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If you are in any doubt about any of the contents of this circular or as to what action to take in relation to this circular, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Huadian Power International Corporation Limited*** (the “Company”), you should at once hand this circular and the proxy form and reply slip (which are despatched on 16 May 2017) to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

**(1) CONTINUING CONNECTED TRANSACTIONS
AND
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Independent financial adviser to the
Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 1 to 11 of this circular. A letter from the Independent Board Committee is set out on pages 12 to 13 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 14 to 27 of this circular.

The notice convening the AGM of the Company to be held at 2:00 p.m. on Friday, 30 June 2017 at Huabin International Hotel, No. 4 Xuanwumennei Street Xicheng District, Beijing, the PRC was despatched to the Shareholders on 16 May 2017, which is reproduced on pages 38 to 52 of this circular.

If you are eligible and intend to attend the AGM, please complete and return the reply slip despatched on 16 May 2017 in accordance with the instructions printed thereon on or before Friday, 9 June 2017. Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the proxy form despatched on 16 May 2017 in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the AGM and voting in person if you so wish.

9 June 2017

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	means the annual general meeting of the Company for the year 2016 which will be held on 30 June 2017;
“Articles of Association”	means the articles of association of the Company;
“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;
“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;
“Director(s)”	means the director(s) of the Company;
“Finance Leases”	means the finance lease services provided by Huadian Financial Leasing to members of the Group pursuant to the Renewed Finance Lease Framework Agreement and/or the Revised Finance Lease Framework Agreement;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;

DEFINITIONS

“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;
“Huadian Financial Leasing”	means 華電融資租賃有限公司 Huadian Financial Leasing Company Limited*, a subsidiary of China Huadian;
“Independent Board Committee”	means the independent committee of the Board appointed to advise the Independent Shareholders on the Revised Finance Lease Framework Agreement and the related matters pursuant to the requirements of the Hong Kong Listing Rules;
“Independent Financial Adviser” or “TC Capital”	means TC Capital International Limited a corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised Finance Lease Framework Agreement and the related proposed annual caps;
“Independent Shareholders”	means the Shareholders who are not required to abstain from voting the resolutions for approving the Revised Finance Lease Framework Agreement together with the revised annual caps and the related continuing connected transactions under the Hong Kong Listing Rules;
“Latest Practicable Date”	means 5 June 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“PRC”	means the People’s Republic of China;
“Renewed Finance Lease Framework Agreement”	means the renewed finance lease framework agreement dated 28 March 2017 entered into between the Company and Huadian Financial Leasing in respect of the Finance Leases;
“Revised Finance Lease Framework Agreement”	means the revised finance lease framework agreement dated 10 May 2017 entered into between the Company and Huadian Financial Leasing in respect of the Finance Leases;

DEFINITIONS

“RMB”	means Renminbi, the lawful currency of the PRC;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Shareholder(s)”	means the shareholder(s) of the Company;
“Supervisor(s)”	means the supervisor(s) of the Company;
“Supervisory Committee”	means the supervisory committee of the Company; and
“%”	means per cent.

* *For identification purpose only*

LETTER FROM THE BOARD



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)

Directors:

Zhao Jianguo (*Chairman, Non-executive Director*)
Chen Bin (*Vice Chairman, Executive Director*)
Wang Yingli (*Vice Chairman, Non-executive Director*)
Tian Hongbao (*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*)
Wang Chuanshun (*Independent Non-executive Director*)
Zong Wenlong (*Independent Non-executive Director*)

Office address:

No. 2 Xuanwumennei Street
Xicheng District
Beijing, the PRC

Place of business in Hong Kong:

36th Floor, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

9 June 2017

To the Shareholders

Dear Sir/Madam,

(1) CONTINUING CONNECTED TRANSACTIONS AND (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

I. INTRODUCTION

Reference is made to: (i) the announcement of the Company dated 28 March 2017 in relation to the proposed amendments to the Articles of Association; and (ii) the announcement of the Company dated 10 May 2017 in relation to the Revised Finance Lease Framework Agreement.

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders with information in respect of resolutions regarding the following matters to be proposed at the AGM to enable the Shareholders to make their informed decisions as to how to vote at the AGM:

- (i) the terms of the Revised Finance Lease Framework Agreement, the continuing connected transactions contemplated thereunder and the proposed annual caps for the three years ending 30 June 2020;
- (ii) the proposed amendments to the Articles of Association;
- (iii) the report of the Supervisory Committee for the year ended 31 December 2016; and
- (iv) the remuneration proposal of the Directors and the Supervisors for the year ended 31 December 2016.

II. CONTINUING CONNECTED TRANSACTIONS

1. Background

Reference is made to the announcements of the Company dated 28 March 2017 and 10 May 2017 in relation to the Renewed Finance Lease Framework Agreement and the Revised Finance Lease Framework Agreement, respectively.

Pursuant to the Renewed Finance Lease Framework Agreement, Huadian Financial Leasing agreed to provide finance lease services to the Group subject to the terms and conditions, for a term commencing from the date of the conclusion of the 2016 annual Board meeting (i.e., 28 March 2017) and expiring on the date of the conclusion of the 2017 annual Board meeting (i.e., around 30 March 2018).

On 10 May 2017, the Company entered into the Revised Finance Lease Framework Agreement with Huadian Financial Leasing in order to (i) extend the term of the Renewed Finance Lease Framework Agreement and (ii) revise the existing annual cap of the Renewed Finance Lease Framework Agreement.

LETTER FROM THE BOARD

2. The Revised Finance Lease Framework Agreement

The principal terms of the Renewed Finance Lease Framework Agreement are set out as follows and have been disclosed in the Company's announcements published on 28 March 2017 and 10 May 2017:

Date:	28 March 2017
Parties:	The Company; and Huadian Financial Leasing
Duration:	Commencing from the date of conclusion of the 2016 annual Board meeting (i.e., 28 March 2017) and expiring on the date of conclusion of the 2017 annual Board meeting (i.e., around 30 March 2018)
Transactions:	(1) Provision of direct lease services to the Group by Huadian Financial Leasing; and (2) Provision of sale and leaseback services by which Huadian Financial Leasing acquire equipment from the Group and supplier(s) designated by the Group and then lease the same equipment back to the Group; the Group shall purchase the relevant equipment under each Finance Lease at a nominal consideration of RMB1 upon the expiry of the lease period of each Finance Lease.
Price determination principles:	The consideration for the finance lease services under the Renewed Finance Lease Framework Agreement was determined at a rate which was (i) not higher than the benchmark lending rate applicable to PRC banks for the same period and for the same term; (ii) not higher than the finance costs for comparable finance lease services available from other financial leasing companies in the PRC; and (iii) not higher than the finance costs for similar finance lease services offered by Huadian Financial Leasing to other member companies of China Huadian.

LETTER FROM THE BOARD

In respect of each implementation contract entered into between the relevant member(s) of the Group and Huadian Financial Leasing, the following factors will be considered in determining the principal and interest payable for the finance lease services:

- (1) the value of the assets expected to be subject to finance leasing; and
- (2) the prevailing interest costs in the market (including but not limited to finance cost of the Group and borrowing cost of PRC banks offered to customers).

