruments relating to normal business, and<br>investment (loss)/income from disposal of held-<br>for-trading financial assets, held-for-trading<br>financial liabilities and available-for-sale<br>financial assets | (515,151)  | 10,889,884  |   |
| Reversal of provision for doubtful accounts<br>receivable individually tested for impairments   | 1,207,752  | 1,622,368   |   |
| Other non-operating income and expenses<br>excluding the above items  | (4,971,855)  | 19,782,747  | Other non-operating income<br>and expenses excluding the<br>above items mainly include<br>donations, fines etc. of the<br>Company and its subsidiaries<br>for the nine months ended 30<br>September 2016. |
| Other non-recurring items   | (7,403,224)  | (17,266,116)  | Other non-recurring items<br>mainly include interest<br>income on designed loan to<br>a joint venture, entrusted<br>management fee and<br>trusteeship management<br>income.                               |
| Sub-total   | (59,285,945)   | 101,475,544   |   |
| Tax impact of non-recurring items   | 20,500,873   | (8,630,833)   |   |
| Impact of non-controlling interests, net of tax   | 5,980,223  | 9,537,727   |   |
| Total   | <u>(32,804,849)</u>  | <u>102,382,438</u>  |   |

**2.2 Total number of shareholders, ten largest shareholders and shareholding of top ten holders of circulating shares whose shares are not subject to any selling restrictions as at the end of the reporting period**

*Unit: share*

| Total number of shareholders   | 97,887   |                |  |                                   |             |                        |
|--|--|----------------|--|-----------------------------------|-------------|------------------------|
| Top ten holders of shares  |  |                |  |                                   |             |                        |
| Name (in full) of shareholders                                       | Number of shares held at end of reporting period | Percentage (%) | Number of shares held with selling restriction | Status on charges or pledges etc. |             | Nature of shareholders |
|  |  |                |  | Status of shares                  | Number      |                        |
| Huaneng International Power Development Corporation                  | 5,066,662,118                                    | 33.33          | 0  | Nil                               | –           | State-owned entity     |
| HKSCC Nominees Limited   | 3,932,435,940                                    | 25.87          | 0  | Nil                               | –           | Foreign entity         |
| China Huaneng Group  | 1,555,124,549                                    | 10.23          | 0  | Nil                               | –           | State-owned entity     |
| Hebei Construction & Investment Group Co., Ltd.                      | 603,000,000                                      | 3.97           | 0  | Nil                               | –           | State-owned entity     |
| China Hua Neng Group Hong Kong Limited                               | 472,000,000                                      | 3.11           | 0  | Nil                               | –           | Foreign entity         |
| Jiangsu Provincial Investment & Management Limited Liability Company | 416,500,000                                      | 2.74           | 0  | Nil                               | –           | State-owned entity     |
| Liaoning Energy Investment (Group) Limited Liability Company         | 388,619,936                                      | 2.56           | 0  | Nil                               | –           | State-owned entity     |
| Fujian Investment Development Group Liability Company                | 365,818,238                                      | 2.41           | 0  | Nil                               | –           | State-owned entity     |
| China Securities Finance Corporation Limited                         | 344,866,162                                      | 2.27           | 0  | Nil                               | –           | State-owned entity     |
| Dalian Municipal Construction Investment Company Limited             | 301,500,000                                      | 1.98           | 0  | Charges                           | 150,750,000 | State-owned entity     |

| <b>Top ten holders of circulating shares whose shares are not subject to selling restrictions</b>       |  |   |               |
|---|--|---|---------------|
| <b>Name (in full) of shareholders</b>   | <b>Number of shares in circulation without any selling restrictions as at the end of the reporting period</b>  | <b>Type and number of shares</b>        |               |
|   |  | <b>Type</b>                             | <b>Number</b> |
| Huaneng International Power Development Corporation   | 5,066,662,118  | RMB denominated ordinary shares         | 5,066,662,118 |
| HKSCC Nominees Limited  | 3,932,435,940  | Overseas listed foreign invested shares | 3,932,435,940 |
| China Huaneng Group   | 1,555,124,549  | RMB denominated ordinary shares         | 1,555,124,549 |
| Hebei Construction & Investment Group Co., Ltd.   | 603,000,000  | RMB denominated ordinary shares         | 603,000,000   |
| China Hua Neng Group Hong Kong Limited  | 472,000,000  | Overseas listed foreign invested shares | 472,000,000   |
| Jiangsu Provincial Investment & Management Limited Liability Company                                    | 416,500,000  | RMB denominated ordinary shares         | 416,500,000   |
| Liaoning Energy Investment (Group) Limited Liability Company  | 388,619,936  | RMB denominated ordinary shares         | 388,619,936   |
| Fujian Investment Development Group Limited Liability Company   | 365,818,238  | RMB denominated ordinary shares         | 365,818,238   |
| China Securities Finance Corporation Limited  | 344,866,162  | RMB denominated ordinary shares         | 344,866,162   |
| Dalian Municipal Construction Investment Company Limited  | 301,500,000  | RMB denominated ordinary shares         | 301,500,000   |
| Details relating to the related relationship of the above shareholders or the parties acting in concert | Among the above shareholders, China Huaneng Group, Huaneng International Power Development Corporation and China Hua Neng Group Hong Kong Limited are regarded as parties acting in concert under the “Management Rules on Acquisition of Listing Companies”. The Company is not aware of any related relationship among other shareholders. |   |               |

**2.3 Total number of holders of preference shares, ten largest holders of preference shares and shareholding of top ten holders of preference shares whose shares are not subject to selling restriction as at the end of the reporting period**

