

To: Business Editor
(For immediate release)

July 31, 2018



**HUANENG POWER INTERNATIONAL, INC.
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS INCREASED BY 609.74%
FOR THE FIRST HALF YEAR OF 2018**

(Beijing, China, July 31, 2018) Huaneng Power International, Inc. (“HPI”, or the “Company”) (NYSE: HNP; HKEx: 902; SSE: 600011) today announced its unaudited operating results prepared under IFRS for the six months ended June 30, 2018.

For the first half year of 2018, the Company and its subsidiaries recorded consolidated operating revenue of RMB 82.405 billion (equivalent to approximately USD 12.454 billion, based on the exchange rate of USD 1 to RMB 6.6166 as of June 30, 2018), 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 RMB 1.731 billion (equivalent to approximately USD 0.262 billion), representing an increase of 609.74% compared to the same period of last year. The earnings per share was RMB 0.11 and earnings per ADS amounted to RMB 4.22 (equivalent to approximately USD 0.64). The main reason for the increase of the net profit is the rise of power generation and electricity tariff.

In the first half of 2018, the Company took the initiative to cope with 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, and strengthened the ability of securing fuel supply and cost control, in order to better accomplish the intended objectives and tasks.

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 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.

Cost Control. During 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.

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.

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).

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, strengthen the flourishing situation in both production and sales, continuously enhance its business performance, and strive to create more value for the country, society, and its shareholders.

~ End ~

Encl: The consolidated financial information of the Company and its subsidiaries prepared under IFRS for the six months ended June 30, 2018.

About Huaneng Power International, Inc.

Huaneng Power International, Inc. is one of China's largest listed power producers with controlled generation capacity of 104,425 MW and equity-based generation capacity of 91,894MW. 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 JUNE 30, 2018
(Amounts expressed in thousands)

	As at June 30, 2018		As at December 31, 2017
	RMB	US\$	RMB (Note)
ASSETS			
Non-current assets			
Property, plant and equipment	278,822,750	42,139,883	284,328,093
Investments in associates and joint ventures	19,694,225	2,976,487	19,517,623
Investment property	219,368	33,154	217,406
Available-for-sale financial assets	-	-	1,604,993
Other equity instrument investments	2,080,871	314,492	-
Land use rights	11,212,378	1,694,583	11,264,785
Power generation licenses	3,880,557	586,488	3,916,246
Mining rights	1,646,271	248,809	1,646,271
Deferred income tax assets	2,008,369	303,535	2,300,091
Derivative financial assets	92,933	14,045	75,328
Goodwill	15,387,868	2,325,646	15,484,120
Other non-current assets	7,554,585	1,141,764	7,696,845
Total non-current assets	342,600,175	51,778,886	348,051,801
Current assets			
Inventories	8,950,286	1,352,702	7,385,411
Other receivables and assets	5,717,279	864,081	6,081,517
Accounts receivable	24,878,005	3,759,938	25,447,595
Derivative financial assets	375,631	56,771	258,364
Bank balances and cash	16,264,513	2,458,137	9,364,823
Total current assets	56,185,714	8,491,629	48,537,710
Total assets	398,785,889	60,270,515	396,589,511

	As at June 30, 2018		As at December 31, 2017
	RMB	US\$	RMB (Note)
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	15,200,383	2,297,310	15,200,383
Perpetual corporate bonds	4,999,950	755,668	5,068,550
Capital surplus	24,435,402	3,693,045	24,114,400
Surplus reserves	8,140,030	1,230,244	8,140,030
Currency translation differences	(868,868)	(131,316)	(675,054)
Retained earnings	35,877,891	5,422,405	35,793,257
	<u>87,784,788</u>	<u>13,267,356</u>	<u>87,641,566</u>
Non-controlling interests	20,969,294	3,169,195	19,973,038
Total equity	<u>108,754,082</u>	<u>16,436,551</u>	<u>107,614,604</u>
Non-current liabilities			
Long-term loans	118,558,847	17,918,394	107,030,958
Long-term bonds	20,486,433	3,096,218	15,993,833
Deferred income tax liabilities	4,288,212	648,099	4,566,680
Derivative financial liabilities	58,773	8,883	148,486
Other non-current liabilities	5,363,068	810,547	5,284,462
Total non-current liabilities	<u>148,755,333</u>	<u>22,482,141</u>	<u>133,024,419</u>
Current liabilities			
Accounts payable and other liabilities	35,526,103	5,369,238	38,900,132
Contract liabilities	593,675	89,725	-
Taxes payable	1,070,653	161,813	1,302,210
Dividends payable	1,948,404	294,472	1,735,426
Derivative financial liabilities	15,194	2,296	62,178
Short-term bonds	20,631,759	3,118,181	11,068,357
Short-term loans	59,525,772	8,996,429	80,251,348
Current portion of long-term loans	21,660,142	3,273,606	18,098,458
Current portion of long-term bonds	-	-	3,997,033
Current portion of other non-current liabilities	304,772	46,063	535,346
Total current liabilities	<u>141,276,474</u>	<u>21,351,823</u>	<u>155,950,488</u>
Total liabilities	<u>290,031,807</u>	<u>43,833,964</u>	<u>288,974,907</u>
Total equity and liabilities	<u>398,785,889</u>	<u>60,270,515</u>	<u>396,589,511</u>

