
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ACTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Huaneng Power International, Inc., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**MATTERS TO BE CONSIDERED
AT EXTRAORDINARY GENERAL MEETING**

Notice convening the EGM of the Company to be held at 9:00 a.m. on 28th July, 2005 at Beijing International Convention Centre at No. 8 Beichen East Road, Chaoyang District, Beijing, the People's Republic of China is set out on pages 23 to 24 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the relevant form of proxy enclosed herewith in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for holding such meeting.

Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or at any adjourned meeting should you so wish.

13th June, 2005

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	2
Appendix I — Proposed Amendments to Articles of Association	4
Appendix II — Rules of Procedures for Board Meetings	11
Appendix III — Rules of Procedures for Meetings of the Supervisory Committee	19
Notice of Extraordinary General Meeting	23

DEFINITIONS

In this circular, unless otherwise indicated in the context, the following expressions have the meaning set out below:

“Board”	the board of directors of the Company
“Company”	Huaneng Power International, Inc.
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Thursday, 28th July, 2005 at 9:00 a.m. at Beijing International Convention Centre at No. 8 Beichen East Road, Chaoyang District, Beijing, the People’s Republic of China
“H Shares”	overseas listed foreign invested shares in the Company’s share capital, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“PRC”	the People’s Republic of China
“Meeting Rules”	Rules of Procedures for the Board Meetings and Rules of Procedures for the Meetings of the Supervisory Committee respectively set out in Appendix II and Appendix III to this circular
“Proposed Amendments to Articles”	the proposed amendments to the Articles of Association of the Company as set out in Appendix I to this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



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)

Directors:

Li Xiaopeng
Huang Yongda
Wang Xiaosong
Na Xizhi
Huang Long
Wu Dawei
Shan Qunying
Yang Shengming
Xu Zujian
Liu Shuyuan

Legal Address:

West Wing, Building C,
Tianyin Mansion,
No. 2C Fuxingmennan Street,
Xicheng District,
Beijing 100031,
People's Republic of China.

Independent Non-Executive Directors:

Qian Zhongwei
Xia Donglin
Liu Jipeng
Wu Yusheng
Yu Ning

13th June, 2005

To the Shareholders

Dear Sir or Madam,

**MATTERS TO BE CONSIDERED
AT EXTRAORDINARY GENERAL MEETING**

BACKGROUND

The Board of Directors propose to make certain amendments to the Articles of Association of the Company in accordance with the requirements of the Shanghai Stock Exchange, and to seek shareholders' approvals regarding the Rules of Procedures for Board Meetings and the Rules of Procedures for Meetings of the Supervisory Committee. The Company wishes that by adopting the Proposed Amendments to Articles and the Meeting Rules, the corporate governance of the Company could be enhanced. The Proposed Amendments to Articles and the Meeting Rules are subject to shareholders' approvals by way of special resolution at the EGM to be held on 28th July, 2005.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the Proposed Amendments to Articles and the Meeting Rules contained in Appendices I to III to this circular respectively are in the best interests of the Company and its shareholders and accordingly recommend the shareholders to vote in favour of the resolutions which will be proposed at the EGM.

THE EGM

The EGM will be convened at 9:00 a.m. on 28th July, 2005 at Beijing International Convention Centre at No.8 Beichen East Road, Chaoyang District, Beijing, PRC. Notice of EGM is set out on pages 23 to 24 in this circular.

Reply slip and form of proxy for use in connection with the EGM are enclosed with this circular. Whether or not you intend to attend the meeting in person, you are requested to complete and return the reply slip in accordance with the instructions printed thereon to the registered office of the Company at West Wing, Building C, Tianyin Mansion, 2C, Fuxingmennan Street, Xichang District, Beijing, PRC as soon as possible but in any event by 8th July, 2005. The enclosed form of proxy should be completed and returned to the Company's H Share Registrar, Hong Kong Registrars Limited, at 46/F., Hopewell Centre, 183 Queen's Road East, Hong Kong or the registered office of the Company in accordance with the instructions printed thereon as soon as practicable and in any event by not later than 24 hours before the time appointed for the holding of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

Yours faithfully,
For and on behalf of
Huaneng Power International, Inc.
Huang Long
Director

1. Article 46 of the original Articles of Association which provides that:

“Article 46 Except the obligations required by laws, administrative regulations or the listing rules of the stock exchange where the shares of the Company are listed, the controlling shareholders shall not make any decision on the following matters damaging the interests of all or part of the shareholders as a result of exercising their voting rights when exercising the powers of shareholders:

- (1) relieving any director or supervisor of the obligation to act honestly with the maximum benefits of the Company as the starting point;
- (2) approving any director or supervisor to expropriate the assets of the Company (for his own or other’s benefit) in any manner, including (but not limited to) any opportunities which are beneficial to the Company;
- (3) approving any director or supervisor to expropriate the personal interests of other shareholders (for his own or other’s benefit), including (but not limited to) any distribution right and voting right, but excluding reorganisation of the Company submitted for approval at the shareholders’ meeting pursuant to the Articles of Association.”

is proposed to be amended as follows:

“Article 46 Except the obligations required by laws, administrative regulations or the listing rules of the stock exchange where the shares of the Company are listed, the controlling shareholders shall not make any decision on the following matters damaging the interests of all or part of the shareholders as a result of exercising their voting rights when exercising the powers of shareholders:

- (1) relieving any director or supervisor of the obligation to act honestly with the maximum benefits of the Company as the starting point;
- (2) approving any director or supervisor to expropriate the assets of the Company (for his own or other’s benefit) in any manner, including (but not limited to) any opportunities which are beneficial to the Company;
- (3) approving any director or supervisor to expropriate the personal interests of other shareholders (for his own or other’s benefit), including (but not limited to) any distribution right and voting right, but excluding reorganisation of the Company submitted for approval at the shareholders’ meeting pursuant to the Articles of Association.