In practice, the consideration is subject to mutual consent and confirmation by the parties to the agreement, as well as determination after arm's length negotiation with reference to the then market price and prevailing market conditions, and on terms no less favourable than those with independent third parties.

Furthermore, the Company would make reference to the historical prices and price trends of the relevant finance lease services and ensure that such price would be fair and reasonable to the Company and its Shareholders as a whole.

Historical Amounts

The actual amounts and the annual caps of the historical transactions under the agreements in respect of provision of finance lease services entered into between the Group and Huadian Financial Leasing for the following periods are set out below:

	For the period between 30 March 2015 and 24 March 2016		For the period between 24 March 2016 and 28 March 2017		For the period between 28 March 2017 and 10 May 2017	
Transactions	Actual amount (RMB millions)	Annual caps (RMB millions)	Actual amount (RMB millions)	Annual caps (RMB millions)	Actual amount (RMB millions)	Annual caps (RMB millions)
Aggregate finance costs	250	1,000	890	1,250	890	1,250

LETTER FROM THE BOARD

Due to the relatively large increase in capital demand as a result of the increase in the number of the Group's clean energy power generation projects to be constructed in the next three years (for details, please see paragraph headed "Reasons for the Proposed Annual Caps" below), the Company proposes that the existing annual cap of the aggregate finance amount under the Renewed Finance Lease Framework Agreement be revised from RMB1.25 billion for the applicable period ending on the date of conclusion of the 2017 annual Board meeting (i.e. around 30 March 2018) to the proposed annual caps of RMB6 billion for the three years ending 30 June 2020, in order to lower the costs of capital and to provide stable, reliable and low-cost financial support for the development of the clean energy power generation projects.

Accordingly, on 10 May 2017, the Company entered into the Revised Finance Lease Framework Agreement with Huadian Financial Leasing pursuant to which (i) the term of the Renewed Finance Lease Framework Agreement be revised to commence from 1 July 2017 and to expire on 30 June 2020 and (ii) the existing annual cap be revised from RMB1.25 billion for the applicable period ending on the date of conclusion of the 2017 annual Board meeting (i.e. around 30 March 2018) to the proposed annual caps of RMB6 billion for the three years ending 30 June 2020.

Save for the above terms of the contract agreed by both parties in the agreement, the other principal terms of transactions under the Revised Finance Lease Framework Agreement are substantially the same as the terms of the Renewed Finance Lease Framework Agreement as summarised above.

Proposed Terms

Subject to approval by the Independent Shareholders at the AGM, the duration of the Revised Finance Lease Framework Agreement will commence on 1 July 2017 and will expire on 30 June 2020.

LETTER FROM THE BOARD

Internal control procedures for determining the pricing basis

Before entering into any implementation agreements pursuant to the Renewed Finance Lease Framework Agreement, the Company will follow the following procedures to ensure that the terms offered by the relevant connected persons (as defined under the Hong Kong Listing Rules) of the Company are no less favourable than those available to or from independent third parties (as the case may be):

- (i) the relevant executives of the relevant department (such as assets management department) of the Company will review contemporaneous prices and other relevant terms offered by at least two independent third parties before the commencement of the relevant transaction, and ensure that the terms offered by the relevant connected persons (as defined under the Hong Kong Listing Rules) of the Company are fair and reasonable and comparable to those offered by independent third parties; and in case where the offers made by independent third parties are more favourable to the Company, the Company would take up those offers; and only upon the approval by relevant deputy general manager in charge of such matter, the implementation agreements can be entered into; and
- (ii) the supervision department of the Company will periodically review and inspect the process of the relevant continuing connected transactions (as defined under the Hong Kong Listing Rules).

By implementing the above procedures, the Directors consider that the Company has established sufficient internal control measures to ensure the pricing basis of each implementation agreement to be entered into pursuant to the Renewed Finance Lease Framework Agreement will be on normal commercial terms, fair and reasonable, in accordance with the pricing policy of the Company and in the interests of the Company and its Shareholders as a whole.

The relevant departments (such as finance management department) of the Company will also collect statistics of each of the transactions contemplated under the Renewed Finance Lease Framework Agreement from time to time and when any implementation agreement is entered into in order to ensure the annual caps approved by the Independent Shareholders or as announced are not exceeded.

LETTER FROM THE BOARD

Proposed Annual Caps

The Board has considered and proposed the following annual caps in respect of the aggregate finance amount to be provided under the Revised Finance Lease Framework Agreement for the three years ending 30 June 2020:

	For the year ending 30 June		
	<i>(in RMB billion)</i>		
	2018	2019	2020
Finance cost	6	6	6

The Directors, having made all reasonable enquiries, consider that the proposed annual caps shall not be exceeded in respect of all Finance Leases outstanding from time to time.

Reasons for the Proposed Annual Caps

When revising the annual cap of the aggregate finance amount for the three years ending 30 June 2020 for the finance lease services provided by Huadian Financial Leasing to the Group under the Revised Finance Lease Framework Agreement, the Company has principally considered the following factors:

- (1) the historical transaction amount as set out above;
- (2) the Group's future development plans and its demand for the finance lease services by Huadian Financial Leasing arising from the Group's daily operation and development;
- (3) the nature, value and expected use life of the equipment leased to the Group; and
- (4) the capability and flexibility of Huadian Financial Leasing in providing finance lease services to the Group.

As regards the future development plans mentioned in paragraph (2) above, according to the actual progress of each project, in 2017, the Group intends to invest approximately RMB11 billion in projects with respect to infrastructure of power generation and coal mine, heating network and other projects as well as capital injection into projects invested by the Group. In light of the aforementioned estimated investment amount in projects, the Group proposes that an aggregate finance amount of not more than RMB6 billion shall be funded by the finance lease services under the Revised Finance Lease Framework Agreement with Huadian Financial Leasing and such amount shall be mainly used on projects such as power generation projects of the Group, especially the wind power and photovoltaic power generation projects. The other investment amount to be incurred in the abovementioned infrastructure projects will be funded by internal resources of the Group and/or external financing. The total capital expenditure in each of the years 2018 and 2019 is expected to be similar to that of year 2017.

LETTER FROM THE BOARD

As disclosed in the 2016 annual report of the Company published on 27 April 2017, the Company's major generating units which have been approved, filed and under construction involved a total of 16,271.3 MW planned installed capacity. Amongst the five types of generating units of the Company, hydropower, wind power and photovoltaic power generating units are clean energy power generating units. The aggregate planned installed capacity of wind power and photovoltaic power generating units amounts to 3,101.3 MW, constituting nearly one-fifth of the total planned installed capacity for projects which have been approved, filed and under construction and the Group expects the approved or filed wind power and photovoltaic power generation projects will be constructed and commence operation in the next three years.

Accordingly, the Board proposes that the existing annual cap of the aggregate finance amount under the Renewed Finance Lease Framework Agreement be revised from RMB1.25 billion to the proposed annual caps of RMB6 billion for each of the three years ending 30 June 2020. The Directors, having made all reasonable enquiries, consider that the proposed annual caps shall not be exceeded in respect of all Finance Leases outstanding from time to time.

3. Reasons and Benefits for Entering into the Revised Finance Lease Agreement

The Finance Leases contemplated under the Revised Finance Lease Framework Agreement are expected to reduce the Company's finance costs, improve its capital utilization rate and thereby promote its business development. In particular, the Finance Leases can provide stable, reliable and low-cost financial support for the Group's clean energy power generation projects and lay a solid foundation for the Group's future daily operations.

