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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 People's Republic of China (the "PRC"))*

(Stock Code: 1071)

## ANNOUNCEMENT

### CONTINUING CONNECTED TRANSACTIONS

The Company intends to renew (i) the Existing Coal, Equipments and Services Purchase (Supply) Framework Agreement with China Huadian upon its expiry on 31 December 2013 for another term of one year until 31 December 2014, (ii) the Existing Coal Purchase Framework Agreement with Yanzhou Coal upon its expiry on 31 December 2013 for another term of three years until 31 December 2016, and (iii) the Existing Coal Purchase Framework Agreement with Huainan Mining upon its expiry on 31 December 2013 for another term of three years until 31 December 2016. The Company also proposes the caps in respect of the transactions under the Proposed Continuing Connected Transactions.

China Huadian is the controlling shareholder of the Company. Yanzhou Coal and Huainan Mining are substantial shareholders of two of the non-wholly owned subsidiaries of the Company. Therefore, China Huadian, Yanzhou Coal and Huainan Mining are connected persons of the Company under the Hong Kong Listing Rules. The transactions under the Proposed Continuing Connected Transactions will be carried out on a continuing or recurring basis in the ordinary and usual course of businesses of the Group and accordingly constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Hong Kong Listing Rules) in respect of the transactions under the Proposed Continuing Connected Transactions exceed 5%, the transactions contemplated thereunder are subject to the announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Board proposes to put forward all the continuing connected transactions and the related proposed annual caps contemplated under the Proposed Continuing Connected Transactions, for approval by the Independent Shareholders at the EGM to be convened for, among others, such purposes.

A circular containing, among others: (i) details of the non-exempt continuing connected transactions under the Proposed Continuing Connected Transactions Agreements, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders, and (iii) a letter of advice by an independent financial adviser to the Independent Board Committee and the Independent Shareholders will be despatched in accordance with the applicable laws and rules that apply to the Company in due course. Currently, the Company is making preparations with an aim to issuing the circular on or before 6 November 2013. However, there is no assurance that the circular will be issued on or before that date. If there is such a delay, further announcement(s) will be made by the Company as appropriate.

## I. CONTINUING CONNECTED TRANSACTIONS

### 1. BACKGROUND

The Existing Coal, Equipments and Services Purchase (Supply) Framework Agreement, which regulates the mutual supply of coal and provision of certain products and services between China Huadian and the Group, will expire on 31 December 2013. The Company intends to continue and increase the existing transactions contemplated under, and upon the expiry of, the Existing Coal, Equipments and Services Purchase (Supply) Framework Agreement.

The Existing Coal Purchase Framework Agreement with Yanzhou Coal and the Existing Coal Purchase Framework Agreement with Huainan Mining, which regulate the supply of coal by Yanzhou Coal and Huainan Mining to the Company, will expire on 31 December 2013. The Company intends to continue the existing transactions contemplated under, and upon the expiry of, the Existing Coal Purchase Framework Agreement with Yanzhou Coal and the Existing Coal Purchase Framework Agreement with Huainan Mining.

### 2. THE EXISTING COAL, EQUIPMENTS AND SERVICES PURCHASE (SUPPLY) FRAMEWORK AGREEMENT

On 6 November 2012, the Company entered into the Existing Coal, Equipments and Services Purchase (Supply) Framework Agreement with China Huadian. The agreement is for a term of one year commencing from 1 January 2013 and expiring on 31 December 2013.

The principal terms of the Existing Coal, Equipments and Services Purchase (Supply) Framework Agreement are set out as follows and have been disclosed in the Company's announcement published on 6 November 2012:

- Date: 6 November 2012
- Parties: China Huadian  
the Company
- Existing Term: One (1) year commencing from 1 January 2013 and expiring on 31 December 2013
- Transactions: (1) Mutual supply of coal between the Group and China Huadian;
- (2) Provision to the Group by China Huadian of engineering equipments (including but not limited to transducers, recycled water and desulphurisation systems), systems, products and engineering and construction contracting projects; and
- (3) Provision to the Group by China Huadian of supplies procurement services and other miscellaneous and relevant services, including: (i) services in relation to the production and operation of the generating units of power plants, including overhauls and maintenance services, technological services such as testing of generating units and technology renovation and other services relating to production and operation; (ii) financial agency service capital operations and property transaction agency services; (iii) CDM registration services for the development and operation of clean energy projects; (iv) relevant quota (such as the quota on power generation rights and the quota of “replacing small units with larger units” on shutting down small generating units) services for the operation and project development of the Group; (v) property management services for the leasing of Huadian Tower, the office building of the headquarters of the Company (collectively “**Miscellaneous and Relevant Services**”); and

(4) Provision to China Huadian by the Group of services of overhauls and maintenance of generating units of power plants and alternative power generation and relevant quota services.

