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華電國際電力股份有限公司

HUADIAN POWER INTERNATIONAL CORPORATION LIMITED*

(A Sino-foreign investment joint stock company limited by shares incorporated in the PRC)

(Stock code: 1071)

Connected Transaction Capital Increase in Huadian Jinsha River

The Board is pleased to announce that on 7 July 2015, the Company entered into the Capital Increase Agreement with Huadian Jinsha River, pursuant to which the Company will participate in the Capital Increase in Huadian Jinsha River. Immediately after the Capital Increase, the registered capital of Huadian Jinsha River will be increased from RMB716.8 million to RMB1,098.6 million, which will be funded entirely by capital contributions by the existing shareholders of Huadian Jinsha River on a pro-rata basis. The Company will contribute an amount of RMB72 million in cash, and should pay up the outstanding unpaid capital contribution of RMB8.27 million to Huadian Jinsha River. Upon completion of the Capital Increase, the equity interests held by the Company in the then enlarged registered capital of Huadian Jinsha River are expected to remain as 20%.

Huadian Jinsha River is a subsidiary of the Company's controlling Shareholder, i.e., China Huadian, and thus a Connected Person of the Company. The Capital Increase Agreement therefore constitutes a connected transaction of the Company as defined under Chapter 14A of the Hong Kong Listing Rules. As the percentage ratio (as defined in Rule 14.07 of the Hong Kong Listing Rules) applicable to the proposed capital contribution by the Company under the Capital Increase exceeds 0.1% but is less than 5%, pursuant to Rule 14A.76 of the Hong Kong Listing Rules, the Transaction is subject to the annual reporting and announcement requirements but is exempt from circular and Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

I. Introduction

The Board is pleased to announce that on 7 July 2015, the Company entered into the Capital Increase Agreement with Huadian Jinsha River, pursuant to which the Company

will participate in the Capital Increase in Huadian Jinsha River. Immediately after the Capital Increase, the registered capital of Huadian Jinsha River will be increased from RMB716.8 million to RMB1,098.6 million, which will be funded entirely by capital contributions by the existing shareholders of Huadian Jinsha River on a pro-rata basis. The Company will contribute an amount of RMB72 million in cash, and should pay up the outstanding unpaid capital contribution of RMB8.27 million to Huadian Jinsha River. Upon completion of the Capital Increase, the equity interests held by the Company in the then enlarged registered capital of Huadian Jinsha River are expected to remain as 20%.

II. Capital Increase Agreement

1. Date

7 July 2015

2. Parties

- (i) The Company; and
- (ii) Huadian Jinsha River

3. Capital Increase in Huadian Jinsha River

Prior to the Capital Increase, the registered capital of Huadian Jinsha River is RMB716.8 million. The equity interests of Huadian Jinsha River are held as to: (i) an aggregate of 80% by China Huadian and another subsidiary of China Huadian not being the Company; and (ii) the remaining 20% by the Company.

Upon completion of the Capital Increase, the registered capital of Huadian Jinsha River will be increased from RMB716.8 million to RMB1,098.6 million, which will be funded entirely by capital contributions by the existing shareholders of Huadian Jinsha River on a pro-rata basis. Under the Capital Increase, the Company will contribute an amount of RMB72 million in cash. According to the Capital Increase Agreement, the Company, China Huadian and its other subsidiary will contribute to the Capital Increase upon the same pricing terms.

In addition, the Company should pay up the outstanding unpaid capital contribution of RMB8.27 million to Huadian Jinsha River. China Huadian should also pay up its outstanding unpaid capital contribution RMB13.53 million to Huadian Jinsha River.

Upon completion of the Capital Increase, the equity interests held by the Company in the then enlarged registered capital of Huadian Jinsha River are expected to remain as 20% and the remaining equity interests of 80% in Huadian Jinsha River will continue to be held by China Huadian and another subsidiary of China Huadian.

Huadian Jinsha River is an associated company of the Company whose results are and will following the Capital Increase continue to be recorded using the equity method of accounting in the Company's financial statements.

4. Consideration and payment terms

Pursuant to the Capital Increase Agreement, the Company will contribute to the Capital Increase by way of cash and payment has to be made within ten days from the date of the Capital Increase Agreement or other date as may be agreed by the Company and Huadian Jinsha River in writing.

The capital contribution by the Company in Huadian Jinsha River has been determined based on arm's length negotiations between the parties.

III. Reasons for and benefits expected to accrue from the Capital Increase Agreement

The Directors consider that the Transaction contemplated under the Capital Increase Agreement is in line with the Company's development strategy of adjusting its power structure, which is expected to bring benefits to the operation of the Company.