Applicable  Not applicable

**3 SIGNIFICANT EVENTS**

**3.1 Disclosure as to, and reasons for, material changes in accounting items and financial indices of the Company**

Applicable  Not applicable

Comparing the consolidated balance sheet of 30 September 2016 and 31 December 2015, the consolidated income statement for the nine months ended 30 September 2016 and 2015 and the consolidated cash flow statement for the nine months ended 30 September 2016 and 2015, the items with material changes are as below:

***Consolidated balance sheet items***

- (1) Dividends receivable as at the end of the period decreased by 90.16% compared with the beginning of the period, mainly due to the dividends paid by the joint venture of the Company.
- (2) Other current assets as at the end of the period increased by 109.96% compared with the beginning of the period, mainly due to the increase of advance payment of income tax of a subsidiary of the Company.
- (3) Construction materials as at the end of the period increased by 41.27% compared with the beginning of the period, mainly due to the increased expenditure on equipment by the Company and its subsidiaries.
- (4) Derivative financial liabilities (current portion) as at the end of the period decreased by 67.59% compared with the beginning of the period, mainly due to the increase in the fair value of the hedging instruments of fuel swaps contracts held by the Company's subsidiary, SinoSing Power Pte. Ltd.
- (5) Advances from customers as at the end of the period decreased by 47.34% compared with the beginning of the period, mainly due to the decrease in amounts received in advance for heat sales by the Company and its subsidiaries.
- (6) Salary and welfare payables as at the end of the period increased by 44.02% compared with the beginning of the period, mainly due to rise in provision of staff and workers' bonus and welfare fund according to the board resolution of a subsidiary of the Company.

- (7) Dividends payable as at the end of the period increased by 175.05% compared with the beginning of the period, mainly due to the dividends declared by partially owned subsidiaries of the Company.
- (8) Current portion of non-current liabilities as at the end of the period decreased by 46.19% compared with the beginning of the period, mainly due to the decline in amount of the current portion of the long-term loans and bonds of the Company and its subsidiaries.
- (9) Bonds payable as at the end of the period increased by 37.48% compared with the beginning of the period, mainly due to the issuance of the corporate bond by the Company.
- (10) Other comprehensive income as at the end of the period increased by 849.08% compared with the beginning of the period, mainly due to the changes in currency translation differences and rise in fair value of the hedging instruments of fuel swaps contracts held by the Company's subsidiary, SinoSing Power Pte. Ltd..

***Consolidated income statement items***

- (1) Non-operating income decreased by 50.22% compared with the same period of last year, mainly due to the less amount of government grants received.
- (2) Net profit attributable to shareholders of the Company decreased by 29.06% compared with the same period of last year, mainly due to the reduction of on-grid tariff for coal-fired power decided by NDRC, decline in power generation and increase in unplanned power transaction compared with the same period of last year.

***Consolidated cash flows statement items***

- (1) Net cash flows generated from investing activities (net cash outflow) decreased by 58.38% compared with the same period of last year, mainly due to the cash outflow of the Company for acquisition of its subsidiaries last year.
- (2) Net cash flows generated from financing activities (net cash outflow) increased by 43.43% compared with the same period of last year, mainly due to the increase of cash repayments of borrowings among the Company and its subsidiaries.

**3.2 Analysis and description of significant events and their impacts and solutions**

Applicable  Not applicable

### 3.3 Status of performance of undertakings given by the Company and shareholders holding 5% or more of shareholding

Applicable     Not applicable

| Background  | Type (s) of Undertakings        | Covenantor  | Details of the Undertaking   | Time and duration of undertaking                            | Expiration period | Has the implementation been timely performed |
|---|---------------------------------|---|--|---|-------------------|--|
| Undertaking relevant to the initial public issuance | To resolve business competition | Huaneng International Power Development Corporation | In disposing of power plant(s) by HIPDC, the Company has a right of first refusal in whether to acquire such power plant(s). In developing coal-fired power plants having capacity of more than 300 MW, the Company will be the only developer under the terms and conditions of the relevant restructuring agreement. With respect to power plants having capacity that fall below 300 MW or other power plants, unless the Company indicates in writing that it has no intention to develop, otherwise the development right should belong to the Company. HIPDC at the same time indicates that with regard to the power development business it engages within China, it will not compete with the Company's business. | This undertaking shall be subsisting and being performed    | No                | Yes  |
|   | To resolve business competition | China Huaneng Group                                 | The Company has a right of first refusal in the power assets, equity interest and power development projects to be transferred by Huaneng Group  | This undertaking shall be subsisting and is being performed | No                | Yes  |



| Background        | Type (s) of Undertakings        | Covenantor          | Details of the Undertaking   | Time and duration of undertaking                      | Expiration period | Has the implementation been timely performed |
|-------------------|---------------------------------|---------------------|--|---|-------------------|--|
| Other undertaking | To resolve business competition | China Huaneng Group | <p>In order to support the business of Huaneng Power International, Huaneng Group provided non-compete undertakings to Huaneng Power International at times of its initial public offerings within the PRC and overseas. With respect to the non-public placement of shares in 2010 by Huaneng Power International, Huaneng Group provided an Undertaking on Relevant Matters for Further Avoidance of Business Competition by Huaneng Group with Huaneng Power International, Inc. on 17 September 2010 (“Non-Compete Undertakings”). To further define the implementation terms and in conjunction with the requirements under Guidance Note No.4 relating to Supervision of Listed Companies – undertakings and implementation of the listed companies’ de facto controllers, shareholders, related parties, acquirer and listed companies and the actual circumstances. On 28 June 2014, Huaneng Group refined and regulated the aforesaid Non-Compete Undertakings in terms set out below:</p> <p>1. it shall treat Huaneng Power International as the only platform for integrating the conventional energy business of Huaneng Group;</p> | Term of undertaking: 28 June 2014 to 31 December 2016 | Yes               | –  |