The Directors (including the independent non-executive Directors) are of the view that the Revised Finance Lease Framework Agreement is entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. Hong Kong Listing Rules Implications

Huadian Financial Leasing is a subsidiary of China Huadian, the controlling Shareholder of the Company and thus a connected person of the Company. The transactions (i.e., the Finance Leases) under the Revised Finance Lease Framework Agreement are being entered into on a continuing basis in the ordinary and usual course of business of the Group and accordingly constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

LETTER FROM THE BOARD

Pursuant to Rule 14A.54(2) of the Hong Kong Listing Rules, if the Company proposes to revise the existing annual cap under the Renewed Finance Lease Framework Agreement, the Company will have to re-comply with the Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) applicable to the Finance Leases by the Company under the Revised Finance Lease Framework Agreement exceed 5%, the transactions are subject to the Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Directors propose to put forward the continuing connected transactions and the revised annual caps contemplated under the Revised Finance Lease Framework Agreement for approval by the Independent Shareholders at the AGM to be convened by the Company.

China Huadian, which holds 4,534,199,224 issued A shares of the Company, representing approximately 45.97% 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 0.87% of the Company's total issued share capital, will abstain from voting on the resolutions to be proposed at the AGM to be held for approving the Revised Finance Lease Framework Agreement and the related annual caps.

Three Directors, namely Mr. Zhao Jianguo, Mr. Gou Wei and Mr. Chu Yu, who hold positions in China Huadian or its subsidiary, are considered to have a material interest in the aforesaid continuing connected transactions and have abstained from voting on the Board resolutions approving such transactions. Save as mentioned above, none of the other Directors have a material interest in the above mentioned transactions and hence no such other Director has abstained from voting on such Board resolutions.

The Independent Board Committee has, in accordance with the Hong Kong Listing Rules, been formed to advise the Independent Shareholders on the continuing connected transactions under the Revised Finance Lease Framework Agreement and the proposed annual caps. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholder on the same.

LETTER FROM THE BOARD

5. Information of the Parties

(1) *Huadian Financial Leasing*

Huadian Financial Leasing is a financial leasing company established with approval by Tianjin Commission of Commerce in the PRC. Pursuant to the Measures for the Administration of Foreign-funded Lease Industry (《外商投資租賃業管理辦法》), Huadian Financial Leasing may provide direct lease, sublease, leaseback, leveraged lease, trust lease, joint lease and different types of finance lease services to China Huadian and its member companies. Huadian Financial Leasing is a subsidiary of China Huadian, and its equity interest is held as to 80.01% by China Huadian as at the Latest Practicable Date.

(2) *The Company*

The Company and its subsidiaries are one of the largest comprehensive energy companies in the PRC, and primarily engage in the construction and operation of power plants, including large-scale efficient coal- or gas-fired generating units and various renewable energy projects.

III. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 28 March 2017 in relation to the proposed amendments to the Articles of Association, pursuant to which the Board has proposed to amend the scope of business stated in paragraph 2 of original Article 11 of the Articles of Association, so as to expand the business scope of its thermal power enterprises to include the business of the sale of electricity, to enter into the retail-side-market as soon as practicable and to boost the market share and social impact of the Company.

Under the Articles of Association, the Company may by special resolution in general meeting at any time alter or amend its Articles of Association in whole or in part. The proposed amendments to the Articles of Association are set out in Appendix I to this circular.

IV. THE 2016 SUPERVISORY COMMITTEE REPORT

An ordinary resolution will be proposed at the AGM to approve the report of the Supervisory Committee for the year ended 31 December 2016 for the Shareholders' consideration and approval at the AGM. Details of the aforesaid report has been set out in Appendix II to this circular.

LETTER FROM THE BOARD

V. THE 2016 REMUNERATION PROPOSAL OF DIRECTORS AND SUPERVISORS

An ordinary resolution will be proposed at the AGM to approve the remuneration proposal of the Directors and the Supervisors for the year ended 31 December 2016. Details of the aforesaid proposal has been set out in Appendix III to this circular.

VI. RECOMMENDATIONS

The Directors (including the independent non-executive Directors) are of the opinion that: (i) the Revised Finance Lease Framework Agreement and the continuing connected transactions contemplated thereunder and the related annual caps proposed thereunder; (ii) the proposed amendments to the Articles of Association as set out in Appendix I to this circular; (iii) the proposed report of the Supervisory Committee for the year ended 31 December 2016 as set out in Appendix II to this circular; and (iv) the proposed remuneration proposal of the Directors and the Supervisors for the year ended 31 December 2016 as set out in Appendix III to this circular are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders or the Independent Shareholders (as the case may be) to vote in favour of the relevant resolutions to be proposed at the AGM.

VII. FURTHER INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee, the letter from TC Capital and the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Huadian Power International Corporation Limited*
Chairman
Zhao Jianguo

* *For identification purpose only*



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)

9 June 2017

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We have been appointed to form the Independent Board Committee to consider and advise whether the terms of the Revised Finance Lease Framework Agreement and the continuing connected transactions contemplated thereunder are (i) fair and reasonable; (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) in the interests of the Shareholders as a whole. TC Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and Independent Shareholders in relation to the terms of the Revised Finance Lease Framework Agreement, the continuing connected transactions contemplated thereunder and the related proposed annual caps. Terms used herein shall have the same meaning as defined in this circular unless the context otherwise requires.

We wish to draw the attention of the Independent Shareholders to the letter from the Board, the letter from the Independent Board Committee and the letter of advice from TC Capital, set out on pages 1 to 11, pages 12 to 13 and pages 14 to 27 of this circular, respectively.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the information contained in the letter from the Board and taking into account the advice and recommendation given by TC Capital, we are of the view that (i) the Revised Finance Lease Framework Agreement and the continuing connected transactions contemplated thereunder are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (ii) the related proposed annual caps under the Revised Finance Lease Framework Agreement are fair and reasonable.

Accordingly, we recommend the Independent Shareholders to vote in favour of the aforementioned agreement, the transactions contemplated thereunder and the related proposed annual caps at the AGM.

Yours faithfully,

Independent Board Committee of

Huadian Power International Corporation Limited*

Independent Non-executive Directors

Ding Huiping, Wang Dashu, Wang Chuanshun, Zong Wenlong

* *For identification purpose only*

LETTER FROM TC CAPITAL

The following is the text of a letter received from TC Capital setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Finance Leases and the proposed annual caps under the Revised Finance Lease Framework Agreement for inclusion in this circular:



9 June 2017

*The Independent Board Committee and the Independent Shareholders
Huadian Power International Corporation Limited**

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Finance Leases and the proposed annual caps (the “**Annual Caps**”) under the Revised Finance Lease Framework Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) in the circular of Huadian Power International Corporation Limited (the “**Company**”) to the Shareholders dated 9 June 2017 (the “**Circular**”), of which this letter forms part. Capitalized terms used in this letter have the same meanings as those defined in the Circular unless the context otherwise requires.

