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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)

ANNOUNCEMENT

(1) PLACING OF H SHARES UNDER GENERAL MANDATE

AND

(2) RESUMPTION OF TRADING

Sole Global Coordinator, Sole Bookrunner and Sole Placing Agent



PLACING OF NEW H SHARES

The Board is pleased to announce that on 23 July 2014 the Company and the Placing Agent entered into the Placing Agreement.

286,205,600 new H Shares of RMB1.00 each in the registered capital of the Company will be issued by the Company pursuant to the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represent approximately 20% and 3.36%, respectively, of the existing total issued H Shares and the total issued share capital of the Company as at the date of this announcement and approximately 16.67% and 3.25%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be RMB286,205,600.

The Company has appointed the Placing Agent as its sole global coordinator, sole bookrunner and exclusive agent for the Placing and the Placing Agent agrees to procure on a best effort basis, Placees to subscribe for the Placing Shares at the Placing Price (together with such brokerage, SFC transaction levy and Stock Exchange trading fee payable by the Placees) and on the terms and conditions of the Placing Agreement. The Placing Shares will be allotted and issued pursuant to the General Mandate, and will be allotted to at least six but no more than ten Placees.

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$1,408.13 million. The net proceeds from the issuance of the H Shares, after deduction of the applicable costs and expenses relating to the Placing, will be approximately HK\$1,384.08 million and such amount will be used for general working capital of the Group. The Directors have considered different types of fund raising activities and consider that the Placing offers a good opportunity for the Company to raise additional capital in the most effective manner and will also provide an opportunity for the Company to broaden its Shareholder base.

All necessary PRC regulatory approval in respect of the Placing, including the approvals from SASAC and CSRC have been obtained for the Placing.

As Completion is subject to the satisfaction of certain conditions precedent, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the H Shares on the Stock Exchange had been halted with effect from 9:00 a.m. on Wednesday, 23 July 2014, pending the release of this announcement. An application has been submitted to the Stock Exchange requesting the resumption of trading in the H Shares with effect from 9:00 a.m. on Thursday, 24 July 2014.

This announcement is also made pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Listing Rules.

PLACING OF NEW H SHARES

The Board is pleased to announce that on 23 July 2014 the Company and the Placing Agent entered into the Placing Agreement. The principal terms of the Placing Agreement are set out below.

THE PLACING AGREEMENT

Date: 23 July 2014

Parties: The Company; and
The Placing Agent

Number of Placing Shares

286,205,600 new H Shares of RMB1.00 each in the registered capital of the Company will be issued by the Company pursuant to the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represent approximately 20% and 3.36%, respectively, of the existing total issued H Shares and the total issued share capital of the Company as at the date of this announcement and approximately 16.67% and 3.25%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be RMB286,205,600.

The Placing

The Company has appointed the Placing Agent as its sole global coordinator, sole bookrunner and exclusive agent for the Placing and the Placing Agent agrees to procure on a best effort basis, Placees to subscribe for the Placing Shares at the Placing Price (together with such brokerage, SFC transaction levy and Stock Exchange trading fee payable by the Placees) and on the terms and conditions of the Placing Agreement. The Placing Shares will be allotted and issued pursuant to the General Mandate, and will be allotted to at least six but no more than ten Placees.

Independence of the Placing Agent

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent is a third party independent of and not connected with the Company or its connected persons.

The Placees

The Placing Agent will place the Placing Shares to at least six but no more than ten Placees who, as far as the Placing Agent is aware, are independent professional or institutional investors who and whose ultimate beneficial owners are third parties independent of and not connected with the Company. None of the Placees will become a substantial shareholder of the Company immediately after Completion.

Placing Price

The Placing Price of HK\$4.92 per Placing Share (exclusive of brokerage (if any)) represents:

- (a) a discount of approximately 1.20% to the average closing price of HK\$4.98 per H share as quoted on the Stock Exchange for the last twenty consecutive trading days up to and including 22 July 2014;
- (b) a discount of approximately 7.55% to the average closing price of HK\$5.32 per H share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 22 July 2014;
- (c) a discount of approximately 11.54% to the average closing price of HK\$5.56 per H Share as quoted on the Stock Exchange for the last five trading days up to and including 22 July 2014; and
- (d) a discount of approximately 9.89% to the closing price of HK\$5.46 per H Share as quoted on the Stock Exchange on 22 July 2014 being the last trading day prior to the entering of the Placing Agreement.

The Placing Price has been negotiated and arrived at on an arm's length basis negotiation between the Company and the Placing Agent which has taken into account recent market price of H Shares and the current market conditions.

The Directors are of the opinion that the Placing Price is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

The net Placing Price (after deduction of the commissions and expenses relating to the Placing) is approximately HK\$4.84 per Placing Share.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the existing H Shares in issue on the Closing Date, including the right to receive all dividends and other distributions declared and made after the Closing Date.

Lock-up

The Company undertakes to the Placing Agent that for a period from the date of the Placing Agreement up to 90 days after the Closing Date, neither the Company nor any of its subsidiaries nor any person acting on its or their behalf will, except for the Placing Shares, (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, in each case without first having obtained the written consent of the Placing Agent.