| Background | Type (s) of Undertakings | Covenantor | Details of the Undertaking   | Time and duration of undertaking | Expiration period | Has the implementation been timely performed |
|------------|--------------------------|------------|--|----------------------------------|-------------------|--|
|            |                          |            | <p>2. with respect to the conventional energy business assets of Huaneng Group located in Shandong Province, Huaneng Group undertakes that it will improve the profitability of such assets and inject those assets which meet the conditions for listed company (the title(s) of assets or shareholding interest(s) is/are clearly defined, such assets will not lower the earnings per share of Huaneng Power International after injection, with no material breaches or violation of laws and regulations, preservation of the value of state-owned asset(s), renunciation of the pre-emptive rights of existing shareholders) into Huaneng Power International by end of 2016. Huaneng Power International has a right of first refusal to acquire from Huaneng Group the newly developed, acquired or invested projects which are engaged in the conventional energy business of Huaneng Group located in Shandong Province.</p> |                                  |                   |  |

| Background | Type (s) of Undertakings | Covenantor | Details of the Undertaking   | Time and duration of undertaking | Expiration period | Has the implementation been timely performed |
|------------|--------------------------|------------|--|----------------------------------|-------------------|--|
|            |                          |            | <p>3. with respect to the other non-listed conventional energy business assets of Huaneng Group located in other provincial administrative regions, Huaneng Group undertakes that it will inject such assets which meet the conditions for listed company (the title(s) of assets or shareholding interest(s) is/are clearly defined, such assets will not lower the earnings per share of Huaneng Power International after injection, with no material breaches or violation of laws and regulations, preservation of the value of state-owned asset(s), renunciation of the pre-emptive rights of existing shareholders) into Huaneng Power International by end of 2016 in order to support the sustainable, stable development of Huaneng Power International.</p> <p>4. Huaneng Group will continue to perform each of its undertakings to support the development of its subordinated listed companies.</p> |                                  |                   |  |

**3.4 Warnings on any potential loss in accumulated net profit for the period from the beginning of the year to the end of next reporting period or any material changes from the corresponding period last year and the reasons therefor**

Applicable  Not applicable

By Order of the Board  
**Huaneng Power International, Inc.**  
**Cao Peixi**  
*Chairman*

As at the date of this announcement, the Directors of the Company are:

Cao Peixi (*Executive Director*)

Guo Junming (*Non-executive Director*)

Liu Guoyue (*Executive Director*)

Li Shiqi (*Non-executive Director*)

Huang Jian (*Non-executive Director*)

Fan Xiaxia (*Executive Director*)

Mi Dabin (*Non-executive Director*)

Guo Hongbo (*Non-executive Director*)

Zhu Yousheng (*Non-executive Director*)

Li Song (*Non-executive Director*)

Li Zhensheng (*Independent Non-executive Director*)

Yue Heng (*Independent Non-executive Director*)

Geng Jianxin (*Independent Non-executive Director*)

Xia Qing (*Independent Non-executive Director*)

Xu Mengzhou (*Independent Non-executive Director*)

Beijing, the PRC

25 October 2016

**APPENDIX**

**HUANENG POWER INTERNATIONAL, INC.**  
**UNAUDITED CONSOLIDATED AND THE COMPANY BALANCE SHEETS (PRC GAAP)**  
**AS AT 30 SEPTEMBER, 2016**