The controlling shareholders and actual controllers of the Company shall owe an obligation of honesty and credibility to the Company and the shareholders of social public shares of the Company. The controlling shareholders shall exercise the rights of contributors strictly according to law. The controlling shareholders shall not damage the legal interests of the Company and the shareholders of social public shares by way of connected transactions, profit distribution, asset reorganisation, external investment, fund appropriation and loan guarantees and shall not damage the interests of the Company and the shareholders of social public shares by way of its controlling position.”

2. To add an additional article after Article 62 of the original Articles of Association

“Article 63 The board of directors, independent directors and shareholders complying with the relevant stipulations may collect voting rights at the shareholders’ meeting from the shareholders of the Company. Collection of voting rights shall be conducted without compensation and information shall be fully disclosed to the persons from whom voting rights are collected.”

3. To add an additional article after Article 70 of the original Articles of Association

“Article 71 On the premise of warranting the lawfulness and validity of the shareholders’ meeting, the Company shall enlarge the ratio of participation in the shareholders’ meeting by the shareholders of social public shares by various ways and means, including modern information technology means such as providing a voting platform in the form of network.”

4. Deleting the following from Article 85 of the original Articles of Association:

“of which independent directors shall account for more than one-third (including one-third) of the total number of the members of the board of directors, and at least one independent director shall be an accounting professional”.

Article 85 of the amended Articles of Association shall be as follows:

“Article 85 The Company shall have a board of directors that is comprised of 15 directors and external directors shall account for more than half (including half) of the total number of members of the board of directors. The board of directors shall have a chairman and two vice chairmen.

Special committees including strategy, auditing, nomination, remuneration and assessment committees shall be established under the board of directors. All the members of the special committees shall be comprised of directors, of which independent directors shall account for the majority of the members of the auditing, nomination, remuneration and assessment committees and shall act as the convenor.”

5. Deleting the following from Article 86 of the original Articles of Association:

“Except the occurrence of the above and the circumstances prohibiting a person to act as a director as stipulated in the Company Law, an independent director shall not be removed from office without any reason prior to expiry of his term of office. If a director is removed from office prior to expiry of his term of office, the Company shall disclose the matter as special disclosure. If the independent director being removed from office considers that the reason for his removal by the Company is inappropriate, he may make a public statement.”

The amended Article 86 of Articles of Association is as follows:

“Article 86 Directors shall be elected at a shareholders’ meeting and their term of office shall not exceed 3 years. After expiry of the term of office, directors may be eligible for re-election.

Except those directors whose term of office expires (or elected by the board of directors), a written notice on the intention of nominating the candidates for directors and the candidates' expression of willingness to be nominated shall be issued to the Company during the period from the issue of the notice on the shareholders' meeting to 7 days prior to the convening of the shareholders' meeting.

The chairman and vice chairmen shall be elected and removed by more than half of all the directors and the term of office of the chairman and vice chairmen shall be the same as that of the current board of directors and the directors may be eligible for re-election.

On the premise of complying with the relevant laws and administrative regulations, any director may be removed by way of an ordinary resolution before his term of office expires at a shareholders' meeting (however any claims which may be made pursuant to any contract shall not be affected accordingly).

If an independent director fails to attend a board meeting in person three times consecutively, and if a director fails to attend in person twice consecutively and does not appoint other directors to attend on his behalf, the board of directors shall request the shareholders' meeting for his removal.

It is not necessary for a director to hold shares of the Company.”

6. Deleting the following from Article 87 of the original Articles of Association:

“An independent director shall explain any circumstances relating to his resignation or to which he considers necessary to direct the attention of the shareholders and creditors of the Company” and “if the resignation of an independent director results in the ratio of independent directors in the board of directors of the Company falling below the minimum requirement stipulated in the Articles of Association, the resignation report of such independent director shall be effective after the succeeding independent director has filled his vacancy”.

The amended Article 87 of Articles of Association shall be as follows:

“Article 87 A director may resign prior to expiry of his term of office. The resigning director shall submit his written resignation report to the board of directors.

If the resignation of a director results in the number of members of the board of directors of the Company falling below the minimum number stipulated by laws, the resignation report of such director shall only be effective after the succeeding director has filled the vacancy arising from his resignation. The board of directors shall convene an extraordinary general meeting as soon as possible and elect a director to fill the vacancy arising from the resignation of the director. Before the shareholders' meeting passes a resolution on the election of directors, the resigning director and the powers of the board of directors shall be reasonably restricted.”

7. Adding an additional article after Article 87 of the original Articles of Association:

“Article 88 More than one-third of the members of the board of directors of the Company shall be independent directors, of which at least one of them shall be an accounting professional. Independent directors shall perform their duties faithfully and protect the interests of the Company, particularly monitoring that the lawful interests of the shareholders of social public shares are not damaged.

Independent directors shall perform their duties independently and shall not be affected by the major shareholders, actual controllers or units or individuals interested in the Company and its major shareholders and actual controllers.”

