



ANDERSEN

Arthur Andersen • Hua Qiang
Certified Public Accountants

1118 China World Tower 1
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Beijing 100004

TO THE SHAREHOLDERS OF HUANENG POWER INTERNATIONAL, INC.

Arthur Andersen • Hua Qiang Certified Public Accountants (hereinafter referred to as "We") have audited the consolidated balance sheet of Huaneng Power International, Inc. (the "Company") and its subsidiaries as at 31st December, 2001 and the consolidated statements of income and profit appropriation and cash flow for the year then ended, and the balance sheet of the Company as at 31st December, 2001 and the statement of income and profit appropriation and cash flow for the year then ended. These financial statements are the responsibilities of management of the Company and its subsidiaries. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with "The Independent Auditing Standards for Certified Public Accountants" of the People's Republic of China (the "PRC"). Our audit included such tests of the accounting records and such other auditing procedures as we considered necessary and appropriate to the circumstances of the Company and its subsidiaries.

In our opinion, the financial statements referred to above comply with the requirements of "Accounting Standards for Business Enterprises" and "Accounting Regulations for Business Enterprises" of the PRC, and present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as at 31st December, 2001, and the consolidated results of their operations and their cash flows for the year then ended, and the financial position of the Company as at 31st December, 2001, and the results of its operations and its cash flows for the year then ended. The accounting policies have been applied on a consistent basis.

ARTHUR ANDERSEN • HUA QIANG
CERTIFIED PUBLIC ACCOUNTANTS

Certified Public Accountant

Li Yanyu

Certified Public Accountant

Wang Binhong

Beijing, PRC
12th March, 2002