*Amounts: In RMB Yuan*

| <b>ASSETS</b>                         | <b>30 September 2016</b> | 31 December 2015 | <b>30 September 2016</b> | 31 December 2015 |
|---------------------------------------|--------------------------|------------------|--------------------------|------------------|
|                                       | <b>Consolidated</b>      | Consolidated     | <b>The Company</b>       | The Company      |
| <b>CURRENT ASSETS</b>                 |                          |                  |                          |                  |
| Cash                                  | 7,650,272,841            | 7,537,812,634    | 969,383,999              | 2,273,464,226    |
| Derivative financial assets           | 113,286,489              | 139,467,987      | -                        | -                |
| Notes receivable                      | 2,315,030,610            | 1,977,789,715    | 441,260,232              | 380,297,171      |
| Accounts receivable                   | 12,195,114,608           | 14,399,611,218   | 4,261,771,970            | 4,859,990,862    |
| Advances to suppliers                 | 683,584,375              | 573,970,075      | 125,375,717              | 85,474,780       |
| Interest receivable                   | 97,890                   | 175,160          | 30,997,952               | 213,920,590      |
| Dividends receivable                  | 30,000,000               | 305,000,000      | 2,651,936,268            | 1,058,459,538    |
| Other receivables                     | 1,405,144,610            | 1,307,297,052    | 2,250,388,444            | 1,747,432,091    |
| Inventories                           | 5,708,341,112            | 5,422,732,047    | 2,060,366,625            | 1,637,837,109    |
| Current portion of non-current assets | 135,531,144              | 118,026,701      | 28,350                   | -                |
| Other current assets                  | 219,848,635              | 104,708,098      | 8,848,415,533            | 15,063,382,335   |
| <b>Total current assets</b>           | <b>30,456,252,314</b>    | 31,886,590,687   | <b>21,639,925,090</b>    | 27,320,258,702   |
| <b>NON-CURRENT ASSETS</b>             |                          |                  |                          |                  |
| Available-for-sale financial assets   | 5,060,897,365            | 5,127,862,900    | 5,048,646,565            | 5,115,612,100    |
| Derivative financial assets           | 35,603,683               | 45,044,194       | -                        | -                |
| Long-term receivables                 | 576,500,569              | 618,279,275      | -                        | -                |
| Long-term equity investment           | 20,220,466,088           | 19,516,628,707   | 67,789,128,803           | 65,845,969,123   |
| Fixed assets                          | 191,288,464,788          | 195,479,962,401  | 55,755,732,475           | 58,139,351,838   |
| Fixed assets pending for disposal     | 115,281,702              | 103,310,923      | 5,392,527                | 311,632          |
| Construction-in-progress              | 23,169,493,787           | 20,202,551,214   | 1,266,112,171            | 1,323,553,751    |
| Construction materials                | 4,112,383,305            | 2,911,105,346    | 96,115,770               | 89,989,144       |
| Intangible assets                     | 12,033,915,252           | 11,679,861,086   | 1,602,310,151            | 1,662,275,980    |
| Goodwill                              | 10,583,139,764           | 9,930,141,838    | -                        | -                |
| Long-term deferred expenses           | 164,519,647              | 148,122,857      | 16,764,474               | 10,971,200       |
| Deferred income tax assets            | 1,243,293,337            | 1,305,547,887    | -                        | -                |
| Other non-current assets              | 663,622,399              | 774,713,307      | 15,538,170,000           | 14,226,220,000   |
| <b>Total non-current assets</b>       | <b>269,267,581,686</b>   | 267,843,131,935  | <b>147,118,372,936</b>   | 146,414,254,768  |
| <b>TOTAL ASSETS</b>                   | <b>299,723,834,000</b>   | 299,729,722,622  | <b>168,758,298,026</b>   | 173,734,513,470  |

| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>30 September 2016</b> | 31 December 2015 | <b>30 September 2016</b> | 31 December 2015 |
|---|--------------------------|------------------|--------------------------|------------------|
|   | <b>Consolidated</b>      | Consolidated     | <b>The Company</b>       | The Company      |
| <b>CURRENT LIABILITIES</b>                  |                          |                  |                          |                  |
| Short-term loans                            | <b>50,138,149,500</b>    | 49,883,489,272   | <b>31,649,000,000</b>    | 34,890,000,000   |
| Derivative financial liabilities            | <b>283,530,736</b>       | 874,851,968      | -                        | -                |
| Notes payable                               | <b>955,166,331</b>       | 953,319,304      | -                        | -                |
| Accounts payable                            | <b>8,176,194,048</b>     | 8,449,768,683    | <b>3,040,590,877</b>     | 3,221,110,024    |
| Advances from customers                     | <b>236,622,856</b>       | 449,374,818      | <b>42,060,356</b>        | 156,441,992      |
| Salary and welfare payables                 | <b>451,191,960</b>       | 313,284,207      | <b>113,442,798</b>       | 89,226,025       |
| Taxes payable                               | <b>(1,577,281,178)</b>   | (1,226,234,304)  | <b>225,534,647</b>       | 335,966,821      |
| Interest payables                           | <b>782,502,368</b>       | 874,333,435      | <b>661,080,179</b>       | 579,116,412      |
| Dividends payable                           | <b>2,169,875,007</b>     | 788,895,018      | -                        | -                |
| Other payables                              | <b>13,952,100,468</b>    | 15,078,582,838   | <b>2,356,845,585</b>     | 2,749,388,438    |
| Current portion of non-current liabilities  | <b>13,115,337,384</b>    | 24,371,172,670   | <b>6,706,848,403</b>     | 15,435,571,373   |
| Provision                                   | <b>11,710,328</b>        | 15,000,516       | <b>8,748,059</b>         | 14,500,326       |
| Other current liabilities                   | <b>23,664,670,919</b>    | 19,689,579,263   | <b>23,496,326,473</b>    | 19,597,238,688   |
| <b>Total current liabilities</b>            | <b>112,359,770,727</b>   | 120,515,417,688  | <b>68,300,477,377</b>    | 77,068,560,099   |
| <b>NON-CURRENT LIABILITIES</b>              |                          |                  |                          |                  |
| Long-term loans                             | <b>67,623,923,352</b>    | 66,028,023,341   | <b>7,266,934,906</b>     | 10,254,177,412   |
| Derivative financial liabilities            | <b>301,848,175</b>       | 430,089,029      | <b>69,544,673</b>        | 80,456,775       |
| Bonds payable                               | <b>15,481,988,814</b>    | 11,261,322,093   | <b>15,481,988,814</b>    | 11,261,322,093   |
| Long-term payables                          | <b>953,075,645</b>       | 1,359,610,099    | -                        | -                |
| Long-term Employee benefits payable         | <b>95,939,814</b>        | 97,024,959       | <b>168,134</b>           | 245,763          |
| Specific accounts payable                   | <b>46,452,895</b>        | 48,233,541       | <b>31,581,554</b>        | 30,349,448       |
| Deferred income tax liabilities             | <b>1,585,170,301</b>     | 1,417,972,209    | <b>81,365,832</b>        | 82,709,171       |
| Deferred income                             | <b>2,588,553,639</b>     | 2,632,172,641    | <b>1,889,986,975</b>     | 1,932,378,381    |
| <b>Total non-current liabilities</b>        | <b>88,676,952,635</b>    | 83,274,447,912   | <b>24,821,570,888</b>    | 23,641,639,043   |
| <b>TOTAL LIABILITIES</b>                    | <b>201,036,723,362</b>   | 203,789,865,600  | <b>93,122,048,265</b>    | 100,710,199,142  |