8. The original Article 89 provides that:

“Article 89 The candidates for independent directors of the Company shall be nominated by the board of directors, supervisory committee or shareholders of the Company singly or jointly holding more than 1% of the issued shares of the Company.”

is proposed to be amended as follows:

“Article 89 The board of directors, supervisory committee or shareholders of the Company singly or jointly holding more than 1% of the issued shares of the Company may nominate candidates for independent directors and the same shall be determined by election at a shareholders’ meeting.”

9. Deleting Article 90 of the original Articles of Association

“Article 90 Prior to convening the shareholders’ meeting for the election of independent directors, the Company shall submit the relevant materials of all the candidates for independent directors to China Securities Regulatory Commission (“CSRC”), agencies of CSRC in the place where the Company is domiciled and the stock exchanges on which the shares of the Company are listed and traded. The nominees opposed by CSRC may become candidates for directors of the Company but may not act as candidates for independent directors.”

10. To add five additional articles after Article 90 of the original Articles of Association:

“Article 91 Matters relating to significant connected transactions of the Company and the appointment or removal of accounting firms shall only be submitted to the board of directors for discussion after obtaining the consent of more than half of the independent directors. When the independent directors request the board of directors to convene an extraordinary general meeting, propose to convene a board meeting and publicly solicit voting rights from the shareholders prior to convening of the shareholders’ meeting, the same shall be agreed by more than half of the independent directors. After obtaining consent of all the independent directors, the independent directors may independently appoint external auditing organs and consultancy organs to conduct auditing and consultancy on the specific matters of the Company and the relevant costs shall be borne by the Company.

Article 92 Independent directors shall attend board meetings in a timely manner, understand the production and operation conditions of the Company and take the initiative in investigating and obtaining the conditions and information necessary for making policies. Independent directors shall submit an annual report of all the independent directors at the annual general meeting of the Company and explain the performance of their duties.

Article 93 The Company shall establish a work system for the independent directors and the secretary to the board of directors shall actively coordinate in the performance of duties by the independent directors. The Company shall warrant that the independent directors are entitled to the same right of knowing the facts as other directors and provide the relevant materials and information to the independent directors in a timely manner, regularly inform them of the operation situation of the Company and may arrange for the independent directors to conduct site inspection if necessary.

Article 94 Each term of office of independent directors shall be the same as other directors of the Company and independent directors are eligible for re-election upon expiry of their term of office. However, the period of the renewed term shall not exceed 6 years. An independent director shall not be removed without a proper reason prior to expiry of his term of office. If an independent director is removed prior to expiry of his term of office, the Company shall disclose the same as special disclosure.

Article 95 An independent director may submit his resignation prior to expiry of his term of office. If an independent director resigns, he shall submit a written resignation report to the board of directors and explain any circumstances relating to his resignation or to which he considers necessary to direct the attention of the shareholders and creditors of the Company.

If the resignation of an independent director results in the number of independent directors or members of the board of directors falling below the minimum number stipulated by laws or the Articles of Association, prior to the taking up of post by the newly elected independent director, such independent director shall still perform his duties according to laws, administrative regulations and the stipulations of these Articles of Association. The board of directors shall convene a shareholders' meeting within 2 months to elect a new independent director, and if the board of directors fails to convene a shareholders' meeting according to schedule, such independent director may no longer perform his duties."

11. Article 92 of the original Articles of Association which provides that:

Article 92 All the directors of the Company shall carefully deal with and strictly control the liability risks arising from external guarantees and shall adhere to the following principles when deciding on matters relating to external guarantees:

- (1) The Company shall adhere to the principles of equality, willingness, fairness and honesty and mutual benefits when providing guarantees to other persons;
- (2) Before deciding on the matters relating to the provision of guarantees for other persons or deciding to submit the relevant matters to the shareholders' meeting for examination, the Company shall fully understand the credit conditions of the target to which a guarantee is provided and fully analyse the impact of the guarantees on the interests and risks of the Company.

- (3) The Company may only provide guarantees to the enterprises with good credit conditions and repayment abilities.
- (4) The Company shall comply with the stipulations of the applicable laws and shall not provide guarantees to the target to which the Company is prohibited to provide guarantees under the relevant laws.”

is proposed to be amended as follow:

“Article 92 All the directors of the Company shall carefully deal with and strictly control the liability risks arising from external guarantees and shall adhere to the following principles when deciding on matters relating to external guarantees:

- (1) The Company shall adhere to the principles of equality, willingness, fairness and honesty and mutual benefits when providing guarantees to other persons;
- (2) Before deciding on the matters relating to the provision of guarantees for other persons or deciding to submit the relevant matters to the shareholders’ meeting for examination, the Company shall fully understand the credit conditions of the target to which a guarantee is given and fully analyse the impact of the guarantees on the interests and risks of the Company.
- (3) The Company may only provide guarantees to the enterprises with good credit conditions and repayment abilities.
- (4) The Company shall comply with the stipulations of the applicable laws and shall not provide guarantees to the target to which the Company is prohibited to provide guarantees under the relevant laws.
- (5) The amount of any single guarantee provided by the Company shall not exceed 30% of the net assets as stated in the consolidated accounting statements of the Company for the latest accounting year; the aggregate guarantee amount provided for a single party shall not exceed 30% of the net assets as stated in the consolidated accounting statements of the Company for the latest accounting year; the aggregate amount of external guarantees shall not exceed 50% of the net assets as stated in the consolidated accounting statements of the Company for the latest accounting year.”

