



To: All Shareholders

In 2005, 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 paid close attention to the operational situation and management of the Company for 2005 and conducted review on the performance of duties of the Directors of the Company and senior management.

I. WORK OF THE SUPERVISORY COMMITTEE IN 2005

In accordance with the applicable laws and regulations, and the practical needs of the Company, the Supervisory Committee convened five meetings (included resolutions in writing). Series of work, including change of session and alterations of the Rules of Procedures for the Supervisory Committee, were completed as scheduled.

1. On 14th March 2005, the sixth meeting of the fourth session of the Supervisory Committee was convened in Beijing. The financial statement of the Company for 2004, the profit distribution plan of the Company for 2004, the annual report of the Company for 2004 and its extract, the Working Report of the Supervisory Committee of the Company for 2004 and the proposal regarding change of the session of the Supervisory Committee were approved at the meeting.
2. On 14th April 2005, the fourth session of the Supervisory Committee passed a resolution in writing to approved the proposal regarding alterations to the Rules of Procedures for the Supervisory Committee.
3. On 11th May 2005, the first meeting of the fifth session of the Supervisory Committee was held in Beijing. The proposal regarding the election of Chairman and Vice Chairman of the fifth session of the Company's Supervisory Committee was considered and approved that Mr. Ye Daji and Ms. Yu Ying were elected Chairman and Vice Chairwoman respectively.
4. On 9th August 2005, the second meeting of the fifth session of the Supervisory Committee was held in Beijing. The interim report of the Company for 2005 and its extract and the proposal to change supervisors were considered and approved at the meeting. It was agreed to the nomination of Mr. Gu Jianguo as candidate for Supervisor and the resignation of Mr. Shen Weibing from the position of Supervisor.
5. On 30th November 2005, the fifth session of the Supervisory Committee resolved by resolution in writing the nomination of Mr. Guo Junming as candidate for Supervisor and the resignation of Mr. Ye Daji from the position of Chairman of the Supervisory Committee.

Report of the Supervisory Committee

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

During the reporting period, the Supervisors of the Company, attended all board meetings and shareholders' meetings of the Company's.

II INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE RELEVANT MATTERS OF THE COMPANY IN 2005

1. 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, performance of duties of the senior management of the Company and the internal management system of the Company according to the relevant laws and regulations.

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 Company Law, the Securities Law, the articles of association of the Company and the relevant 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 report 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 requirement of the laws and regulations. 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 2005, the profit distribution proposal of the Company for 2005 and the 2005 financial statements audited by the domestic and international auditors without any reservation.

The Supervisory Committee is of the view that 2005 was the most difficult year for the year in terms of the business environment. The Company encountered rises of fuel costs, a heavy burden of the infrastructure and increasing market competition. Under the right guidance by 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 2005 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 issued by the auditors and the profit distribution plan for 2005.

3. 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 061, 062 and 066, examined and approved the proposal of entrusting China Huaneng Group to manage the interest in Huaneng Sichuan Hydropower Co., Ltd. ("Sichuan Hydropower"), the proposal regarding the Nanjing Combined – Cycle – Gas – Turbine Project and the proposal regarding the investment in China Huaneng Finance Corporation Ltd. ("Huaneng Finance"). It was agreed that the Company entrusted China Huaneng Group to manage the production and operation matters of Sichuan Hydropower, that the Nanjing Combined – Cycle – Gas – Turbine Project was jointly invested by HIPDC and Jiangsu Provincial Guoxin Asset Management Group, Nanjing Municipal Investment Company, that

the Company acquired certain newly enlarged capital of Huaneng Finance and certain shares in Huaneng Finance held by Huaneng Group. The matters in the above resolutions 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 2006, the Supervisory Committee will continue to perform its duties assigned by the laws, regulations and the articles of association of the Company to safeguard and protect the legal interest of the shareholders and the Company.

Supervisory Committee
of

Huaneng Power International, Inc.

Beijing, PRC
28th March 2006