| LIABILITIES AND SHAREHOLDERS' EQUITY<br>(CONTINUED)                 | 30 September 2016<br>Consolidated | 31 December 2015<br>Consolidated | 30 September 2016<br>The Company | 31 December 2015<br>The Company |
|---|-----------------------------------|----------------------------------|----------------------------------|---------------------------------|
| <b>SHAREHOLDERS' EQUITY</b>   |                                   |                                  |                                  |                                 |
| Share capital   | 15,200,383,440                    | 15,200,383,440                   | 15,200,383,440                   | 15,200,383,440                  |
| Capital surplus   | 18,250,777,217                    | 18,250,777,217                   | 17,017,744,278                   | 17,017,744,278                  |
| Other comprehensive income  | 1,286,588,198                     | 135,560,726                      | 2,199,723,357                    | 2,442,247,279                   |
| Special reserves  | 45,444,256                        | 29,499,876                       | 36,286,149                       | 21,835,284                      |
| Surplus reserves  | 8,186,274,738                     | 8,186,274,738                    | 8,186,274,738                    | 8,186,274,738                   |
| Undistributed profits   | 39,806,890,322                    | 37,606,474,295                   | 32,995,837,799                   | 30,155,829,309                  |
| Shareholders' equity attributable to shareholders<br>of the Company | 82,776,358,171                    | 79,408,970,292                   | 75,636,249,761                   | 73,024,314,328                  |
| Non-controlling interests   | 15,910,752,467                    | 16,530,886,730                   | —                                | —                               |
| <b>Total shareholders' equity</b>                                   | <b>98,687,110,638</b>             | <b>95,939,857,022</b>            | <b>75,636,249,761</b>            | <b>73,024,314,328</b>           |
| <b>TOTAL LIABILITIES AND<br/>SHAREHOLDERS' EQUITY</b>               | <b>299,723,834,000</b>            | <b>299,729,722,622</b>           | <b>168,758,298,026</b>           | <b>173,734,513,470</b>          |

*Legal representative:*  
**Cao Peixi**

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

*Person in charge of  
accounting department:*  
**Li Yinghui**

**HUANENG POWER INTERNATIONAL, INC.**  
**UNAUDITED CONSOLIDATED AND THE COMPANY INCOME STATEMENTS**  
**(PRC GAAP)**  
**FOR THIRD QUARTER ENDED 30 SEPTEMBER, 2016**

*Amounts: In RMB Yuan, Except Per Share Data*

|  | For the<br>quarter ended<br>30 September,<br>2016<br>Consolidated | For the<br>quarter ended<br>30 September,<br>2015<br>Consolidated | For the<br>quarter ended<br>30 September,<br>2016<br>The Company | For the<br>quarter ended<br>30 September,<br>2015<br>The Company |
|--|---|---|--|--|
| <b>Operating revenue</b>   | <b>30,296,259,772</b>   | 31,943,846,855  | <b>11,437,258,232</b>  | 11,764,779,801   |
| Less: Operating cost   | <b>23,010,201,776</b>   | 22,336,754,209  | <b>8,315,230,174</b>   | 7,690,932,260  |
| Tax and levies on operations                                       | <b>212,280,273</b>  | 281,127,247   | <b>91,164,026</b>  | 142,412,350  |
| Selling expenses   | <b>4,121,431</b>  | 1,103,529   | <b>1,488,743</b>   | —  |
| General and administrative expenses                                | <b>832,308,444</b>  | 962,578,869   | <b>451,096,694</b>   | 538,499,923  |
| Financial expenses   | <b>1,712,500,753</b>  | 2,116,559,096   | <b>947,854,437</b>   | 1,323,382,344  |
| Asset impairment loss  | <b>(322,432)</b>  | (9,138)   | —  | —  |
| Add: Gain on fair value changes of financial<br>assets/liabilities | <b>81,157</b>   | 14,657,817  | —  | —  |
| Investment income  | <b>438,730,173</b>  | 403,928,184   | <b>3,677,717,291</b>   | 2,697,798,263  |
| Including: Investment income from associates<br>and joint ventures | <b>438,487,487</b>  | 426,687,368   | <b>340,361,341</b>   | 278,654,167  |
| <b>Operating profit</b>  | <b>4,963,980,857</b>  | 6,664,319,044   | <b>5,308,141,449</b>   | 4,767,351,187  |
| Add: Non-operating income  | <b>145,098,826</b>  | 128,965,646   | <b>106,087,135</b>   | 77,386,485   |
| Including: gain on disposals of non-current<br>assets              | <b>3,027,418</b>  | 20,232,259  | <b>2,440,229</b>   | 3,267,542  |
| Less: Non-operating expenses                                       | <b>197,674,148</b>  | 56,629,722  | <b>147,129,133</b>   | 12,862,400   |
| Including: loss on disposals of non-current<br>assets              | <b>161,452,655</b>  | 27,581,524  | <b>134,785,225</b>   | 838,395  |
| <b>Profit before tax</b>   | <b>4,911,405,535</b>  | 6,736,654,968   | <b>5,267,099,451</b>   | 4,831,875,272  |
| Less: Income tax expense   | <b>1,157,629,523</b>  | 1,615,166,151   | <b>465,734,324</b>   | 624,332,820  |
| <b>Net profit</b>  | <b>3,753,776,012</b>  | 5,121,488,817   | <b>4,801,365,127</b>   | 4,207,542,452  |
| <b>Attributable to:</b>  |   |   |  |  |
| Shareholders of the Company  | <b>3,096,386,557</b>  | 4,176,176,808   | <b>4,801,365,127</b>   | 4,207,542,452  |
| Non-controlling interests  | <b>657,389,455</b>  | 945,312,009   | —  | —  |