12. To add an additional article after Article 103 of the Articles of Association:

“Article 104 The Company shall actively establish a sound work system on the management of investors’ relations and take the initiative in reinforcing communication and exchanges with the shareholders, particularly shareholders of social public shares, through various means. The secretary to the board of directors of the Company shall be specifically responsible for management of investors’ relationship.”

13. Article 147 of the original Articles of Association which provides that:

“Article 147 The Company may distribute share dividends by way of the following:

- (1) cash;
- (2) shares.”

is proposed to be amended as follows:

“Article 147 The Company may distribute share dividends by way of the following:

- (1) cash;
- (2) shares.

The Company shall implement an active profit distribution method by adhering to the principles of emphasising reasonable investment returns for shareholders and concurrently paying close attention to the reasonable fund requirements of the Company.”

14. To add the Rules of Procedures for the Shareholders’ Meetings of Huaneng Power International, Inc., Rules of Procedures for the Board Meetings of Huaneng Power International, Inc. and Rules of Procedures for the Meetings of the Supervisory Committee of Huaneng Power International, Inc. as appendices to the Articles of Association.

The original articles shall be renumbered accordingly after the amendments.

Chapter 1 — General Principles

Article 1 — These Rules are formulated by the Board of Directors pursuant to the Company Laws of the People’s Republic of China, Mandatory Provisions of the Articles of Association of the Companies to be Listed Overseas, Governance Standards of Listed Companies and the stipulations of other relevant laws, administrative regulations of the State and the Articles of Association (hereinafter referred to as the “Articles of Association”) of Huaneng Power International, Inc. (hereinafter referred to as “the Company”) in order to standardise the operational procedures of the Board of Directors (“Board of Directors”) of the Company and ensure the work efficiency and scientific policy-making of the Board of Directors.

Chapter 2 — Internal Organs of the Board of Directors

Article 2 — The Board of Directors shall have a Secretary to the Board of Directors. The Secretary to the Board of Directors shall possess the necessary professional knowledge and experience and shall be accountable to the Board of Directors. The Board of Directors shall have a Board of Directors’ Office which is a routine work organ for the performance of duties by the Secretary to the Board of Directors.

Article 3 — The Board of Directors may establish special committees including the Strategy, Auditing, Nomination, Remuneration and Assessment Committees according to the relevant resolutions of the Shareholders’ Meeting. The special committees shall, according to the arrangements of the Board of Directors and the Chairman and proposals of the General Manager, conduct researches on the relevant specialised matters, render their opinions and proposals for reference by the Board of Directors during the course of policy making.

All the members of the special committees shall be comprised of directors, of which the majority of the members of the Auditing Committee, Nomination Committee and Remuneration and Assessment Committee are independent directors and independent directors shall act as convenors. At least one independent director in the Auditing Committee shall be an accounting professional. The above special committees shall formulate the relevant work rules and submit the same to the Board of Directors for approval before becoming effective.

Chapter 3 — System of the Board of Directors’ Meeting

Article 4 — Board of Directors’ Meetings shall include regular board meetings and interim board meetings. Regular board meetings shall include: annual board meetings, half-yearly board meetings, first quarterly board meetings and third quarterly board meetings.

I. Regular Board Meetings

1. Annual Board Meetings

- (a) The meeting shall be convened within 120 days after ending of the accounting year of the Company or at another time deemed appropriate by the Board of Directors. The main

purpose of the meeting is to discuss and examine the proposals to be submitted for discussion and examination at the Shareholders' Meeting. The time for convening the annual board meeting shall warrant that the Annual Shareholders' Meeting can be convened within 6 months after ending of the accounting year of the Company.

(b) Half-yearly Board Meetings

The meeting shall be convened within 60 days after ending of the first 6-month period of the accounting year of the Company or another time deemed appropriate by the Board of Directors. The main purpose of the meeting is to discuss and examine the half-yearly report of the Company and deal with other relevant matters.

(c) First Quarterly Board Meeting and Third Quarterly Board Meeting

The meeting shall be convened in the first month of the second and fourth quarters of the Gregorian calendar each year. The main purpose of the meeting is to discuss and examine the quarterly report of the Company for the previous quarter.

2. Interim Board Meetings

In case of the occurrence of any of the following, the Chairman shall issue a notice convening an interim board meeting within 7 working days:

- (a) when the Chairman deems necessary;
- (b) when jointly proposed by more than one-third of the directors;
- (c) when proposed by the Supervisory Committee;
- (d) when proposed by the General Manager.

Article 5 — The Board of Directors may convene meetings by way of on-the-spot meetings, telephone conferences and written resolutions, etc.

Regular board meetings or interim meetings may be held by way of telephone conference or held with the support of similar communication equipment. All directors participating in the meeting shall be deemed to be attending the meeting in person provided that the directors participating in the meeting can hear clearly the speech of other directors and are able to conduct exchanges. If the directors cannot immediately sign the resolutions at such meetings, they may adopt the method of verbal voting and perform the signing formalities in writing as soon as possible.

Chapter 4 — Rules and Procedures of the Board of Directors**Article 6 — Submitting Proposals**

Proposals are submitted at the board meetings mainly on the following bases:

- (1) matters proposed by the Chairman;
- (2) matters jointly proposed by one-third or above of the directors;
- (3) matters proposed by the Supervisory Committee;
- (4) matters proposed by the special committees of the Board of Directors;
- (5) matters proposed by the General Manager;
- (6) matters proposed by more than half of the independent directors;
- (7) other conditions stipulated by the relevant laws, administrative regulations and the Articles of Association.