Price determination principles: The consideration for the mutual provision or sale of coal, engineering equipments, systems, products and engineering and construction contracting projects, and of Miscellaneous and Relevant Services under the framework agreement is subject to mutual consent and confirmation by the parties to the agreement, as well as determinations after arm's length negotiation with reference to the then market price and prevailing market conditions, and on transaction terms no less favourable than those with independent third parties.

Furthermore, the consideration for provision of engineering equipments, systems, products and engineering and construction contracting projects will be determined by reference to the bidding price under the bidding process as required by the relevant PRC laws and regulations, and is subject to adjustment upon further arm's length negotiation with the successful bidder.

### *Historical Amounts*

The actual amounts and the annual caps of the historical transactions under the Existing Coal, Equipments and Services Purchase (Supply) Framework Agreement for the twelve months ended 31 December 2011, twelve months ended 31 December 2012, and for the nine months ended 30 September 2013 are set out below:

Transactions	For the twelve months ended 31 December 2011		For the twelve months ended 31 December 2012	
	Actual amount (RMB millions)	Annual caps (RMB millions)	Actual amount (RMB millions)	Annual caps (RMB millions)
<b>Expenditure</b>				
Purchase of coal from China Huadian	<b>1,557</b>	<b>5,000</b>	<b>2,551</b>	<b>5,000</b>
Provision of engineering equipments, systems, products and engineering and construction contracting projects by China Huadian	<b>527</b>	<b>1,300</b>	<b>607</b>	<b>1,300</b>
Provision of supplies procurement services and other Miscellaneous and Relevant Services by China Huadian	<b>32</b>	<b>200</b>	<b>183</b>	<b>200</b>
<b>Revenue</b>				
Sale of coal and provision of services such as overhauls and maintenance of generating units of power plants, alternative	<b>5</b>	<b>1,200</b>	<b>97</b>	<b>2,000</b>

power generation and relevant quota services to China Huadian

**Transactions**

**For the nine months ended 30 September 2013**

**Expenditure**

Actual amount (RMB millions)      Annual caps (in respect of the entire financial year ending 31 December 2013) (RMB millions)

Purchase of coal from China Huadian	<b>1,606</b>	<b>6,000</b>
Provision of engineering equipments, systems, products and engineering and construction contracting projects, supplies procurement services and other Miscellaneous and Relevant Services by China Huadian ( <i>Note 1</i> )	<b>670</b>	<b>1,500</b>

**Revenue**

Sale of coal and provision of services such as overhauls and maintenance of generating units of power plants, alternative power generation and relevant quota services to China Huadian	<b>60</b>	<b>2,000</b>
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Note 1: The Company estimated two categories of transactions, namely, provision of engineering equipments and products, etc., and provision of supplies procurement services and other Miscellaneous and Relevant Services, both from China Huadian to the Group, on a consolidated basis under the Existing Coal, Equipments and Services Purchase (Supply) Framework Agreement. Please refer to the Company's announcement published on 6 November 2012 for details.

**3. THE EXISTING COAL PURCHASE FRAMEWORK AGREEMENT WITH YANZHOU COAL**

On 10 September 2010, the Company entered into the Existing Coal Purchase Framework Agreement with Yanzhou Coal. The agreement is for a term of three years commencing from 1 January 2011 and expiring on 31 December 2013.