|  | For the<br>quarter ended<br>30 September,<br>2016<br>Consolidated         | For the<br>quarter ended<br>30 September,<br>2015<br>Consolidated          | For the<br>quarter ended<br>30 September,<br>2016<br>The Company | For the<br>quarter ended<br>30 September,<br>2015<br>The Company |
|--|---|--|--|--|
| <b>Earnings per share (based on the net profit attributable to shareholders of the Company) (expressed in RMB per share)</b> |   |  |  |  |
| – Basic earnings per share   | 0.21  | 0.29   | —  | —  |
| – Diluted earnings per share   | 0.21  | 0.29   | —  | —  |
| <b>Other comprehensive income, net of tax</b>  | <b>151,728,922</b>  | 375,157,895  | <b>119,530,257</b>   | 836,924,490  |
| Items that may be reclassified subsequently to profit or loss attributable to shareholders of the Company                    | <b>151,812,786</b>  | 375,371,884  | <b>119,530,257</b>   | 836,924,490  |
| Including:   |   |  |  |  |
| Fair value changes of available-for-sale financial asset   | <b>156,467,548</b>  | (73,404,529)   | <b>156,467,548</b>   | (73,404,529)   |
| Share of other comprehensive income of investees accounted for under the equity method                                       | <b>(51,639,117)</b>   | 919,122,527  | <b>(51,639,117)</b>  | 919,122,527  |
| Effective portion of cash flow hedges  | <b>138,752,595</b>  | (217,968,013)  | <b>14,701,826</b>  | (8,793,508)  |
| Translation differences of the financial statements of foreign operations  | <b>(91,768,240)</b>   | (252,378,101)  | –  | –  |
| Other comprehensive loss attributable to non-controlling interests, net of tax   | <b>(83,864)</b>   | (213,989)  | —  | —  |
| <b>Total comprehensive income</b>  | <b><u>3,905,504,934</u></b>   | <u>5,496,646,712</u>   | <b><u>4,920,895,384</u></b>                                      | <u>5,044,466,942</u>   |
| <b>Attributable to:</b>  |   |  |  |  |
| Shareholders of the Company  | <b>3,248,199,343</b>  | 4,551,548,692  | <b>4,920,895,384</b>   | 5,044,466,942  |
| Non-controlling interests  | <b>657,305,591</b>  | 945,098,020  | —  | —  |
| <i>Legal representative:</i><br><b>Cao Peixi</b>   | <i>Person in charge of<br/>accounting function:</i><br><b>Huang Lixin</b> | <i>Person in charge of<br/>accounting department:</i><br><b>Li Yinghui</b> |  |  |

**HUANENG POWER INTERNATIONAL, INC.**  
**UNAUDITED CONSOLIDATED AND THE COMPANY INCOME STATEMENTS (PRC GAAP)**

FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2016

Amounts: In RMB Yuan, Except Per Share Data

|  | For the nine<br>months ended<br>30 September,<br>2016<br>Consolidated | For the nine<br>months ended<br>30 September,<br>2015<br>Consolidated | For the nine<br>months ended<br>30 September,<br>2016<br>The Company | For the nine<br>months ended<br>30 September,<br>2015<br>The Company |
|--|---|---|--|--|
| <b>Operating revenue</b>   | <b>83,220,630,924</b>   | 97,249,318,901  | <b>30,903,238,194</b>  | 37,507,880,302   |
| Less: Operating cost   | <b>60,844,051,526</b>   | 67,746,083,025  | <b>21,414,181,858</b>  | 24,735,983,355   |
| Tax and levies on operations                                       | <b>669,559,625</b>  | 891,648,250   | <b>280,390,479</b>   | 429,622,990  |
| Selling expenses   | <b>9,525,550</b>  | 3,053,737   | <b>3,050,414</b>   | —  |
| General and administrative expenses                                | <b>2,510,260,696</b>  | 2,746,545,213   | <b>1,398,435,358</b>   | 1,535,007,965  |
| Financial expenses   | <b>5,116,134,547</b>  | 5,962,978,320   | <b>2,807,987,740</b>   | 3,621,920,822  |
| Asset impairment loss  | <b>147,202,595</b>  | 177,171,263   | <b>(1,113)</b>   | 178,127,559  |
| Add: Loss on fair value changes of financial<br>assets/liabilities | <b>(17,746,795)</b>   | (25,916,437)  | —  | —  |
| Investment income  | <b>1,130,034,666</b>  | 1,313,341,855   | <b>6,441,606,645</b>   | 6,975,395,561  |
| Including: Investment income from associates<br>and joint ventures | <b>995,724,874</b>  | 1,178,916,562   | <b>712,307,396</b>   | 788,497,149  |
| <b>Operating profit</b>  | <b>15,036,184,256</b>   | 21,009,264,511  | <b>11,440,800,103</b>  | 13,982,613,172   |
| Add: Non-operating income  | <b>369,262,621</b>  | 741,731,551   | <b>208,968,259</b>   | 626,286,683  |
| Including: gain on disposals of non-current<br>assets              | <b>5,450,095</b>  | 31,122,571  | <b>2,983,961</b>   | 7,991,759  |
| Less: Non-operating expenses                                       | <b>263,033,212</b>  | 220,262,324   | <b>154,844,996</b>   | 109,808,013  |
| Including: loss on disposals of non-current<br>assets              | <b>206,246,911</b>  | 106,826,879   | <b>142,263,251</b>   | 51,557,173   |
| <b>Profit before tax</b>   | <b>15,142,413,665</b>   | 21,530,733,738  | <b>11,494,923,366</b>  | 14,499,091,842   |
| Less: Income tax expense   | <b>3,633,568,416</b>  | 5,226,957,629   | <b>1,510,074,659</b>   | 2,254,246,407  |
| <b>Net profit</b>  | <b>11,508,845,249</b>   | 16,303,776,109  | <b>9,984,848,707</b>   | 12,244,845,435   |
| <b>Attributable to:</b>  |   |   |  |  |
| Shareholders of the Company  | <b>9,388,699,756</b>  | 13,234,752,709  | <b>9,984,848,707</b>   | 12,244,845,435   |
| Non-controlling interests  | <b>2,120,145,493</b>  | 3,069,023,400   | —  | —  |