As stated in the Letter from the Board, Huadian Financial Leasing is a subsidiary of China Huadian, the controlling Shareholder of the Company and thus a connected person of the Company. The Finance Leases under the Revised Finance Lease Framework Agreement are being entered into on a continuing basis in the ordinary and usual course of business of the Group and accordingly constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

Pursuant to Rule 14A.54(2) of the Hong Kong Listing Rules, if the Company proposes to revise the existing annual cap under the Renewed Finance Lease Framework Agreement, the Company will have to re-comply with the Independent Shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules.

LETTER FROM TC CAPITAL

As one or more of the percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) applicable to the Finance Leases by the Company under the Revised Finance Lease Framework Agreement exceed 5%, the transactions are subject to the Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

We have been appointed by the Company to advise (i) the Independent Board Committee and the Independent Shareholders as to whether or not the Revised Finance Lease Framework Agreement is entered in the ordinary and usual course of business of the Company, the terms of the Revised Finance Lease Framework Agreement are on normal commercial terms, fair and reasonable insofar as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and the Annual Caps is fair and reasonable; and (ii) whether the Independent Shareholders should vote in favour of the Revised Finance Lease Framework Agreement and the Annual Caps. As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of us.

BASIS OF OPINION

In putting forth our recommendation, we have considered, amongst other things, (i) the Revised Finance Lease Framework Agreement; (ii) the Company's annual report for the year ended 31 December 2015 (the "**2015 Annual Report**") and 31 December 2016 (the "**2016 Annual Report**"); (iii) other information as set out in the Circular; and (iv) relevant market data and information available from public sources. We have also relied on all relevant information, opinions and facts supplied and representations made to us by the Directors and the representatives of the Company. We have also studied the relevant market information.

We have assumed that all such information, opinions, facts and representations, which have been provided to us by the Directors or the representatives of the Company, for which they are fully responsible, are true, accurate and complete in all respects. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company. The Company has also confirmed to us that no material facts have been omitted from the information supplied and we have no reason to suspect that any material information has been withheld by the Company or is misleading.

We consider that we have sufficient information currently available to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided by the Directors and the representatives of the Company, nor have we conducted any independent investigation into the business, affairs, operations, financial position or future prospects of each of the Group, China Huadian and Huadian Financial Leasing and any of their respective subsidiaries and associates.

LETTER FROM TC CAPITAL

PRINCIPAL FACTORS AND REASONS

In formulating our opinion in respect of the Revised Finance Lease Framework Agreement and the Annual Caps, we have taken into account the following principal factors and reasons:

1. Background information of the parties to the Revised Finance Lease Framework Agreement

The Company

As stated in the Letter from the Board, the Company and its subsidiaries are one of the largest comprehensive energy companies in the PRC, and primarily engage in the construction and operation of power plants, including large-scale efficient coal- or gas-fired generating units and various renewable energy projects.

Set out below is a summary of certain financial information of the Company as extracted from the 2015 Annual Report and the 2016 Annual Report:

	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2014
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
	<i>(RMB' million)</i>	<i>(RMB' million)</i>	<i>(RMB' million)</i>
Income and expenses			
Turnover	62,837	66,789	67,782
Operating profit	9,879	17,988	14,723
Finance costs	(5,013)	(5,850)	(6,318)
Net profit	4,295	9,779	7,522
	As at	As at	As at
	31 December 2016	31 December 2015	31 December 2014
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
	<i>(RMB' million)</i>	<i>(RMB' million)</i>	<i>(RMB' million)</i>
Key item of current assets			
Cash and cash equivalents	6,359	9,238	5,205

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	As at 31 December 2016 <i>(Audited)</i> <i>(RMB' million)</i>	As at 31 December 2015 <i>(Audited)</i> <i>(RMB' million)</i>	As at 31 December 2014 <i>(Audited)</i> <i>(RMB' million)</i>
Key items of current liabilities			
Current portion of loans	22,760	21,124	22,933
Short-term debentures payable	19,754	15,756	16,805
Long-term debentures payable – current portion	1,997	2,996	7,392
Key items of non-current liabilities			
Loans	59,694	63,831	59,792
Long-term debentures payable	11,053	11,058	7,052
Total liabilities	154,705	151,914	145,914
Total assets	213,076	209,976	188,850
Liabilities to assets ratio <i>(Note)</i>	72.61%	72.35%	77.26%

Note: Liabilities to assets ratio is calculated by dividing total liabilities by the total assets of the Company as at the end of respective years.

As set out above, the Company recorded liabilities to assets ratio of approximately 77.26%, 72.35% and 72.61% for the years ended 31 December 2014, 31 December 2015 and 31 December 2016 mainly due to the high amount of loans and debentures borrowed, which were mainly bank loans, state loans and other loans borrowed from banks, government bodies and China Huadian Finance and debentures issued by the Company, to finance the construction of projects and operations of the Company. Moreover, the Company recorded finance costs of approximately RMB6,318 million, RMB5,850 million and RMB5,013 million for each of the three years ended 31 December 2016, representing approximately 42.9%, 32.5% and 50.7% of the operating profit recorded for the corresponding years.

According to the 2016 Annual Report, the annual interest rate of loans (including bank loans, loans from shareholders, state loans and other loans) ranged from 1.98% to 6.88% and the annual interest rate of debentures ranged from 3.42% to 5.45% for the year ended 31 December 2016, whereas the annual interest rate of loans and debentures ranged from 1.94% to 7.21% and 4.54% to 5.37% for the year ended 31 December 2015. The Company's cash and cash equivalents decreased from approximately RMB9,238 million as at 31 December 2015 to approximately RMB6,359 million as

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at 31 December 2016, representing a decrease of approximately 31.2%. Such decrease was mainly due to net cash used for the purchase of property, plant and equipment, construction in progress and intangible assets exceeding net cash generated from the operating activities.

As advised by the representatives of the Company, the Company expects to finance its future capital expenditure and acquisition costs, if any, primarily from internal funds, cash flows from operating activities, and potential debt and equity financings and continue to make efforts to control its financing costs.

Huadian Financial Leasing

As stated in the Letter from the Board, Huadian Financial Leasing is a financial leasing company established with approval by Tianjin Commission of Commerce in the PRC. Pursuant to the Measures for the Administration of Foreign-funded Lease Industry (《外商投資租賃業管理辦法》), Huadian Financial Leasing may provide direct lease, sublease, leaseback, leveraged lease, trust lease, joint lease and different types of finance lease services to China Huadian and its member companies. Huadian Financial Leasing is a subsidiary of China Huadian, and its equity interest is held as to 80.01% by China Huadian as at the Latest Practicable Date.

2. Background and principal terms of the Revised Finance Lease Framework Agreement

As stated in the Letter from the Board, on 28 March 2017, the Company entered into the Renewed Finance Lease Framework Agreement with Huadian Financial Leasing, for a term commencing from the date of the conclusion of the 2016 annual Board meeting (i.e., 28 March 2017) and expiring on the date of the conclusion of the 2017 annual Board meeting (i.e., around 30 March 2018).