Article 7 — Collection of Proposals

The Board of Directors' Office shall be responsible for collecting the proposals for the matters to be discussed at the Board of Directors' Meeting. All the relevant proposals and explanatory materials shall be submitted to the Board of Directors' Office 15 days before the issue of the notice for the Board of Directors' Meeting.

Article 8 — Convening of the Meeting and Notices

- (1) The Board of Directors' Meeting shall be convened by the Chairman. If the Chairman is unable to convene the meeting due to special reasons, the meetings shall be convened by the Vice Chairman. If both the Chairman and the Vice Chairman are unable to convene, the meeting shall be convened by other directors designated by the Chairman.
- (2) A meeting notice shall be issued in advance to all the directors, all the supervisors and other personnel attending the meeting as non-voting delegates prior to the convening of the Board of Directors' Meeting.
- (3) The Board of Directors' Meeting shall be notified according to the following requirements and methods:
 - (a) If the time and place of the regular board meetings have been predetermined by the Board of Directors, unless the time and place for the regular board meetings have to be changed due to certain reasons, it is not necessary to issue a notice for the convening of the meeting;

- (b) If the Board of Directors fails to decide the time and place for holding the Board of Directors' Meeting in advance, the Chairman shall notify all the directors of the time and place for convening the Board of Directors' Meeting by telex, cable, fax, courier or registered post or in person at least 10 to 30 days in advance.
- (c) The notice shall be written in Chinese with an English notice attached if necessary, and shall include the agenda and topics for discussion.

Any Director may waive the right to obtain the notice of the Board of Directors' Meeting.

If a director has attended a meeting and fails to raise any objection for the non-receipt of the meeting notice before the meeting or during the meeting, it shall be deemed that a meeting notice has been issued to him.

Article 9 — Coordination Before the Meeting

The Board of Directors' Office shall be responsible for communicating with and contacting all the directors during the period from the issue of the notice of the Board of Directors' Meeting to 10 days before the convening of the Board of Directors' Meeting and shall, when requested, to supplement the information necessary for policy making by the directors in relation to the contents of the proposals to be discussed in a timely manner.

Article 10 — Attending the Meeting

A Board of Directors' Meeting shall only be held when being attended by more than half of the directors. A Board of Directors' Meeting shall be attended by the directors in person. If a director is unable to attend due to certain reasons, he may appoint other directors to attend on his behalf in writing. The proxy form shall specify the name of the proxy, the matters to be dealt with by the proxy, authority and valid term, and the form shall be signed or chopped by the appointor.

If a director is unable to attend a Board of Directors' Meeting in person and has not appointed a representative to attend the meeting, the same shall be deemed to be a waiver of the voting right at such meeting.

If an independent director fails to attend a Board of Directors' Meeting consecutively for three times, the Board of Directors shall request the Shareholders' Meeting to remove the said director.

If a director fails to attend the meeting in person consecutively for two times and fails to appoint other directors to attend the Board of Directors' Meeting, the same shall be deemed to be failure to perform duties. The Board of Directors shall propose for his removal at the Shareholders' Meeting.

The Board of Directors' Meeting shall be chaired by the Chairman. If the Chairman is unable to chair the meeting, the meeting shall be chaired by the Vice Chairman. If both the Chairman and Vice Chairman are unable to chair the meeting, the meeting shall be chaired by other directors designated by the Chairman.

Article 11 — Discussing and Examining the Proposals

The chairperson of the meeting shall announce the commencement of the meeting according to the time predetermined by the Board of Directors' Meeting.

The meeting shall be conducted with the chairperson chairing the meeting, and the relevant persons shall firstly explain the proposals to the Board of Directors.

When the Board of Directors' Meeting is discussing and examining the relevant proposals and matters, it may request the persons-in-charge of the relevant departments of the Company to attend the meeting as non-voting delegates and answer the relevant questions in order to understand the main points and conditions in detail. During the course of discussion and examination, if it is found that the situation is uncertain or the feasibility is questionable as regards certain topics for discussion, the Board of Directors may request to defer discussion of such topics.

The Board of Directors shall establish strict examination and policy-making procedures in relation to risk investment. As regards significant investment projects, the Board of Directors shall appoint the relevant intermediary organs to provide professional opinions as the important basis for policy-making by the Board of Directors.

Article 12 — Independent directors shall express independent opinions in relation to the following at the Board of Directors' Meeting or Shareholders' Meeting:

- (1) nominating or removing directors;
- (2) appointing or dismissing senior management personnel;
- (3) remuneration of the directors and senior management personnel of the Company;
- (4) matters which independent directors consider that the same may damage the interests of medium and small shareholders;
- (5) other matters governed by laws or the Articles of Association.

Independent opinions expressed by independent directors shall include: consent; qualified opinions and their reasons; objections and their reasons; unable to express opinions and the impediments.

If the relevant matters fall within the scope of matters required to be disclosed, the Company shall announce the opinions of the independent directors. If the opinions of the independent directors differ and a consensus cannot be reached, the Board of Directors shall disclose the opinions of each independent director respectively.

Article 13 — Voting of the Proposals

When the Board of Directors discusses and examines proposals of the Board of Directors' Meeting, voting may be conducted by way of a show of hands or poll. All the directors attending the meeting must express their opinions to vote for, vote against or abstain from voting. The voting method to be adopted shall be determined by the chairperson of the Board of Directors' Meeting.

A director attending the meeting on behalf of others shall exercise the rights on behalf of the appointer within the authorised scope.