|  | <b>For the nine<br/>months ended<br/>30 September,<br/>2016<br/>Consolidated</b> | For the nine<br>months ended<br>30 September,<br>2015<br>Consolidated | <b>For the nine<br/>months ended<br/>30 September,<br/>2016<br/>The Company</b> | For the nine<br>months ended<br>30 September,<br>2015<br>The Company |
|--|--|---|---|--|
| <b>Earnings per share (based on the net profit attributable to shareholders of the Company) (expressed in RMB per share)</b> |  |   |   |  |
| - Basic earnings per share   | <b>0.62</b>  | 0.92  | —   | —  |
| - Diluted earnings per share   | <b>0.62</b>  | 0.92  | —   | —  |
| <b>Other comprehensive income/(loss), net of tax</b>   | <b>1,151,730,054</b>   | 1,515,548,702   | <b>(242,523,922)</b>  | 1,686,085,928  |
| Items that may be reclassified subsequently to profit or loss attributable to shareholders of the Company                    | <b>1,151,027,472</b>   | 1,515,930,655   | <b>(242,523,922)</b>  | 1,686,085,928  |
| Including:   |  |   |   |  |
| Fair value changes of available-for-sale financial asset   | <b>(50,224,151)</b>  | 710,864,910   | <b>(50,224,151)</b>   | 710,864,910  |
| Share of other comprehensive income of investees accounted for under the equity method                                       | <b>(200,483,848)</b>   | 978,141,452   | <b>(200,483,848)</b>  | 978,141,452  |
| Effective portion of cash flow hedges  | <b>627,784,440</b>   | 287,261,352   | <b>8,184,077</b>  | (2,920,434)  |
| Translation differences of the financial statements of foreign operations  | <b>773,951,031</b>   | (460,337,059)   | —   | —  |
| Other comprehensive income/(loss) attributable to non-controlling interests, net of tax                                      | <b>702,582</b>   | (381,953)   | —   | —  |
| <b>Total comprehensive income</b>  | <b><u>12,660,575,303</u></b>   | <u>17,819,324,811</u>   | <b><u>9,742,324,785</u></b>   | <u>13,930,931,363</u>  |
| <b>Attributable to:</b>  |  |   |   |  |
| Shareholders of the Company  | <b>10,539,727,228</b>  | 14,750,683,364  | <b>9,742,324,785</b>  | 13,930,931,363   |
| Non-controlling interests  | <b>2,120,848,075</b>   | 3,068,641,447   | —   | —  |

*Legal representative:*  
**Cao Peixi**

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

*Person in charge of  
accounting department:*  
**Li Yinghui**

**HUANENG POWER INTERNATIONAL, INC.**  
**UNAUDITED CONSOLIDATED AND THE COMPANY CASH FLOW STATEMENTS**  
**(PRC GAAP)**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2016**