The principal terms of the Existing Coal Purchase Framework Agreement with Yanzhou Coal are set out as follows and have been disclosed in the Company's announcement published on 10 September 2010:

- Date : 10 September 2010
- Parties : Yanzhou Coal as supplier;  
the Company as buyer
- Existing Term : Three (3) years commencing from 1 January 2011 and expiring on 31 December 2013
- Nature of Transactions: of Supply of coal by Yanzhou Coal to the Group

Price-determination: The parties agreed that the coal will be supplied at the prevailing market price and the prevailing market price shall be with reference to the price of coal (of the same category or same type and quality) Yanzhou Coal supplies to other independent third parties under normal business circumstances.

Other major terms : The parties will from time to time determine the quality and the transportation method of coal supplied to the Group with reference to the then prevailing market circumstances, and subject to the parties' discussion and negotiations. The quantity of coal to be supplied to the Group by Yanzhou Coal shall be in accordance with the Company's instructions to Yanzhou Coal from time to time.

### ***Historical Amounts***

The actual amounts and the annual caps of the historical transactions under the Existing Coal Purchase Framework Agreement with Yanzhou Coal for the twelve months ended 31 December 2011, the twelve months ended 31 December 2012, and the nine months ended 30 September 2013 are set out below:

<b>Transactions</b>	<b>For the twelve months ended 31 December 2011</b>		<b>For the twelve months ended 31 December 2012</b>		<b>For the nine months ended 30 September 2013</b>	
	Actual amount (RMB millions)	Annual cap (RMB millions)	Actual amount (RMB millions)	Annual cap (RMB millions)	Actual amount (RMB millions)	Annual cap (in respect of the entire financial year ending 31 December 2013) (RMB millions)
Coal Purchase Framework Agreement with Yanzhou Coal	4,509	8,000	3,828	8,000	2,540	8,000

#### **4. THE EXISTING COAL PURCHASE FRAMEWORK AGREEMENT WITH HUAINAN MINING**

On 10 September 2010, the Company entered into the Existing Coal Purchase Framework Agreement with Huainan Mining. The agreement is for a term of three years commencing from 1 January 2011 and expiring on 31 December 2013.

The principal terms of the Existing Coal Purchase Framework Agreement with Huainan Mining are set out as follows and have been disclosed in the Company's announcement published on 10 September 2010:

Date : 10 September 2010

Parties : Huainan Mining as supplier;  
the Company as buyer

Existing Term : Three (3) years commencing from 1 January 2011 and expiring on 31 December 2013

Nature of Supply of coal by Huainan Mining to the Group

Transactions:

Price-determination: The Parties agreed that the coal will be supplied to the Group at the prevailing market price and the prevailing market price shall be determined with reference to the price of coal (of the same category or same type and quality) Huainan Mining supplies to other independent third parties under normal business circumstances.

Other major terms : The Parties will from time to time determine the quality and the transportation method for the supply of coal with reference to the then prevailing market circumstances, and subject to the parties' discussion and negotiations. The quantity of coal to be supplied to the Group shall be determined by the Company providing instructions to Huainan Mining from time to time.

### ***Historical Amounts***

The actual amounts and the annual caps of the historical transactions under the Existing Coal Purchase Framework Agreement with Huainan Mining for the twelve months ended 31 December 2011, the twelve months ended 31 December 2012, and for the nine months ended 30 September 2013 are set out below:

<b>Transactions</b>	<b>For the twelve months ended 31 December 2011</b>		<b>For the twelve months ended 31 December 2012</b>		<b>For the nine months ended 30 September 2013</b>	
	Actual amount (RMB millions)	Annual cap (RMB millions)	Actual amount (RMB millions)	Annual cap (RMB millions)	Actual amount (RMB millions)	Annual cap (in respect of the entire financial year ending 31 December 2013) (RMB millions)
Coal Purchase Framework Agreement with Huainan Mining	1,177	4,000	53	4,000	0	4,000

In order to ensure the price determination principles are properly adhered to, the Company will submit relevant information and materials in relation to the relevant transactions of the Company to its independent non-executive Directors, auditors and, if necessary, the PRC regulatory authorities for review periodically, and there are channels for the Company's independent non-executive Directors and auditors to provide their view and opinion regarding the transactions to the Board.