If a director fails to attend a Board of Directors' Meeting in person and has not appointed a representative to attend, the same shall be deemed to be a waiver of the voting right at such meeting.

As regards the resolutions to be passed at a Board of Directors' Meeting, except that (1) formulating proposals in relation to the increase or reduction of the registered capital of the Company and issue of debentures; (2) proposals in relation to mergers, demergers or dissolution of the Company; (3) matters including formulating proposals on amending the Articles of Association shall be passed after obtaining the consent upon voting by more than two-thirds of all the directors, the remaining matters may be passed after obtaining the consent upon voting by more than half of all the directors. Each director shall be entitled to one vote. When the numbers of dissenting votes and consenting votes are the same, the Chairman shall have the right to cast one more vote.

When the Board of Directors votes for the connected transactions of the Company, connected directors who are interested in the transaction shall not participate in the voting.

Article 14 — Resolutions of the meetings

Resolutions shall generally be made for matters discussed at the Board of Directors' Meeting.

Article 15 — Minutes

Minutes of the Board of Directors' Meeting shall be official evidence of the resolutions for the matters discussed by the Board of Directors. The Board of Directors' Meeting shall make detailed minutes for the matters discussed. Records shall include the following:

- (1) date and place of the meeting and the name of the chairperson;
- (2) names of the directors attending the meeting, names of the appointer handling the relevant formalities and names of the proxy;
- (3) agenda of the meeting;
- (4) main points of the speech of the directors;
- (5) method of voting and results for each resolution (the number of consenting, dissenting or abstention votes shall be set out in the voting results).

Minutes of each Board of Directors' Meeting shall be provided to all the directors for review as soon as possible. Any director intending to amend or supplement the minutes shall submit the amendment opinions in writing to the Chairman within one week after receipt of the minutes. Minutes of the Board of Directors' Meeting shall be properly kept at the residence of the Company as important files of the Company and a complete copy shall be sent to each director as soon as possible.

Chapter 5 — Information Disclosure of the Board of Directors' Meeting

Article 16 — The Board of Directors must strictly implement the relevant laws and administrative regulations of the State and the information disclosure provisions of the stock exchange on which the shares of the Company are listed and traded, and correctly, accurately and completely disclose the matters discussed at the Board of Directors' Meetings and/or resolutions in a timely manner.

Chapter 6 — Implementation of Board Resolutions and Feedback

Article 17 — After the Board of Directors has passed a resolution, if it falls within the scope of the duties of the General Manger or matters to be handled by the General Manager upon authorisation by the Board of Directors, the same shall be organised and implemented by the General Manager and the implementation situation shall be reported to the Board of Directors. The Board of Directors shall arrange for the relevant departments to organise and implement matters other than those referred to above and hear the relevant reports. The Board of Directors' Office shall be responsible for sending the above written report materials to the directors.

Article 18 — The Chairman shall have the right to inspect and urge the implementation of the board resolutions and attend the relevant meetings chaired by the General Manager in order to understand the implementation situation and to provide working guidance.

Article 19 — Each time when a Board of Directors' meeting is convened, the General Manager or other relevant departments shall submit a written report to the Board of Directors in relation to the implementation of the previous board resolutions. The Board of Directors' Meeting shall assess the implementation of the previous board resolutions.

Article 20 — Under the guidance of the Board of Directors and the Chairman, the Secretary to the Board of Directors shall voluntarily keep abreast of the progress of the implementation of the board resolutions and report and put forward proposals on important issues being implemented to the Board of Directors and the Chairman in a timely manner.

Chapter 7 — Supplemental Rules

Article 21 — The formulation and amendment of these Rules shall be effective after the same have been passed by the shareholders' meeting as an ordinary resolution.

Article 22 — The shareholders' meeting shall have the right to interpret and amend these Rules.

Article 23 — As regards any matters not being dealt with in these Rules or those which are inconsistent with the laws, administrative regulations, other regulatory documents, Articles of Association and Rules and Procedures of the Shareholders' Meeting, the relevant laws, administrative regulations, other regulatory documents, Articles of Association and Rules and Procedures of the Shareholders' Meeting shall prevail.

Chapter 1 — General Principles

Article 1 — These Rules are formulated pursuant to the existing laws, administrative regulations and rules of the State (hereinafter referred to as the “Applicable Laws”) and the Articles of Association of Huaneng Power International, Inc. (hereinafter referred to as the “Articles of Association”) in order to protect the lawful interests of Huaneng Power International, Inc. (hereinafter referred to as “the Company”) and the shareholders and perfect the supervisory mechanism of the Company.

Article 2 — The Supervisory Committee of the Company shall be accountable to the shareholders’ meeting of the Company, supervise the lawfulness and compliance of the finances of the Company and performance of duties by the directors, general manager and other senior management personnel of the Company and protect the lawful interests of the Company and the shareholders.

Chapter 2 — Supervisors and Chairman of the Supervisory Committee

Article 3 — The Supervisory Committee of the Company shall be comprised of 6 persons, of which one person shall act as the chairman of the Supervisory Committee and one person shall act as the vice chairman of the Supervisory Committee. External supervisors shall account for more than half (including half) of the number of members of the Supervisory Committee. The term of office of a supervisor shall not exceed 3 years and supervisors may be eligible for re-election. The election or removal of the chairman of the supervisory committee shall be approved by voting by more than two-thirds (including two-thirds) of the members of the Supervisory Committee.