*Amounts: In RMB Yuan*

| Items  | For the nine<br>months ended<br>30 September,<br>2016<br>Consolidated | For the nine<br>months ended<br>30 September,<br>2015<br>Consolidated | For the nine<br>months ended<br>30 September,<br>2016<br>The Company | For the nine<br>months ended<br>30 September,<br>2015<br>The Company |
|--|---|---|--|--|
| <b>Cash flows generated from operating activities</b>  |   |   |  |  |
| Cash received from sales of goods and services rendered  | 95,293,166,166  | 112,387,332,085   | 36,140,700,157   | 45,384,077,746   |
| Cash received from return of taxes and fees  | 29,998,416  | 52,621,948  | -  | 2,999,352  |
| Other cash received relating to operating activities   | 376,400,800   | 1,136,987,784   | 187,432,120  | 597,553,183  |
| <b>Sub-total of cash inflows of operating activities</b>   | <b>95,699,565,382</b>   | <b>113,576,941,817</b>  | <b>36,328,132,277</b>  | <b>45,984,630,281</b>  |
| Cash paid for goods and services received  | 50,800,338,537  | 58,417,009,532  | 19,843,316,698   | 25,674,615,458   |
| Cash paid to and on behalf of employees including salary,<br>social welfare, education funds and others in such manner | 5,276,612,831   | 5,039,358,225   | 2,336,286,662  | 2,224,375,942  |
| Payments of taxes  | 11,439,831,830  | 13,543,688,663  | 4,591,311,636  | 5,834,840,123  |
| Other cash paid relating to operating activities   | 783,463,722   | 1,024,337,512   | 422,575,851  | 787,266,362  |
| <b>Sub-total of cash outflows of operating activities</b>  | <b>68,300,246,920</b>   | <b>78,024,393,932</b>   | <b>27,193,490,847</b>  | <b>34,521,097,885</b>  |
| <b>Net cash flows generated from operating activities</b>  | <b>27,399,318,462</b>   | <b>35,552,547,885</b>   | <b>9,134,641,430</b>   | <b>11,463,532,396</b>  |
| <b>Cash flows generated from investing activities</b>  |   |   |  |  |
| Cash received from withdrawal of investment  | -   | -   | 4,938,921,650  | -  |
| Cash received on investment income   | 727,041,746   | 359,024,937   | 4,665,093,491  | 4,763,749,825  |
| Net cash received from disposals of fixed assets,<br>intangible assets and other long-term assets                      | 114,118,853   | 44,621,861  | 29,315,034   | 17,028,899   |
| Cash received for acquisition of subsidiaries and other operating<br>units   | 166,066,370   | -   | -  | -  |
| Other cash received relating to investing activities   | 58,413,299  | 51,126,722  | -  | -  |
| <b>Sub-total of cash inflows of investing activities</b>   | <b>1,065,640,268</b>  | <b>454,773,520</b>  | <b>9,633,330,175</b>   | <b>4,780,778,724</b>   |
| Cash paid for acquiring fixed assets, intangible assets and other<br>long-term assets                                  | 12,416,283,911  | 17,935,745,763  | 1,222,352,573  | 2,502,516,884  |
| Cash paid for investments  | 239,153,600   | 688,050,000   | 1,763,233,600  | 13,966,483,225   |
| Net cash paid for acquiring subsidiaries and other operating units   | 2,332,825   | 9,670,930,957   | -  | -  |
| Other cash paid relating to investing activities   | 2,768,466   | 15,728,548  | -  | -  |
| <b>Sub-total of cash outflows of investing activities</b>  | <b>12,660,538,802</b>   | <b>28,310,455,268</b>   | <b>2,985,586,173</b>   | <b>16,469,000,109</b>  |
| <b>Net cash flows (used in)/generated from investing activities</b>  | <b>(11,594,898,534)</b>   | <b>(27,855,681,748)</b>   | <b>6,647,744,002</b>   | <b>(11,688,221,385)</b>  |

| Items   | For the nine months ended 30 September, 2016<br>Consolidated | For the nine months ended 30 September, 2015<br>Consolidated | For the nine months ended 30 September, 2016<br>The Company | For the nine months ended 30 September, 2015<br>The Company |
|---|--|--|---|---|
| <b>Cash flows generated from financing activities</b>                   |  |  |   |   |
| Cash received from investments  | 55,900,000   | 375,114,997  | -   | -   |
| Including: cash received from non-controlling interests of subsidiaries | 55,900,000   | 375,114,997  | —   | —   |
| Cash received from borrowings   | 70,250,861,480   | 57,382,653,892   | 41,320,000,000  | 36,292,814,229  |
| Cash received from issuance of bonds and short-term bonds               | 27,188,000,000   | 18,965,000,000   | 27,188,000,000  | 18,965,000,000  |
| Other cash received relating to financing activities                    | 162,274,851  | 247,422,012  | 103,170,724   | 79,203,327  |
| <b>Sub-total of cash inflows of financing activities</b>                | <b>97,657,036,331</b>  | <b>76,970,190,901</b>  | <b>68,611,170,724</b>                                       | <b>55,337,017,556</b>                                       |
| Repayments of borrowings  | 99,778,144,079   | 73,745,637,807   | 75,376,341,842  | 52,065,348,383  |
| Payments for dividends, profit or interest expense                      | 13,178,616,498   | 13,723,508,441   | 10,232,921,896  | 8,974,987,653   |
| Including: dividends paid to non-controlling interests of subsidiaries  | 1,353,304,082  | 1,554,781,726  | —   | —   |
| Other cash paid relating to financing activities                        | 411,773,515  | 455,519,587  | 24,222,600  | 39,000,000  |
| <b>Sub-total of cash outflows of financing activities</b>               | <b>113,368,534,092</b>                                       | <b>87,924,665,835</b>  | <b>85,633,486,338</b>                                       | <b>61,079,336,036</b>                                       |
| <b>Net cash flows used in financing activities</b>                      | <b>(15,711,497,761)</b>                                      | <b>(10,954,474,934)</b>                                      | <b>(17,022,315,614)</b>                                     | <b>(5,742,318,480)</b>                                      |
| <b>Effect of exchange rate fluctuations on cash held</b>                | <b>25,207,549</b>  | <b>(30,596,857)</b>  | <b>(62,015,221)</b>   | <b>40,304,309</b>   |
| <b>Net increase/(decrease) in cash</b>                                  | <b>118,129,716</b>   | <b>(3,288,205,654)</b>                                       | <b>(1,301,945,403)</b>                                      | <b>(5,926,703,160)</b>                                      |
| Add: cash at beginning of period  | 7,478,249,522  | 13,021,415,678   | 2,260,430,516   | 8,360,552,207   |
| <b>Cash at end of period</b>  | <b>7,596,379,238</b>   | <b>9,733,210,024</b>   | <b>958,485,113</b>  | <b>2,433,849,047</b>  |

*Legal representative:*  
**Cao Peixi**

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

*Person in charge of accounting department:*  
**Li Yinghui**