Due to relatively large increase in capital demand as a result of the increase in the number of the Group's clean energy power generation projects to be constructed in the next three years, the Company proposes that the existing annual cap of the aggregate finance amount under the Renewed Finance Lease Framework Agreement be revised from RMB1.25 billion for the applicable period ending on the date of conclusion of the 2017 annual Board meeting (i.e. around 30 March 2018) to the proposed annual caps of RMB6 billion for the three financial years ending 30 June 2020. Accordingly, on 10 May 2017, the Company entered into the Revised Finance Lease Framework Agreement with Huadian Financial Leasing pursuant to which (i) the term of the Renewed Finance Lease Framework Agreement be revised to commence from 1 July 2017 and to expire on 30 June 2020; and (ii) the existing annual cap be revised from RMB1.25 billion for the applicable period ending on the date of conclusion of the 2017 annual Board meeting (i.e. around 30 March 2018) to the proposed annual caps of RMB6 billion for the three financial years ending 30 June 2020. Save for the above terms of the contract agreed by both parties in the agreement, the other principal

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terms of transactions under the Revised Finance Lease Framework Agreement are substantially the same as the terms of the Renewed Finance Lease Framework Agreement. The principal terms of the Renewed Finance Lease Framework Agreement have been set out in the Letter from the Board.

As stated in the Letter from the Board, under the Renewed Finance Lease Framework Agreement, Huadian Financial Leasing agreed to provide finance lease services to the Group. These services included direct lease services and sale and leaseback services. In respect of sale and leaseback services, Huadian Financial Leasing acquire equipment from the Group and supplier(s) designated by the Group and then lease the same equipment back to the Group. The Group shall purchase the relevant equipment under each Finance Lease at a nominal consideration of RMB1 upon the expiry of the lease period of each Finance Lease.

As stated in the Letter from the Board, under the Renewed Finance Lease Framework Agreement, the consideration for the finance lease services provided by Huadian Financial Leasing was determined at a rate which was (i) not higher than the benchmark lending rate applicable to PRC banks for the same period and for the same term; (ii) not higher than the finance costs for comparable finance lease services available from other financial leasing companies in the PRC; and (iii) not higher than the finance costs for similar finance lease services offered by Huadian Financial Leasing to other member companies of China Huadian.

We have obtained and reviewed all the outstanding sale and leaseback contracts entered between the Company and Huadian Financial Leasing (1 contract entered in 2015 and 5 contracts entered in 2016) with outstanding finance amounts of RMB0.89 billion, a comparable sale and leaseback contract between the Company and the independent third party in terms of similar amount and duration entered in 2015 and 4 comparable sale and leaseback contracts between Huadian Financial Leasing and other member companies of China Huadian in terms of similar amount and duration entered in 2015 and 2016. The representatives of the Company advised that the Company did not enter into sale and leaseback contract with independent third parties during the year ended 31 December 2016. We noted that the finance lease cost (i.e. the interest rate to calculate the interest payable) of the sale and leaseback services between the Company and Huadian Financial Leasing entered in 2015 are no less favourable than that of independent third party and no less favourable than that of Huadian Financial Leasing provided to other member companies of China Huadian. The finance lease cost of the sale and leaseback services between the Company and Huadian Financial Leasing entered in 2016 are no less favourable than that of Huadian Financial Leasing provided to other member companies of China Huadian.

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The Company and the independent third parties entered 3 sale and leaseback contracts in 2015, which granted the Company the right to purchase the equipment at a nominal consideration of RMB100, RMB1 or nil consideration upon the expiry of the lease period. Although the Company has to pay RMB1 upon the expiry of the lease period under the sale and leaseback contract between the Company and Huadian Financial Leasing as compared with nil consideration for the sale and leaseback contract between the Company and the independent third party, we consider that the terms of that sale and leaseback contract between the Company and Huadian Financial Leasing is fair and reasonable as the interest rate of that contract is lower than the sale and leaseback contract between the Company and the independent third party.

For direct lease services, the representatives of the Company advised that the Company has not entered into direct lease contract with Huadian Financial Leasing up to the Latest Practicable Date and the Company will follow the relevant terms in the Revised Finance Lease Framework Agreement that the consideration for the finance lease services provided by Huadian Financial Leasing is determined at a rate which is not higher than the finance costs for comparable finance lease services available from other financial leasing companies in the PRC and not higher than the finance costs for similar finance lease services offered by Huadian Financial Leasing to other member companies of China Huadian upon entering into direct lease services with Huadian Financial Leasing.

Therefore, we are of the view that the terms of the Revised Finance Lease Framework Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

3. Reasons for and benefits of the entering into the Revised Finance Lease Framework Agreement

As stated in the Letter from the Board, the Finance Leases contemplated under the Revised Finance Lease Framework Agreement are expected to reduce the Company's finance cost, improve its capital utilization rate and thereby promote its business development. In particular, the Finance Leases can provide stable, reliable and low-cost financial support for the Group's clean energy power generation projects and lay a solid foundation for the Group's future daily operations.

As discussed previously in the section headed "Background information of the parties to the Revised Finance Lease Framework Agreement" above, the Company recorded high amount of borrowings such as loans and debentures which has led to high liabilities to assets ratio and large amount of finance costs for the three years ended 31 December 2016. As advised by the representatives of the Company, entering into the Revised Finance Lease Framework Agreement will enable the Company to utilize the equipment and machineries which are crucial to the Company's daily operation without incurring significant down payment and will be beneficial for the Company to control its borrowings.

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The representatives of the Company advised that China's companies are facing difficulties in obtaining credit from the banks as China targeted to bring down the leverage of enterprises. According to an article headlined "China corporate debt levels excessively high, no quick fix: Central bank gov" published on 9 March 2017 by Reuters, Chinese leaders have pledged to contain debt and housing risks in 2017 after years of credit-fueled expansion and the head of the central bank also indicated that China's corporate debt levels were too high. According to another article headlined "China said to order banks to curb new loans in first quarter" published on 26 January 2017 by Bloomberg, China's central bank has ordered the nation's lenders to strictly control new loans in the first quarter of the year in order to curb excess leverage in the financial system. As advised by the representatives of the Company, due to tighten lending policy of banks in the PRC, the Group are facing more stringent terms, such as higher interest rate and lower principal amount, in applying new loans from banks. We have obtained and reviewed a bank loan agreement entered by the Company in January 2017 (the "**Jan Loan Agreement**") and a quotation offered to the Company by a third party bank in May 2017 (the "**May Loan Quotation**") which has the same borrowing period as that of the Jan Loan Agreement. We noted that the interest rate of May Loan Quotation was higher than the interest rate of Jan Loan Agreement with less principal amounts. As advised by the representatives of the Company, the Finance Leases represent support by China Huadian and Huadian Financial Leasing to the Company to facilitate its operation and development instead of a pure commercial transaction for taking economic advantage, and thus the terms under the Finance Leases are no less favourable than those offered by third party banks. Hence, the interest rate under the Finance Leases are no less favourable than those offered by the third party banks and the scale of leasing amount to be provided by Huadian Financial Leasing are larger than that could be provided by third party banks. We have also obtained and reviewed a quotation offered to the Company by a third party bank for a 5-year loan and we noted that the interest rate offered by the bank was higher than the interest rate of the sale and leaseback contracts between the Company and Huadian Financial Leasing. Therefore, we concur with the Directors' view that given the stringent terms the Group facing from banks on borrowings, the Finance Leases contemplated under the Revised Finance Lease Framework Agreement will enable the Group to obtain financing with lower costs.