Members of the Supervisory Committee shall be comprised of four shareholder representatives and two staff representatives of the Company.

Article 4 — Any person who is prohibited under Articles 57 and 58 of the Company Law of the People’s Republic of China and who is prohibited to enter the market by China Securities Regulatory Commission which prohibition has not been discharged shall not act as a supervisor of the Company. Directors, managers or other senior management personnel shall not act as supervisors concurrently.

Article 5 — The Chairman of the Supervisory Committee shall manage the work of the Supervisory Committee. The Chairman of the Supervisory Committee shall exercise the following powers:

1. convening and chairing meetings of the Supervisory Committee;
2. supervising and examining the implementation of the resolutions of the Supervisory Committee;
3. signing documents in relation to the Supervisory Committee;
4. reporting the work of the Supervisory Committee on behalf of the Supervisory Committee at the shareholders meeting;
5. organising and formulating the work plans of the Supervisory Committee and implementation of the resolutions of the Supervisory Committee;

6. other powers conferred by the Supervisory Committee.

If the chairman of the Supervisory Committee fails to perform his duties, the vice chairman of the Supervisory Committee shall act on his behalf. If the vice chairman of the Supervisory Committee also fails to perform his duties, a supervisor designated by the chairman of the Supervisory Committee shall exercise the powers on his behalf.

Chapter 3 — Duties of the Supervisory Committee

Article 6 — The Supervisory Committee shall be accountable to the shareholders' meeting and shall exercise the powers conferred by the Articles of Association according to law. Supervisors shall attend board meetings as non-voting delegates.

Article 7 — The Company shall render the necessary assistance for the due performance of duties by the supervisors and any person shall not interfere or obstruct. Reasonable costs incurred by the supervisors in the performance of duties shall be borne by the Company.

Article 8 — When the Supervisory Committee exercises its powers, it may appoint professional organs including law firms and accounting firms to render assistance if necessary and any reasonable costs incurred thereby shall be borne by the Company.

Article 9 — When the Supervisory Committee exercises its supervisory powers, it may not substitute the board of directors or the general manager in performing duties and it may not conduct any business activities on behalf of the Company.

Article 10 — When the Supervisory Committee performs its powers, it shall comply with the Applicable Laws and the stipulations of the Articles of Association, faithfully perform the supervisory duties, fulfil the obligations of honesty and diligence, protect and safeguard the lawful interests of the shareholders and the Company from being damaged. Supervisors shall not seek personal gains by using their powers of office and shall not disclose the business secrets of the Company.

Article 11 — If the number of members of the Supervisory Committee of the Company falls below the minimum number as stipulated by law due to resignation of a supervisor, the resignation report of such supervisor shall only be effective after the succeeding supervisor has filled the vacancy arising from his resignation.

Article 12 — If a supervisor submits his resignation or his term of office expires, the obligation owed by him to the Company shall not be discharged before his resignation report becomes effective or within a reasonable period after its effectiveness and within a reasonable period after conclusion of his term of office, and his obligation of keeping confidential the business secrets of the Company shall still be effective after conclusion of his term of office until such secrets have become public information. The subsisting period of other obligations shall be decided according to the principle of fairness.

Chapter 4 — Meetings of the Supervisory Committee

Article 13 — The Supervisory Committee shall convene meetings at least once each year. A written notice of the meeting shall be issued 10 days before convening of the meeting.

An interim meeting of the Supervisory Committee may be convened when it is proposed by the chairman of the Supervisory Committee or more than half of the supervisors.

Article 14 — The notice of meetings of the Supervisory Committee shall include the following: date and place of the meeting, topics for discussion and date of issue of the notice.

Article 15 — The meeting of the Supervisory Committee shall be convened by the chairman of the Supervisory Committee. A meeting of the Supervisory Committee may only be held if more than two-thirds (including two-thirds) of the supervisors attend the meeting. If necessary, directors, general manager or other senior management personnel may be requested to attend the meeting as non-voting delegates.

Article 16 — Supervisors shall attend meetings of the Supervisory Committee in person. If a supervisor is unable to attend a meeting of the Supervisory Committee due to certain reasons, he may appoint other supervisors in writing to exercise the voting right on his behalf. If a supervisor fails to attend a meeting of the Supervisory Committee and fails to appoint a representative to attend on his behalf, the same shall be deemed as abstention of voting rights at such meeting.

Article 17 — If a supervisor fails to attend a meeting of the Supervisory Committee in person twice consecutively and fails to appoint other supervisors to attend the meeting, the same shall be deemed as failure to perform his duties and he may be removed at the shareholders' meeting or staff representatives' meeting.

Article 18 — At the meeting of the Supervisory Committee convened before the annual shareholders' meeting, the Supervisory Committee shall examine the work report of the Supervisory Committee for the previous year and the contents shall include:

1. inspection of the financial position of the Company;
2. due performance of duties by the directors, general manager and senior management personnel and implementation of the Articles of Association and resolutions of the shareholders' meeting by such persons;
3. any other important matters which the Supervisory Committee deem it necessary to report to the shareholders' meeting.

Article 19 — The Supervisory Committee shall vote for each topic for discussion. When discussing the topics, supervisors shall actively express their opinions. If the Supervisory Committee has to pass a resolution on certain matters, a poll or voting by a show of hands shall be adopted. Each supervisor shall be entitled to one vote. Resolutions of the Supervisory Committee shall only be effective after the same have been approved by voting by more than two-thirds (including two-thirds) of the supervisors.