Conditions

The Completion of the Placing is conditional upon the fulfilment or waiver (in respect of sub-paragraphs 3 and 4 only) of the following conditions on or prior to 8:00 a.m. (Hong Kong time) on 30 July 2014 or such later time as may be agreed between the Company and the Placing Agent:

1. each of the CSRC Approval and the SASAC Approval for the issue and placing of the Placing Shares being obtained and remaining in full force and effect on the Closing Date, and the delivery to the Placing Agent of a copy of each of the CSRC Approval and the SASAC Approval;
2. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (the “**Listing Approval**”), the Listing Approval not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares, and the delivery to the Placing Agent of a copy of the Listing Approval;
3. the delivery of a legal opinion by the Hong Kong legal counsel of the Company in a form and substance reasonably satisfactory to the Placing Agent; and
4. the delivery of a no-registration opinion by the U.S. legal counsel of the Company in a form and substance reasonably satisfactory to the Placing Agent.

The Company shall, as soon as is reasonably practicable, apply to the Stock Exchange for the granting of listing of, and permission to deal in, the Placing Shares and the Company shall use all reasonable endeavours to obtain the granting of such listing and permission to deal in by the Listing Committee of the Stock Exchange as soon as is reasonably practicable, and will inform the Placing Agent promptly following the granting of the same. The Company shall furnish such information, supply such documents, pay such fees and do all such acts and things as may reasonably be required by the Placing Agent and/or the Stock Exchange in connection with the fulfilment of the conditions.

If the conditions are not fulfilled on or prior to 8:00 a.m. (Hong Kong time) on 30 July 2014 or such later time as may be agreed between the Company and the Placing Agent, the obligations and liabilities of the Placing Agent and the Company under the Placing shall be null and void and neither the Company nor the Placing Agent shall have any claim against the other for costs, damages, compensation or otherwise.

Termination

The Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8.00 a.m. (Hong Kong time) on the Closing Date in any of the following cases, notwithstanding anything contained in the Placing Agreement:

- a. there develops, occurs or comes into force:
 - (i) any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority which in the sole opinion of the Placing Agent is or is

likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or

- (ii) any event, or series of events beyond the reasonable control of the Placing Agent (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) involving Hong Kong, the PRC, the United Kingdom, the European Union or the U.S., or the declaration by Hong Kong, the PRC, the United Kingdom, the European Union or the U.S. of war or a state of emergency or calamity or crisis; or
- (iii) any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
- (iv) any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in local, national or international securities market conditions or currency exchange rates or exchange controls which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
- (v) any suspension of dealings in the Shares during the Placing Period whatsoever (other than as a result of the Placing); or
- (vi) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (vii) the commencement by any state, governmental, judicial, regulatory or political body or organisation of any criminal action against any Director of the Company or an announcement by any state, governmental, judicial, regulatory or political body or organisation that it intends to take any such action; or

- b. there has been any breach in a material respect of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement which comes to the knowledge of the Placing Agent; or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations, warranties and undertaking untrue or incorrect in a material respect; or there has been a breach of, or failure to perform, any other provision of the Placing Agreement on the part of the Company in a material respect; or
- c. there is any change, or any development involving a prospective change, in or affecting the business, general affairs, management, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing Agreement) as a whole which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith.

Completion

Subject to the conditions mentioned above, the Completion of the Placing shall take place on the Closing Date or as soon as practicable thereafter or such other time and/or date as the Placing Agent and the Company may agree in writing.

As Completion is subject to the satisfaction of certain conditions precedent, the Placing may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.

GENERAL MANDATE TO ISSUE THE PLACING SHARES AND CORPORATE APPROVALS

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM of the Company held on 30 May 2014. Under this General Mandate, the Directors are allowed to allot and issue up to 286,205,600 H Shares. As at the date of this announcement, no Shares have been allotted and issued pursuant to the aforesaid General Mandate and therefore, the Company is allowed to issue up to 286,205,600 H Shares under such general mandate. Accordingly, the issue of the Placing Shares is not subject any further approval by the Shareholders. All necessary corporate approvals, being the General Mandate and relevant Board approvals in relation to the Placing have been obtained.

REASONS FOR THE PLACING AND USE OF PROCEEDS FROM THE PLACING

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$1,408.13 million. The net proceeds from the issuance of the H Shares, after deduction of the applicable costs and expenses relating to the Placing, will be approximately HK\$1,384.08 million and such amount will be used for general working capital of the Group. The Directors have considered different types of fundraising activities and consider that the Placing offers a good opportunity for the Company to raise additional capital in the most effective manner and will also provide an opportunity for the Company to broaden its Shareholder base.