### **5. THE PROPOSED COAL, EQUIPMENTS AND SERVICES PURCHASE (SUPPLY) FRAMEWORK AGREEMENT**

In accordance with the terms of the Existing Coal, Equipments and Services Purchase (Supply) Framework Agreement, the agreement will expire on 31 December 2013. To continue to regulate the relevant terms of the transactions contemplated thereunder between the Group and China Huadian, on 17 October 2013, the Company has conditionally entered into the Proposed Coal, Equipments and Services Purchase (Supply) Framework Agreement with China Huadian, which will be for another term of one year commencing from 1 January 2014 and expiring on 31 December 2014.

Save for the above term of the contract and the maximum annual transaction amounts (as set out below) agreed by both parties in the agreement, the principal terms of transactions under the Proposed Coal, Equipments and Services Purchase (Supply) Framework Agreement are substantially the same as the above terms of the Existing Coal, Equipments and Services Purchase (Supply) Framework Agreement.

***Condition Precedent***

The Proposed Coal, Equipments and Services Purchase (Supply) Framework Agreement is conditional upon Independent Shareholders' approval being obtained at the EGM.

***Proposed Annual Caps***

The Directors propose the proposed annual caps for the transactions contemplated under the Proposed Coal, Equipments and Services Purchase (Supply) Framework Agreement for the financial year ending 31 December 2014 as follows:

<b>Transactions</b>	<b>Proposed annual caps for the financial year ending 31 December 2014</b> <b>(RMB millions)</b>
<b>Expenditure</b>	
Purchase of coal from China Huadian	6,000
Provision of engineering equipments, systems, products and engineering and construction contracting projects, supplies procurement services and other Miscellaneous and Relevant Services by China Huadian ( <i>Note 1</i> )	3,000
	Total: 9,000
<b>Revenue</b>	
Sale of coal and provision of services such as overhauls and maintenance of generating units of power plants, alternative power generation and relevant quota services to China Huadian ( <i>Note 2</i> )	2,000
	Total: 2,000

Note 1: Of the estimated annual cap of RMB3.0 billion, it is estimated that based on the historical amounts and the needs of existing projects of the Company, approximately 85% is for provision of engineering equipments, systems, products and engineering and construction contracting projects, approximately 5% is for provision of the supplies procurement services and approximately 10% is for provision of other Miscellaneous and Relevant Services.

Note 2: Of the estimated annual cap of RMB2.0 billion, approximately 80% is for sale of coal, approximately 10% is for provision of overhauls and maintenance services and alternative power generation and approximately 10% is for provision of relevant quota services.

In the process of considering the proposed annual caps for the financial year ending 31 December 2014, the Company proposed to revise the annual cap for the provision of engineering equipments, systems, products and engineering and construction contracting projects, supplies procurement services and other Miscellaneous and Relevant Services by China Huadian from RMB1.5 billion to RMB3.0 billion. When estimating the annual cap for this category of transactions, the Company has mainly considered, among other things, the factor that with the commencement of operation of its new generating units, the Group has been growing in size. In addition, the Chinese government has recently increased environmental requirements, pursuant to which, the Group's coal-fired generating units need to be further equipped with denitration equipments, and the original desulphurization and dust removal equipments also require upgrade. China Huadian is a leading supplier of relevant technological transformation projects, as such, the Group intends to increase amount of provision of engineering equipments, systems, products and engineering and construction contracting projects, supplies procurement services and other Miscellaneous and Relevant Services by China Huadian so as to meet the demand for routine operations.

The transactions under the Proposed Coal, Equipments and Services Purchase (Supply) Framework Agreement constitute non-exempt continuing connected transactions of the Company subject to the notification, announcement and Independent Shareholders' approval requirements in accordance with the requirements of the Hong Kong Listing Rules. For good corporate governance purpose, the Company will put forward each category of the transactions under the Proposed Coal, Equipments and Services Purchase (Supply) Framework Agreement and the proposed annual caps for Independent Shareholders' approval at the EGM.

## **6. THE PROPOSED COAL PURCHASE FRAMEWORK AGREEMENT WITH YANZHOU COAL AND THE PROPOSED COAL PURCHASE FRAMEWORK AGREEMENT WITH HUAINAN MINING**

In accordance with the terms of the Existing Coal Purchase Framework Agreement with Yanzhou Coal and the Existing Coal Purchase Framework Agreement with Huainan Mining, the agreements will expire on 31 December 2013. To continue to regulate the relevant terms of the transactions contemplated thereunder between the Group and Yanzhou Coal and between the Group and Huainan Mining, respectively, on 17 October 2013, the Company has conditionally entered into the Proposed Coal Purchase Framework Agreement with Yanzhou Coal and the Proposed Coal Purchase Framework Agreement with Huainan Mining, with Yanzhou Coal and Huainan Mining, respectively, each of which will be for another term of three years commencing from 1 January 2014 and expiring on 31 December 2016.