We concur with the Directors' view that by entering into the Revised Finance Lease Framework Agreement, the Group can (i) take advantages of the long-established relationship with Huadian Financial Leasing; (ii) utilize the equipment and machineries without incurring significant down payment; and (iii) lower the finance costs of the Group. Therefore, we concur with the Directors' view that the entering into the Revised Finance Lease Framework Agreement is in the ordinary and usual course of the business of the Company and is in the interests of the Company and the Shareholders as a whole.

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4. Annual Caps and its basis of determination

A summary of the historical finance amount and proposed annual caps in respect of Finance Leases entered/to be entered into under the Renewed Finance Lease Framework Agreement and Revised Finance Lease Framework Agreement are set out in the table below:

		From 24 March 2016 to 28 March 2017		From 28 March 2017 to 30 March 2018 under Renewed Finance Lease Framework Agreement		From 28 March 2017 to 10 May 2017		For the year ending 30 June 2018		For the year ending 30 June 2019		For the year ending 30 June 2020	
				Annual cap	Actual value	Annual cap	Actual value	Annual cap	Actual value	Annual cap	Actual value	Annual cap	Actual value
		(RMB billion)	(RMB billion)	(RMB billion)	(RMB billion)	(RMB billion)	(RMB billion)	(RMB billion)	(RMB billion)	(RMB billion)	(RMB billion)	(RMB billion)	(RMB billion)
Finance amount of all Finance Leases		1.25	0.89	1.25	0.89	6	6	6	6	6	6	6	6

As stated in the Letter from the Board, the Annual Caps was determined based on (i) the historical transaction amount as set out above; (ii) the Group's future development plans and its demand for the finance lease services by Huadian Financial Leasing arising from the Group's daily operation and development; (iii) the nature, value and expected use life of the equipment leased to the Group; and (iv) the capability and flexibility of Huadian Financial Leasing in providing finance lease services to the Group.

(i) *Historical transaction amount*

As shown in the above table, the historical transaction amounts of the Finance Leases between the Group and Huadian Financial Leasing for the period from 24 March 2016 to 28 March 2017 was approximately RMB0.89 billion, which was approximately 71.2% of the annual cap for the corresponding period. The historical transaction amounts for the period from 28 March 2017 to 10 May 2017 was approximately RMB0.89 billion. As advised by the representatives of the Company, as Huadian Financial Leasing was set up in September 2013 and increased in its registered capital to RMB2 billion in June 2016, the Group has limited its finance lease service exposure to Huadian Financial Leasing. The Company expects to have more finance lease services with Huadian Financial Leasing in the coming three years as Huadian Financial Leasing becomes more capable and efficient in providing finance lease

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services to the Group. Also, in light of the stringent credit policy among banks in China as discussed in the paragraph “Reasons for and benefits of the entering into the Revised Finance Lease Framework Agreement” above, the Group expects to utilize the Finance Leases more to cope with the development plan of the Group.

(ii) *Group’s future development plan and its demand for the finance lease services by Huadian Financial Leasing*

As stated in the 2016 Annual Report, the Group expects to complete the goal of generating approximately 190 million MWh of power in 2017. According to the actual progress of each project, the Group intends to invest approximately RMB11 billion in the infrastructure of power supply projects, infrastructure of coal mine projects, heating network and other projects as well as capital injection into projects invested by the Company and invest approximately RMB4 billion in projects involving environmental protection and energy saving technology reform.

As advised by the representatives of the Company, the Company intends to finance the infrastructure of certain power generation projects, especially wind power and photovoltaic power generation projects, through the Finance Leases by Huadian Financial Leasing. We have obtained and reviewed a list of projects to be proceeded in 2017, 2018 and 2019, of which the equipment will be financed by the Finance Leases (the “**Planned Projects**”) with respective estimated capital investment. We have also obtained the details of the estimated capital investment and list of equipment to be purchased of the Planned Projects and the government approvals for the Planned Projects. We noted that the Planned Projects were approved by relevant government authorities during the second half in 2016. As advised by the representatives of the Company, the Company originally intended to finance the capital investment of the Planned Projects through bank borrowings. However, as discussed in the paragraph headed “Reasons for and benefits of the entering into the Revised Finance Lease Framework Agreement” above, the Company faced stringent terms in applying credit from banks and therefore determined to finance the Planned Projects through Finance Leases, which led to the significant increase in the Annual Caps. The representatives advised that the equipment in the Planned Projects, which represent approximately 70% of the estimated capital investment, will be financed by the Finance Lease. The remaining 30% of the estimated capital investment are mainly costs relating to the construction of the Planned Projects, such as construction expenses to contractors, expenses incurred to secure construction sites

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and management and consulting fee for the construction of Planned Projects, and these costs will be financed by short-term borrowings and internal resources of the Company. The representatives of the Company advised that the equipment in the Planned Projects will only be financed by Finance Leases provided by Huadian Financial Leasing when the terms offered by Huadian Financial Leasing are no less favourable than the terms offered by independent third parties. In the event of the contrary, the Company will finance the equipment in the Planned Projects through other finance lease companies. We have also enquired the representatives of the Company regarding the basis for determination of the cost of the equipment in the Planned Projects and were advised that it were determined with reference to, among other things, the cost of the equipment with similar specifications used in similar projects.

(iii) Nature, value and expected use life of the equipment leased to the Group

As advised by the representatives of the Company and according to the list of equipment of the Planned Projects, the equipment planned to be leased to the Group mainly comprise infrastructure for clean energy power generation projects such as generators, solar battery parts, photovoltaic modules. The equipment generally have expected use life of 20 to 30 years. We have reviewed the details of the Planned Projects and noted that the Planned Projects are planned to start construction in 2017 and complete in 2019. The equipment used in the Planned Projects are planned to be purchased in different stages during the construction period and therefore the finance amount at certain time during the three years ending 30 June 2020 may not reach the maximum finance amount of RMB6 billion. We have also obtained and reviewed the list of equipment of the Planned Projects and noted that the total value of the equipment in the Planned Projects matches the Annual Caps of maximum finance amount of RMB6 billion. As advised by the representatives of the Company, the finance lease contracts entered usually have terms ranging from 5 to 10 years and therefore will utilize the Annual Caps once finance leases are entered. As the current construction plan and the plan to purchase equipment of the Planned Projects was only the estimation made by the Company based on certain criteria which may not remain valid in 2017 to 2020, the Company has set the amount of Annual Caps to be equal to the total value of the equipment for prudence sake. Therefore, we are of the view that the Annual Caps of maximum finance amount of RMB6 billion from time to time for the year ending 30 June 2018, 2019 and 2020 is in line with the Company's planning for the Planned Projects.

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(iv) *Capability and flexibility of Huadian Financial Leasing in providing finance lease services to the Group*

In considering Huadian Financial Leasing's financial capability in providing finance lease services to the Group, we have obtained the audited financial statements of Huadian Financial Leasing for the years ended 31 December 2015 and 2016. According to the relevant financial statements, Huadian Financial Leasing recorded total assets of approximately RMB15.6 billion as at 31 December 2016. We also noted that the total assets and net assets of Huadian Financial Leasing experienced increase over 20% from 2014 to 2016. As advised by the representatives of the Company, Huadian Financial Leasing was set up in September 2013 with a registered capital of RMB1 billion. The registered capital of Huadian Financial Leasing was further increased to RMB2 billion in June 2016. From July 2015, Huadian Financial Leasing has been providing finance lease services to the Group and was able to cater the need of the Group effectively. We concur with Director's view that Huadian Financial Leasing possesses capability and flexibility in providing finance lease services to the Group.