Article 20 — Minutes shall be kept for the meetings of the Supervisory Committee and supervisors attending the meeting and the person taking minutes shall sign on the minutes. Supervisors shall have the right to request to record what he has said at the meeting in the minutes. Minutes of the Supervisory Committee shall be kept properly as important files of the Company.

Article 21 — Except the minutes, the Supervisory Committee shall also make concise resolutions in respect of the matters examined at the meeting and the resolutions shall be read before conclusion of the meeting and signed by all the supervisors attending the meeting.

Chapter 5 — Implementation of the Resolutions of the Supervisory Committee

Article 22 — The Chairman of the Supervisory Committee shall be responsible for supervising and inspecting the implementation of the resolutions of the Supervisory Committee. The Company shall submit and/or announce resolutions of the Supervisory Committee according to the Applicable Laws and the relevant regulations of the stock exchange on which shares of the Company are listed and traded.

Article 23 — As regards resolutions relating to proposals on the operation and management of the Company or requests for replies by the board of directors or management, the Supervisory Committee shall arrange for the supervisors to be specifically responsible for communicating with the board of directors and general manager in order to finalise the resolutions and make a written report to the Supervisory Committee in relation to the implementation results of the resolutions.

Chapter 6 — Supplemental Rules

Article 24 — The formulation and amendment of these Rules shall be effective after examination and approval by the shareholders' meeting.

Article 25 — The shareholders' meeting shall have the right to interpret and amend these Rules.

Article 26 — As regards any matters not being dealt with in these Rules or those which are inconsistent with the laws, administrative regulations, other regulatory documents, Articles of Association and Rules and Procedures for the Shareholders' Meeting, the relevant laws, administrative regulations, other regulatory documents, Articles of Association and Rules and Procedures for the Shareholders' Meeting shall prevail.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of Huaneng Power International, Inc. (the “Company”) will be held at 9:00 a.m. on Thursday, 28th July, 2005 at Beijing International Convention Centre at No. 8 Beichen East Road, Chaoyang District, Beijing, the People’s Republic of China for the conduct of approving the following special resolutions:

1. Proposal regarding the amendments to the articles of association of the Company *(Note 1)*
2. Proposal regarding the Rules of Procedures for Board Meetings of the Company *(Note 2)*
3. Proposal regarding the Rules of Procedures for Meetings of the Supervisory Committee *(Note 3)*

By Order of the Board
Huang Long
Director

Beijing, the PRC
13th June, 2005

Notes:

1. For details of the amendments, please see the announcement and Appendix I to the circular issued by the Company on 15th April, 2005 and 13th June, 2005 respectively.
2. Details of the Rules of Procedures for Board Meetings are set out in Appendix II to the circular issued by the Company on 13th June, 2005.
3. Details of the Rules of Procedures for Meetings of the Supervisory Committee are set out in Appendix III to the circular issued by the Company on 13th June, 2005.
4. **Eligibility for attending the Extraordinary General Meeting**

Holders of the Company’s H Shares whose names appear on the HK\$ Dividend H Shares Register and/or the US\$ Dividend H Shares Register maintained by Hong Kong Registrars Limited and holders of the Company’s Domestic Shares whose names appear on the Domestic Shares Register maintained by the Company at the close of business on 28th June, 2005 are eligible to attend the Extraordinary General Meeting.

5. Proxy

- (i) A member eligible to attend and vote at the Extraordinary General Meeting is entitled to appoint, in written form, one or more proxies to attend and vote on his behalf. A proxy needs not be a shareholder.
- (ii) A proxy should be appointed by a written instrument signed by the appointor or its attorney duly authorised in writing. If the form of proxy is signed by the attorney of the appointor, the power of attorney authorising that attorney to sign or other authorisation document(s) shall be notarised.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) To be valid, the power of attorney or other authorisation document(s) which have been notarised together with the completed form of proxy must be delivered, in the case of holders of Domestic Shares, to the Company and, in the case of holders of H Shares, to Hong Kong Registrars Limited, not less than 24 hours before the time designated for holding of the Extraordinary General Meeting.
- (iv) A proxy may exercise the right to vote by a show of hands or by poll. However, if more than one proxy is appointed by a shareholder, such proxies shall only exercise the right to vote by poll.

6. Registration procedures for attending the Extraordinary General Meeting

- (i) A shareholder or his proxy shall produce proof of identity when attending the meeting. If a shareholder is a legal person, its legal representative or other persons authorised by the board of directors or other governing body of such shareholder may attend the Extraordinary General Meeting by producing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such persons to attend the meeting.
- (ii) Holders of H Shares intending to attend the Extraordinary General Meeting should return the reply slip for attending the Extraordinary General Meeting to the Company on or before 8th July, 2005.
- (iii) Shareholders may send the reply slip to the Company in person, by post or by fax.

7. Closure of H Share Register of Members

The H share register of members of the Company will be closed from 28th June, 2005 to 27th July, 2005 (both days inclusive).

8. Other Businesses

- (i) The Extraordinary General Meeting will last for half day. Shareholders who attend shall bear their own travelling and accommodation expenses.
- (ii) The address of the Share Registrar for H Shares of the Company, Hong Kong Registrars Limited, is at:

46/F., Hopewell Centre
183 Queen's Road East
Hong Kong

- (iii) The registered address of the Company is at:

West Wing,
Building C,
Tianyin Mansion,
2C Fuxingmennan Street,
Xicheng District,
Beijing 100031,
The People's Republic of China

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