Save for the above term of the contract agreed by both parties in the agreements, the principal terms of transactions under the Proposed Coal Purchase Framework Agreement with Yanzhou Coal and the Proposed Coal Purchase Framework Agreement with Huainan Mining are substantially the same as the above terms of the Existing Coal Purchase Framework Agreement with Yanzhou Coal and the Existing Coal Purchase Framework Agreement with Huainan Mining, respectively.

### ***Conditions Precedent***

The Proposed Coal Purchase Framework Agreement with Yanzhou Coal and the Proposed Coal Purchase Framework Agreement with Huainan Mining are each conditional upon Independent Shareholders' approval being obtained at the EGM.

### ***Proposed Annual Caps***

The Directors propose the proposed annual caps for the transactions contemplated under the Proposed Coal Purchase Framework Agreement with Yanzhou Coal and the Proposed Coal Purchase Framework Agreement with Huainan Mining for the three financial years ending 31 December 2016 as follows:

<b>Transactions</b>	<b>Proposed annual caps for the financial year ending 31 December 2014 (RMB millions)</b>	<b>Proposed annual caps for the financial year ending 31 December 2015 (RMB millions)</b>	<b>Proposed annual caps for the financial year ending 31 December 2016 (RMB millions)</b>
<b>Expenditure</b>			
Proposed Coal Purchase Framework Agreement with Yanzhou Coal	8,000	8,000	8,000
Proposed Coal Purchase Framework Agreement with Huainan Mining	4,000	4,000	4,000

## **7. REASONS FOR AND BENEFITS FOR EXTENSION OF THE EXISTING CONTINUING CONNECTED TRANSACTIONS**



Due to the long-term relationships between the Group and China Huadian, Yanzhou Coal and Huainan Mining, the Company considers that it is beneficial to continue to enter into the continuing connected transactions as these transactions have facilitated and will continue to facilitate the operation and growth of the Group's businesses.

The proposed annual caps for the Proposed Continuing Connected Transactions have been determined based on the estimated amounts of transactions involved and with reference to the historical transaction volumes, the estimated potential growth of the Group and the expected economic growth of China. The Directors consider the proposed annual caps to be fair and reasonable.

The Board (including independent non-executive Directors) considers that the Proposed Continuing Connected Transactions are entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **8. HONG KONG LISTING RULES IMPLICATIONS**

China Huadian is the controlling shareholder of the Company. Yanzhou Coal and Huainan Mining are substantial shareholders of two of the non-wholly owned subsidiaries of the Company. Therefore, China Huadian, Yanzhou Coal and Huainan Mining are connected persons of the Company under the Hong Kong Listing Rules. The transactions under the Proposed Continuing Connected Transactions will be carried out on a continuing or recurring basis in the ordinary and usual course of businesses of the Group and accordingly constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Hong Kong Listing Rules) in respect of the transactions under the Proposed Continuing Connected Transactions exceed 5%, the transactions contemplated thereunder are subject to the announcement and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Board proposes to put forward all the continuing connected transactions and the related proposed annual caps contemplated under the Proposed Continuing Connected Transactions, for approval by the Independent Shareholders at the EGM to be convened for, among others, such purposes.

As required by the Hong Kong Listing Rules, China Huadian, which holds 3,171,061,853 issued A shares of the Company representing approximately 43.02% of the Company's total issued share capital, and its wholly-owned subsidiary, China Huadian Hong Kong Company Limited, which holds 85,862,000 issued H shares of the Company representing approximately 1.16% of the Company's total issued share capital, will abstain from voting on the resolutions to be proposed at the EGM for approving the Proposed Coal, Equipments and Services Purchase (Supply) Framework Agreement and the related proposed annual caps.