In light of the above, we are of the view that the Annual Caps are determined based on reasonable estimation and after due and careful consideration and they are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

Shareholders should note that as the Annual Caps is relating to future events and was estimated based on assumptions which may or may not remain valid for the entire period up to 30 June 2020, and they do not represent forecasts of the amount of the Finance Leases to be provided by Huadian Financial Leasing to the Group under the Revised Finance Lease Framework Agreement. Consequently, we express no opinion as to how closely the actual amount of the Finance Leases to be provided by Huadian Financial Leasing to the Group under the Revised Finance Lease Framework Agreement will correspond with the Annual Caps.

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5. Internal control procedures

As stated in the Letter from the Board, before entering into any implementation agreements pursuant to the Renewed Finance Lease Framework Agreement, the Company will follow the following procedures to ensure that the terms offered by the relevant connected persons (as defined under the Hong Kong Listing Rules) of the Company are no less favourable than those available to or from independent third parties (as the case may be):

- (i) the relevant executives of the relevant department (such as assets management department) of the Company will review contemporaneous prices and other relevant terms offered by at least two independent third parties before the commencement of the relevant transaction, and ensure that the terms offered by the relevant connected persons (as defined under the Hong Kong Listing Rules) of the Company are fair and reasonable and comparable to those offered by independent third parties; and in case where the offers made by independent third parties are more favourable to the Company, the Company would take up those offers; and only upon the approval by relevant deputy general manager in charge of such matter, the implementation agreements can be entered; and
- (ii) the supervision department of the Company will periodically review and inspect the process of the relevant continuing connected transactions (as defined under the Hong Kong Listing Rules).

The relevant departments (such as finance management department) of the Company will also collect statistics of each of the transactions contemplated under the Renewed Finance Lease Framework Agreement from time to time and when any implementation agreement is entered into in order to ensure the annual caps approved by the Independent Shareholders or as announced are not exceeded.

We have obtained and reviewed the internal control guidelines set by the Company in relation to the Revised Finance Lease Framework Agreement. We noted that when the Company needs to obtain finance leases services for certain equipment, the Company will obtain at least three quotations from different finance lease companies (including Huadian Financial Leasing). The executive in the assets management department will assess both the finance amount which is usually at a discount of the book value of the equipment and the interest rate of the quotations. The deputy general manager of the Company will review and approve the assessment and the Company will enter into finance lease agreement with the finance lease companies with best offer (i.e. higher finance amount and lower interest rate). As advised by the representatives of the Company, the head of the assets management department is a senior accountant and has over 25 years of experience in operation management and financial management of power production. The deputy general manager of the Company is a senior economist and senior accountant and has over 30 years of experience in power production, operation management and financial management. The representatives of the Company also advised

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that both the head of the assets management department and the deputy general manager of the Company do not hold any position in Huadian Financial Leasing. Given both the head of the assets management department and the deputy general manager of the Company (i) possess experiences in operation management and financial management of power production and possess accounting knowledge; and (ii) do not hold any position in Huadian Financial Leasing, we are of the view that they have adequate experience and qualification to review and approve the terms of the finance lease agreement.

Taking into account the internal control guidelines as stated above, in particular, the comparison of the terms by executives in the relevant departments, the approval of relevant deputy general manager, the periodically review by the supervision department and the annual review of the terms of the Finance Leases under the Revised Financial Lease Framework Agreement by the auditors of the Company, we concur with the Directors' view that the internal control procedures are sufficient to ensure the Finance Leases under the Revised Financial Lease Framework Agreement will be conducted on normal commercial terms and fair and reasonable and in the interests of the Company and its Shareholders as a whole.

RECOMMENDATION

Having considered the principal factors and reasons as discussed above, we are of the view that the Revised Finance Lease Framework Agreement is entered in the ordinary and usual course of business of the Company, the terms of the Revised Finance Lease Framework Agreement are on normal commercial terms, fair and reasonable insofar as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and the Annual Caps is fair and reasonable. Accordingly, we would recommend (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders, to vote in favour of the ordinary resolutions in this regard.

Yours faithfully,

For and on behalf of

TC Capital International Limited

Edward Wu

Chairman

Note: Mr. Edward Wu has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under the SFO since 2005. He has participated in and completed various advisory transactions in respect of connected transactions of listed companies in Hong Kong.

* *For identification purposes only*

Details of the proposed amendments to the Articles of Association are set out as follows:

Paragraph 2 of the original Article 11 of the Articles of Association, which reads as follows:

“The Company’s scope of business includes construction, operation and management of power plants and businesses related to power generation, technological service and information consultation relating to the power business.”

is to be revised to read as:

“The Company’s scope of business includes construction, operation and management of power plants and businesses related to power generation, technological service and information consultation relating to the power business, sale, purchase and service of power and thermal products, design and construction of electric power engineering, and operation of power distribution networks.”

Details of the report of the Supervisory Committee for the year ended 31 December 2016 are summarized as follows:

1) Work of the Supervisory Committee

<i>Number of meetings convened</i>	4
<i>Details of meetings of the Supervisory Committee</i>	Topics for discussion of the Supervisory Committee
<i>The 8th meeting of the seventh session</i>	Considered and approved the 2015 annual financial report of the Company; considered and approved the proposal in relation to the provision for asset impairment; considered and approved the 2015 profit distribution plan; considered and approved the proposal in relation to the report of the Supervisory Committee; considered and approved the 2015 annual results announcement and report prepared in accordance with the Hong Kong Listings Rules; considered and approved the 2015 annual report and summary prepared in accordance with the requirements of the Shanghai Stock Exchange; considered and approved the proposal in relation to the “2015 Self-Evaluation Report of Internal Control of the Company”.
<i>The 9th meeting of the seventh session</i>	Listened to the Company’s presentation on the operation performance in the first quarter of 2016; considered the Company’s first quarterly report in 2016 and the summary thereof.
<i>The 10th meeting of the seventh session</i>	Considered and approved the 2016 interim financial report; considered and approved the 2016 interim report and interim results announcement of the Company prepared in accordance with the requirements of Hong Kong Stock Exchange; considered and approved the 2016 interim report and the summary thereof prepared in accordance with the requirements of Shanghai Stock Exchange.
<i>The 11th meeting of the seventh session</i>	Listened to the Company’s presentation on the operation performance in the third quarter of 2016; considered and approved the Company’s third quarterly report in 2016 and the summary thereof; listened to the newly amended report of connected parties of the Company.

2) The Supervisory Committee's Independent Opinion on the Company's Operation in accordance with the Laws

The Supervisory Committee has supervised the process of preparation of the Company's annual report. The Supervisory Committee maintained constant communication with the Company's external auditors by listening to the descriptions of such external auditors together with independent Directors and the audit committee about the audit plan, audit progress, audit findings and preliminary audit opinions; remained constantly informed of the status of the Company's business and operation by participating in the annual inspection organized by the Company, regularly reviewing the monthly reports submitted by the Company, and listening to the management's explanation in respect of the preliminary annual results and significant events; and maintained ongoing supervision over the annual report by carefully examining materials such as the preliminary annual result, the 2016 annual financial report of the Company before, during and after the auditing process, and the 2016 profit distribution proposal of the Company for the year ended 31 December 2016 ("**2016 Profit Distribution Proposal**").