The Directors (including the independent non-executive Directors) are of the view that the Capital Increase Agreement and the Transaction are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IV. Information on Huadian Jinsha River and the Company

1. Huadian Jinsha River

Huadian Jinsha River is a subsidiary of China Huadian. It is principally engaged in the development, construction and operation of the hydropower resources located at mainstream of the Sichuan-Tibet and the Sichuan-Qinghai segments, which are within the upper reaches of Jinsha River situated at the Sichuan Province, Qinghai Province and Tibet Autonomous Region of the PRC.

As at 31 December 2014, the audited net assets of Huadian Jinsha River amounted to approximately RMB716.85 million.

As at the date of this announcement, Huadian Jinsha River has not commenced any production or business operation and thus has not generated any revenue or profits.

2. The Company

The Company and its subsidiaries are principally engaged in the construction and operation of power plants, including large-scale efficient coal or gas-fired generating units and various renewable energy projects, and the development, construction and operation of coal mines.

V. Hong Kong Listing Rules Implications

Huadian Jinsha River is a subsidiary of the Company's controlling Shareholder, i.e., China Huadian, and thus a Connected Person of the Company. The Capital Increase Agreement therefore constitutes a connected transaction of the Company as defined under Chapter 14A of the Hong Kong Listing Rules. As the percentage ratio (as defined

in Rule 14.07 of the Hong Kong Listing Rules) applicable to the proposed capital contribution by the Company under the Capital Increase exceeds 0.1% but is less than 5%, pursuant to Rule 14A.76 of the Hong Kong Listing Rules, the Transaction is subject to the annual reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Directors who held positions in China Huadian at the material time when the Board considered matters in preparation for and relating to the Transaction are considered to have a material interest in the Transaction. These Directors include Mr. Li Qingkui, Mr. Chen Bin, Mr. Gou Wei and Mr. Chu Yu, and they had abstained from voting on the Board resolution(s) that were passed to approve the Transaction.

VI. Definitions

In this announcement, unless the context states otherwise, the following expressions have the following meanings:

“Board” means the board of Directors;

“Capital Increase” means:

- (i) the proposed capital increase in the registered capital of Huadian Jinsha River from RMB716.8 million to RMB1,098.6 million, which will be funded entirely by capital contributions by the existing shareholders of Huadian Jinsha River on a pro-rata basis. Under the Capital Increase, the Company will contribute an amount of RMB72 million in cash; and
- (ii) the payment of the outstanding unpaid cash capital contributions to Huadian Jinsha River by its existing shareholders;

“Capital Increase Agreement” means the capital increase agreement dated 7 July 2015 entered into between the Company and Huadian Jinsha River in respect of the Transaction;

“China Huadian” means 中國華電集團公司 China Huadian Corporation*, a wholly PRC State-owned enterprise and the controlling Shareholder of the Company;

“Company” means 華電國際電力股份有限公司 Huadian Power International Corporation Limited*, a Sino-foreign investment joint stock company limited by shares incorporated in the PRC, whose H shares and A shares are listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange, respectively;

“Connected Person(s)”	has the meaning ascribed to such term in the Hong Kong Listing Rules that apply to the Company;
“Directors”	means the directors of the Company;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Huadian Jinsha River”	means 華電金沙江上游水電開發有限公司 Huadian Jinsha River Upstream Hydropower Development Co., Ltd.*, a company established under the laws of the PRC with limited liability, which is a subsidiary of China Huadian;
“PRC”	means the People’s Republic of China;
“RMB”	means Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	means the shareholder(s) of the Company;
“Transaction”	means the proposed capital contribution by the Company in Huadian Jinsha River under the Capital Increase as contemplated under the Capital Increase Agreement; and
“%”	means per cent.

By order of the Board
Huadian Power International Corporation Limited*
Zhou Lianqing
Secretary to the Board

As at the date of this announcement, the Board comprises:

Li Qingkui (Chairman, Non-executive Director), Chen Jianhua (Vice Chairman, Non-executive Director), Wang Yingli (Vice Chairman, Non-executive Director), Chen Bin (Executive Director), Geng Yuanzhu (Executive Director), Gou Wei (Non-executive Director), Chu Yu (Non-executive Director), Zhang Ke (Non-executive Director), Ding Huiping (Independent Non-executive Director), Wang Dashu (Independent Non-executive Director), Wei Jian (Independent Non-executive Director) and Zong Wenlong (Independent Non-executive Director).

Beijing, the PRC
7 July 2015

**For identification purposes only*