Four non-executive Directors, namely, Yun Gongmin, Chen Bin and Chu Yu (who are currently employees (not being directors) of China Huadian) and Chen Feihu (who was previously an employee (not being a director) of China Huadian), have abstained from voting on the board resolutions approving the Proposed Coal, Equipments and Services Purchase (Supply) Framework Agreement and the related proposed annual caps. Save as mentioned above, none of the Directors has material interest in the Proposed Coal, Equipments and Services Purchase (Supply) Framework Agreement and hence no other Director has abstained from voting on such Board resolutions.

As at the date of the announcement, Yanzhou Coal and Huainan Mining do not have any shareholding in the Company. No Directors hold positions in Yanzhou Coal or Huainan Mining and thus no Directors have abstained from voting on the Board resolutions approving the Proposed Coal Purchase Framework Agreement with Yanzhou Coal and the Proposed Coal Purchase Framework Agreement with Huainan Mining and the related proposed annual caps.

An Independent Board Committee has, in accordance with the Hong Kong Listing Rules, been formed to advise the Independent Shareholders on the Proposed Continuing Connected Transactions. For details of such advice, please refer to the circular to be published by the Company in due course.

A circular containing, among others: (i) details of the non-exempt continuing connected transactions under the Proposed Continuing Connected Transactions Agreements, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders, and (iii) a letter of advice by an independent financial adviser to the Independent Board Committee and the Independent Shareholders will be despatched in accordance with the applicable laws and rules that apply to the Company in due course. Currently, the Company is making preparations with an aim to issuing the circular on or before 6 November 2013. However, there is no assurance that the circular will be issued on or before that date. If there is such a delay, further announcement(s) will be made by the Company as appropriate.

## **II INFORMATION ON THE PARTIES**

### ***Information relating to the Group***

The Group is one of the largest comprehensive energy companies in the PRC, and primarily engages 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.

### ***Information relating to China Huadian***

China Huadian, the controlling shareholder of the Company, holds approximately 44.19% equity interests in the Company. China Huadian is primarily engaged in power generation, heat production and supply, energy development of coal and other resources related to the power generation and relevant professional technical services.

### ***Information relating to Yanzhou Coal***

Yanzhou Coal is primarily engaged in underground coal mining, the preparation, processing, sale and railway transportation of coal. Its products are prime quality and low-sulphur coal, suitable for use as steam coal in large-scale power plants, as coal to be used with coking coal in metallurgical production and for use in pulverized coal injection.

### ***Information relating to Huainan Mining***

Huainan Mining is a large State-owned enterprise in Anhui Province in the PRC and primarily engages in coal mining and production.

## **III DEFINITIONS**

Unless the context requires otherwise, capitalised terms used in this announcement shall have the meanings as follow:

"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules that apply to the Company;
"Board"	means the board of directors of the Company;
"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, and where the context requires, means China Huadian and its subsidiaries and companies whose 30% or more equity interests are directly or indirectly held by China Huadian;

"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 Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively;
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules that apply to the Company;
"controlling shareholder"	has the meaning ascribed to it under the Hong Kong Listing Rules that apply to the Company;
"Directors"	means the directors of the Company;
"EGM"	means the extraordinary general meeting of the Company to be convened to consider and to approve, among other things, the continuing connected transactions contemplated under the Proposed Continuing Connected Transactions Agreements and the related proposed annual caps;
"Existing Coal, Equipments and Services Purchase (Supply) Framework Agreement"	means the coal, equipments and services purchase (supply) framework agreement entered into between China Huadian and the Company on 6 November 2012 in relation to the mutual supply of coal and provision of products and services between China Huadian and the Group, the principal terms of which have been disclosed in the Company's announcement dated 6 November 2012 and its circular dated 9 November 2012;
"Existing Coal Purchase Framework Agreement with Huainan Mining"	means the coal purchase framework agreement entered into between Huainan Mining and the Company on 10 September 2010 in relation to the supply of coal by Huainan Mining to the Group, the principal terms of which have been disclosed in the Company's announcement dated 10 September 2010 and its circular dated 8 October 2010;
"Existing Coal Purchase Framework Agreement with Yanzhou Coal"	means the coal purchase framework agreement entered into between Yanzhou Coal and the Company on 10 September 2010 in relation to the supply of coal by Yanzhou Coal to the Group, the principal terms of which have been disclosed in the Company's announcement dated 10 September 2010 and its circular dated 8 October 2010;
"Existing Continuing Connected Transactions"	means the transactions contemplated under the Existing Coal, Equipments and Services Purchase (Supply) Framework Agreement, the Existing Coal Purchase Framework Agreement with Yanzhou Coal and the Existing Coal Purchase Framework Agreement with Huainan Mining;
"Group"	means the Company and its subsidiaries as at the date of this announcement;
"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;
"Hong Kong Stock Exchange"	means The Stock Exchange of Hong Kong Limited;

