

Report of the Supervisory Committee

To: All Shareholders

In 2006, all members of the Supervisory Committee of the Company strictly complied with the laws and regulations of the places where the Company is listed, as well as the articles of association of the Company. They have acted honestly and in good faith, and carried out their work diligently so as to protect the interest of the shareholders and the benefit of the Company. The Committee conducted reviews on the performance of duties of the Directors of the Company and senior management and the operational situation and management of the Company for 2006. We hereby report the major work during the period as follows:

I. WORK OF THE SUPERVISORY COMMITTEE IN 2006

In accordance with the applicable laws and regulations, the Articles of Association and the practical needs of the Company, the Supervisory Committee convened five meetings (including resolutions in writing). A series of work, including the election of the chairman of the Supervisory Committee and amendments to the Rules of Procedures for the Supervisory Committee, were completed.

1. On 18th January 2006, the fifth session of the Supervisory Committee passed a resolution in writing to approve the proposal regarding the election of the chairman of the Supervisory Committee and Mr. Guo Junming was elected as the chairman of the Supervisory Committee.

2. On 28th March 2006, the third meeting of the fifth session of the Supervisory Committee was convened at the headquarters of the Company. The financial statements of the Company for 2006, the profit distribution plan of the Company for 2006, the annual report of the Company for 2006 and its extract, and the Working Report of the Supervisory Committee of the Company for 2006 were considered and approved at the meeting.

3. On 25th April 2006, the fourth meeting of the fifth session of the Supervisory Committee was held at the headquarters of the Company. The first quarterly report of 2006 and the proposal regarding amendments to the Rules of Procedures for the Supervisory Committee were considered and approved at the meeting.

4. On 15th August 2006, the fifth meeting of the fifth session of the Supervisory Committee was held at the headquarters of the Company. The interim report of the Company for 2005 and its extract were considered and approved at the meeting.

5. On 24th October 2006, the sixth meeting of the fifth session of the Supervisory Committee was held at the headquarters of the Company. The third quarterly report of 2006 was considered and approved at the meeting.

The Supervisors attended (or appointed proxy) all of the aforesaid meetings. The convocation of the meetings complied with the requirements of the Company Law of the PRC and the articles of association of the Company.

During the reporting period, the Supervisors of the Company, attended all board meetings and general meetings of the Company.

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II INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE RELEVANT MATTERS OF THE COMPANY IN 2006

1. Lawfulness of the Company's operations

The Supervisory Committee performed effective supervision and examination on the procedures for convening the shareholders' meetings and Board meetings, the adoption of resolutions, the implementation of the resolutions of the shareholders' meetings by the Board of Directors and the senior managements performance of duties of the Directors and the senior management of the Company and the internal management system of the Company according to the relevant laws and regulations stipulated by the Articles of Association.

The Supervisory Committee is of the view that the Board of Directors and the senior management are capable of establishing a model and conducting regulated operation in strict compliance with the Articles of Association and the relevant laws, regulations and rules of the jurisdictions in which the Company's shares are listed, and have performed dutifully, diligently, and in good faith. During the reporting period, the Company's management system further improved as a result of the continuing establishment of the internal system. The internal control system became more all-rounded. The business activities of the Company complied with the legal requirements. In

the course of examining the financial position of the Company and supervising the performance of duties of the Directors and senior management, the Supervisory Committee has not found any of their behavior which contravened any relevant laws, regulations or the articles of association of the Company or any issues that has caused damage to the interests of the Company.

2. Examining the financial conditions of the Company

The Supervisory Committee has carefully examined and verified the financial reports of the Company for 2006, the profit distribution proposal of the Company for 2006, the annual report of the Company of 2006, and the 2006 financial statements audited by the domestic and international auditors without any reservation.

The Supervisory Committee is of the view that: as year 2006 was the first year of the Eleventh Five-year Plan, it should be a year to actualize the philosophy of scientific development and to expedite development. It was also a year to attain new achievements. Although the Company encountered rises of fuel costs, a heavy burden of project construction works and increasing market competition, under the right guidance of the Board and as a result of the hard work of all staff led by the management, the Company has overcome the difficulties and achieved good operating results. The Company's financial statements of 2006 have accurately reflected the financial conditions and

operating results of the Company during the reporting period. The Supervisory Committee agreed to the Company's financial statements of 2006 issued by the auditors and the profit distribution plan for 2006.

3. Fund raising

The fund raised by the Company in the last fund raising exercise was applied as undertaken.

4. Acquisition and disposal of assets and connected transactions

During the reporting period, the Board of Directors of the Company has, by way of resolutions numbered 069, 070 and 074, examined and approved the proposals regarding the connected transaction with China Huaneng Finance Limited Liability Company, the confirmation of the continuing connected transactions in 2005, the continuing connected transactions in 2006, the transfer of equity of Qinbei Power Plant and capital increase of Sichuan Hydropower. All the transactions as contemplated by such proposals are connected transactions.

The Supervisory Committee is of the view that the arrangements involved in the above resolutions did not involve any insider dealings and the Supervisory Committee has not found any issues which has damaged the interest of the shareholders or caused the loss of the Company's assets or damaged the interest of the Company. The connected transactions were fair and the prices thereof were determined reasonably.

In 2007, the Supervisory Committee will continue to perform its duties assigned by the laws, regulations and the articles of association of the Company diligently and in good faith, so as to safeguard and protect the legal interest of the shareholders and the Company.

Supervisory Committee
of

Huaneng Power International, Inc.

Beijing, PRC
3rd April 2007