Note: The Company and its subsidiaries have initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated.

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=RMB6.6166 announced by the People's Bank of China on June 29, 2018. No representation is made that Renminbi amounts could have been, or could be, converted into United States dollars at that rate as at June 29, 2018, or at any other certain rate.

HUANENG POWER INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2018
(Amounts expressed in thousands, except per share data)

	For the six months ended June 30		
	2018		2017
	RMB	US\$	RMB (Note i)
Operating revenue	82,404,919	12,454,269	71,433,689
Tax and levies on operations	(876,085)	(132,407)	(648,556)
Operating expenses			
Fuel	(51,599,895)	(7,798,551)	(44,001,200)
Maintenance	(1,721,161)	(260,128)	(1,715,061)
Depreciation	(10,123,301)	(1,529,985)	(10,146,899)
Labor	(4,499,789)	(680,076)	(4,314,259)
Service fees on transmission and transformer facilities of HIPDC	(48,360)	(7,309)	(48,360)
Purchase of electricity	(2,197,348)	(332,096)	(1,807,341)
Others	(3,627,746)	(548,279)	(3,684,999)
Total operating expenses	<u>(73,817,600)</u>	<u>(11,156,424)</u>	<u>(65,718,119)</u>
Profit from operations	<u>7,711,234</u>	<u>1,165,438</u>	<u>5,067,014</u>
Interest income	107,974	16,319	95,234
Financial expenses, net			
Interest expense	(5,138,907)	(776,669)	(4,662,641)
Exchange (loss)/gain and bank charges, net	(68,294)	(10,321)	50,667
Total financial expenses, net	<u>(5,207,201)</u>	<u>(786,990)</u>	<u>(4,611,974)</u>
Share of profits less losses of associates and joint ventures	385,030	58,192	156,070
Loss on fair value changes of financial assets/liabilities	(1,488)	(225)	(6,374)
Other investment income	11,010	1,662	120,066
Profit before income tax expense	<u>3,006,559</u>	<u>454,396</u>	<u>820,036</u>
Income tax expense	(744,586)	(112,533)	(478,875)
Net profit	<u>2,261,973</u>	<u>341,863</u>	<u>341,161</u>

	For the six months ended June 30		
	2018		2017
	RMB	US\$	RMB (Note i)
Other comprehensive (loss)/income, net of tax			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value changes of other equity instrument investments	(538.00)	(81)	-
Share of other comprehensive loss of investees accounted for under the equity method	(46,047)	(6,959)	-
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value changes of available-for-sale financial asset (Note ii)	-	-	293,611
Share of other comprehensive loss of investees accounted for under the equity method	(147,194)	(22,246)	(3,574)
Effective portion of cash flow hedges	225,362	34,060	(248,452)
Translation differences of the financial statements of foreign operations	(213,473)	(32,264)	282,485
Other comprehensive (loss)/income, net of tax	<u>(181,890)</u>	<u>(27,490)</u>	<u>324,070</u>
Total comprehensive income	<u>2,080,083</u>	<u>314,373</u>	<u>665,231</u>
Net profit attributable to:			
- Equity holders of the Company	1,731,372	261,671	243,944
- Non-controlling interests	530,601	80,192	97,217
	<u>2,261,973</u>	<u>341,863</u>	<u>341,161</u>
Total comprehensive income attributable to:			
- Equity holders of the Company	1,569,157	237,154	572,696
- Non-controlling interests	510,926	77,219	92,535
	<u>2,080,083</u>	<u>314,373</u>	<u>665,231</u>
Earnings per share attributable to the ordinary shareholders of the Company (expressed in RMB per share)			
- Basic and diluted	<u>0.11</u>	<u>0.02</u>	<u>0.02</u>

Note:

(i) The Company and its subsidiaries have initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated.

(ii) This amount arose under the accounting policies applicable prior to 1 January 2018. As part of the opening balance adjustments as at 1 January 2018 the balance of this reserve has been reclassified to fair value reserve (non-recycling) and will not be reclassified to profit or loss in any future periods.

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