"Huainan Mining"	means 淮南礦業(集團)有限責任公司 Huainan Mining Industry Group Company Limited*, a limited liability company established in the PRC;
"Independent Board Committee"	means the independent committee of the Board appointed to advise the Independent Shareholders on the Proposed Continuing Connected Transactions Agreements and related matters pursuant to the requirements of the Hong Kong Listing Rules;
"Independent Shareholders"	means: <ul style="list-style-type: none"> <li>(i) in respect of the Proposed Coal, Equipments and Services Purchase (Supply) Framework Agreement, Shareholders other than China Huadian, its associates, and other Shareholders, if any, with a material interest in such agreement and the transactions thereunder and their respective associates;</li> <li>(ii) in respect of the Proposed Coal Purchase Framework Agreement with Yanzhou Coal, Shareholders other than those Shareholders, if any, with a material interest in such agreement and the transactions thereunder and their respective associates; and</li> <li>(iii) in respect of the Proposed Coal Purchase Framework Agreement with Huainan Mining, Shareholders other than those Shareholders, if any, with a material interest in such agreement and the transactions thereunder and their respective associates;</li> </ul>
"Miscellaneous and Relevant Services"	has the meaning ascribed to it under paragraph (3) under "Transactions" of section I.2 above;
"PRC"	means the People's Republic of China;
"Proposed Coal, Equipments and Services Purchase (Supply) Framework Agreement"	means the coal, equipments and services purchase (supply) framework agreement entered into between China Huadian and the Company in relation to the mutual supply of coal and provision of products and services between China Huadian and the Group, which is subject to the Independent Shareholders' approval at the EGM;
"Proposed Coal Purchase Framework Agreement with Huainan Mining"	means the coal purchase framework agreement entered into between Huainan Mining and the Company in relation to the supply of coal by Huainan Mining to the Group, which is subject to the Independent Shareholders' approval at the EGM;
"Proposed Coal Purchase Framework Agreement with Yanzhou Coal"	means the coal purchase framework agreement entered into between Yanzhou Coal and the Company in relation to the supply of coal by Yanzhou Coal to the Group, which is subject to the Independent Shareholders' approval at the EGM;
"Proposed Continuing Connected Transactions"	means continuing connected transactions under the Proposed Continuing Connected Transactions Agreements;
"Proposed Continuing Connected Transactions Agreements"	means the Proposed Coal, Equipments and Services Purchase (Supply) Framework Agreement, the Proposed Coal Purchase Framework Agreement with Yanzhou Coal, and the Proposed Coal Purchase Framework Agreement with Huainan Mining;
"RMB"	means Renminbi, the lawful currency of the PRC;

"Shareholder(s)"	means the shareholders of the Company;
"Yanzhou Coal"	means 兗州煤業股份有限公司 Yanzhou Coal Mining Company Limited*, a joint stock limited company incorporated in the PRC and the H shares, American depositary shares and A shares of which are listed on the Hong Kong Stock Exchange, New York Stock Exchange Inc. and the Shanghai Stock Exchange, respectively; 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:*

*Yun Gongmin (Chairman, Non-executive Director), Chen Feihu (Vice Chairman, Non-executive Director), Chen Dianlu (Vice Chairman, Non-executive Director), Chen Jianhua (Executive Director), Wang Yingli (Non-executive Director), Geng Yuanzhu (Executive Director), Chen Bin (Non-executive Director), Chu Yu (Non-executive Director), Wang Yuesheng (Independent Non-executive Director), Wang Jixin (Independent Non-executive Director), Ning Jiming (Independent Non-executive Director) and Yang Jinguan (Independent Non-executive Director).*

Beijing, the PRC  
17 October 2013