The Directors are of the opinion that the terms of the Placing Agreement, including but not limited to the Placing Price, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 16 October 2013, the Company entered into the A Shares subscription agreement with China Huadian, pursuant to which, the Company has conditionally agreed to issue and China Huadian has conditionally agreed to subscribe in cash for an aggregate of 1,150,000,000 new A Shares at the subscription price of RMB2.895 per share, with a total subscription price of RMB3,329,250,000. On 18 July 2014, such proposed A Shares subscription between the Company and China Huadian was completed. The total proceeds of the A Shares subscription was approximately RMB3,329,250,000 and the net proceeds (after deducting all applicable costs and expenses in association with the A Shares subscription) of the A Shares subscription was approximately RMB3,311,365,589. The Company intended to use such proceeds to supplement the working capital of the Company. As at the date of this announcement, approximately RMB2,684,749,913 was utilised as intended and approximately RMB626,615,676 was unutilised and remained in the bank and will be used to supplement the Company's working capital as intended.

EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out below.

Shareholders	Immediately before the Placing		Immediately after completion of the Placing (assuming all Placing Shares are placed)	
	<i>Number of Shares</i>	<i>Approximate percentage of the total issued shares of the Company</i>	<i>Number of Shares</i>	<i>Approximate percentage of the then enlarged total issued shares of the Company</i>
China Huadian	4,321,061,853 A Shares	50.71%	4,321,061,853 A Shares	49.06%
China Huadian Hong Kong (a wholly-owned subsidiary of China Huadian and a	85,862,000 H Shares	1.01%	85,862,000 H Shares	0.97%

party acting in concert with
China Huadian)

Sub-total of shareholding interests held by China Huadian and its concert party(ies)	4,406,923,853 Shares	51.72%	4,406,923,853	50.04%
Shandong International Trust Corporation	800,766,729 A Shares	9.40%	800,766,729 A Shares	9.09%
Public / Other public Shareholders	1,968,227,618 A Shares	23.10%	1,968,227,618 A Shares	22.35%
	1,345,166,000 H Shares	15.79%	1,631,371,600 H Shares	18.52%
Total	<u>8,521,084,200</u>	<u>100%</u>	<u>8,807,289,800</u>	<u>100%</u>

The percentage figures above have been rounded off to the nearest second decimal place.

PRC REGULATORY APPROVALS

All necessary PRC regulatory approval in respect of the Placing, including the approvals from SASAC and CSRC have been obtained for the Placing. According to the CSRC Approval, the Company may issue not more than 286,205,600 new H Shares.

LISTING APPROVAL

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and for the permission to deal in, the Placing Shares.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the H Shares on the Stock Exchange had been halted with effect from 9:00 a.m. on Wednesday, 23 July 2014, pending the release of this announcement. An application has been submitted to the Stock Exchange requesting the resumption of trading in the H Shares with effect from 9:00 a.m. on Thursday, 24 July 2014.

This announcement is also made pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Listing Rules.

DEFINITIONS

“AGM”	the annual general meeting of the Company held on 30 May 2014
“AShare(s)”	means the listed domestic shares in the ordinary share capital of the Company, with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange;
“Board”	the board of Directors
"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;
“Closing Date”	30 July 2014, or such other date as the Company and the Placing Agent may agree in writing
“Company”	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

“Completion”	completion of the Placing under the Placing Agreement
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“CSRC Approval”	the approval issued by the CSRC to the Company, approving the issue and allotment of up to 286,205,600 H Shares
“Director(s)”	Director(s) of the Company
“General Mandate”	the general mandate granted at the AGM by the Shareholders to the Directors to allot and issue new A Shares and H Shares not exceeding 20% of the aggregate nominal values of the Company’s A Shares and H Shares respectively in issue as at the date of the AGM
“Group”	the Company and its Subsidiaries
“H Share(s)”	the ordinary share(s) of par value of RMB1.00 each in the registered capital of the Company which are listed and traded on the Stock Exchange
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any professional or institutional investor whom the Placing Agent has procured to subscribe for any of the Placing Shares pursuant to their obligations hereunder
“Placing”	the placing by or on behalf of the Placing Agent of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	UBS AG, Hong Kong Branch
“Placing Agreement”	the placing agreement dated 23 July 2014 entered into between the Company and the Placing Agent
“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating at 8:00 a.m. (Hong Kong time) on the Closing Date (or such later time and date as the Company and the Placing Agent may agree in writing)
“Placing Shares”	286,205,600 new H Shares to be issued by the Company pursuant to the terms and subject to the conditions set out in the Placing Agreement
“Placing Price”	HK\$4.92 per Share
“PRC”	the People’s Republic of China, but for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council
“SASAC Approval”	the approval issued by the SASAC to the Company, approving the issue and allotment of up to 286,205,600 H Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning as ascribed to it under the Listing Rules
“%”	percentage

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, Executive Director), Chen Dianlu (Vice Chairman, Non-executive Director), Geng Yuanzhu (Executive Director), Wang Yingli (Non-executive Director), Chen Bin (Non-executive Director), Gou Wei (Non-Executive Director), Chu Yu (Non-executive Director), Wang Yuesheng (Independent Non-executive Director), Ning Jiming (Independent Non-executive Director), Yang Jinguan (Independent Non-executive Director) and Ding Huiping (Independent Non-executive Director).

Beijing, the PRC

23 July 2014

** For identification purposes only*