The Supervisory Committee considered that the Board has conducted its operations strictly in compliance with the Company Law, the Securities Law, the Articles of Association and the relevant laws and regulations; the Directors were diligent and responsible in arriving at reasonable decisions; the Company has established effective management systems and has been proactively improving the internal control system pursuant to its development needs; the Company's operating activities were all in compliance with provision of laws and regulations. In reviewing the Company's financial conditions and examining the Directors and senior management's performance of their duties, the Supervisory Committee has not discovered any breach of disciplines or rules, or any prejudice against the interests of the Shareholders.

3) The Supervisory Committee's Independent Opinion upon its Review of the Company's Financial Conditions

The Supervisory Committee has carefully reviewed the relevant materials including the 2016 final financial statements of the Company, the 2016 Profit Distribution Proposal, the 2016 annual report, and the unqualified auditors' reports prepared by the international auditors and domestic auditors of the Company. The Supervisory Committee is of the opinion that the 2016 final financial statements of the Company was true and reliable, which objectively reflected the financial conditions and operating results of the Company. The Supervisory Committee agreed with the audited report issued by the auditors of the Company and the 2016 Profit Distribution Proposal.

4) The Supervisory Committee's Independent Opinion on the Company's Connected Transactions

Major new connected transactions entered into during the reporting period include:

- a. the continuing connected transactions in relation to financial lease services provided by Huadian Financial Leasing Company Limited*;
- b. the connected transactions in relation to the capital increase in Huadian Group Beijing Fuel Logistics Co., Ltd.* to attract investors;
- c. the continuing connected transactions under the Coal, Equipment and Services Purchase (Supply) Framework Agreement renewed with China Huadian Corporation.

The Supervisory Committee also listened to the newly amended report in relation to the list of connected parties.

The Supervisory Committee is of the opinion that the consideration for the above transactions of the Company was reasonable; and that the connected transactions were fair and in the interests of the Company and the Shareholders as a whole.

5) Supervisory Committee's Review of an Opinion on the Self-Evaluation Report of Internal Control

During the reporting period, the Supervisors played a directing and supervisory role by attending the work meetings of the Board and the audit committee of the Board and debriefing reports on the establishment, implementation and examination of the Company's internal control. The Supervisory Committee has examined the Company's Evaluation Report of Internal Control for 2016 prepared by the Board, as well as the establishment and operation of the internal control system, and is of the opinion that the Company has put in place a fairly sound internal control system which has been effectively implemented. The Company's internal control evaluation report has given a truthful and objective view of the Company's establishment and implementation of its internal control system.

* For identification purpose only

**CONFIRMATION ON RESOLUTION IN RELATION TO 2016 REMUNERATION
POLICY FOR DIRECTORS AND SUPERVISORS**

Pursuant to the requirements of the standard operation of the Company and the relevant regulations of the Articles of Association, the Board is hereby requested to consider and approve the 2016 Remuneration Policy for Directors and Supervisors as set out below.

1. Any non-executive director or supervisor who does not hold an office in the Company shall not receive any remuneration from the Company.
2. Executive directors holding office in the Company will receive their remuneration from the Company. The amount of remuneration of executive directors will be determined in accordance with their current job responsibilities and the relevant management rules under the remuneration management policy of the Company.
3. Employee supervisors currently holding office in the Company will receive their remuneration from the Company and the amount of which will be determined in accordance with relevant management rules under the remuneration management policy of the Company.

Travelling expenses incurred as a result of attending the Board meetings, the general meetings of the Company and relevant activities organized by the Directors shall be borne by the Company.

It is recommended to agree and submit the above proposal to the general meeting for approval.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS OF DIRECTORS, SUPERVISORS, CHIEF EXECUTIVE AND SENIOR MANAGEMENT

Name	Position In the Company	Number of A shares of the Company held as personal interest	Capacity
Gou Wei	Non-executive Director	10,000 (<i>Note</i>)	Beneficial owner

Note: Representing approximately 0.0001% of the total issued A shares of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as the Company is aware, none of the Directors, supervisors, chief executive or members of the senior management of the Company and their respective associates had any interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director, supervisor, chief executive or member of senior management was taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in appendix 10 to the Hong Kong Listing Rules to be notified to the Company and the Hong Kong Stock Exchange (which for this purpose shall be deemed to apply to the supervisors of the Company to the same extent as it applies to the Directors).

Three Directors, namely Mr. Zhao Jianguo, Mr. Gou Wei and Mr. Chu Yu, who hold positions in or are employees of China Huadian, or its subsidiary have abstained from voting on the relevant Board resolutions approving the transactions relating to the Revised Finance Lease Framework Agreement and the related proposed annual caps. Save as disclosed above, as at the Latest Practicable Date, none of the other Directors or supervisors of the Company was also a director or employee of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. CONSENT AND QUALIFICATION OF EXPERT

TC Capital has given and has not withdrawn its written consent to the issue of this circular with its letter of advice included in the form and context in which it appears.

The following sets out the qualifications of the TC Capital:

Name	Qualifications
TC Capital	Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity as defined under the SFO

As at the Latest Practicable Date, TC Capital did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, TC Capital did not have any direct or indirect interest in any assets which had been, since 31 December 2016, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, being the date to which the latest published audited accounts of the Company were made up.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or supervisors of the Company had entered into any service contract with any member of the Group (excluding contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation)).

6. COMPETING INTERESTS

As stated in the section head “Information of the Parties” in the letter from the Board included in this circular, the Group and China Huadian are both energy companies engaged in businesses including power generation.

As at the Latest Practicable Date, save as disclosed below, none of the other Directors or supervisors or their respective close associates (as defined under the Hong Kong Listing Rules) had any interest in other business which competes or is likely to compete with the business of the Group as if each of them were treated as a controlling shareholder of the Company under Rule 8.10 of the Hong Kong Listing Rules.

Name of Directors	Position in the Company	Other Position(s) in China Huadian
Zhao Jianguo	Chairman of the Board and non-executive Director	Chairman
Gou Wei	Non-executive Director	Head of financial and risk management department of China Huadian
Chu Yu	Non-executive Director	Chairman of China Huadian Group Capital Holdings Company Limited, a subsidiary of China Huadian

7. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors or supervisors of the Company had any direct or indirect interest in any assets which had been since 31 December 2016 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors or supervisors of the Company was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, certain members of the Group were a party to certain litigations arising from the ordinary course of business or assets acquisition. The likely outcome of these contingent liabilities, litigations or other legal proceedings cannot be ascertained at present, but the management of the Group believes that any possible legal liability which may result from the aforesaid cases will not have a material adverse effect on the financial position and operating results of the Group. Save as disclosed, as at the Latest Practicable Date, no other material litigation or claims were pending or threatened or made against the Group so far as the Directors are aware.

9. MISCELLANEOUS

- (a) The registered office of the Company is situated at No. 14800, Jingshi Road, Jinan City, Shandong Province, the PRC.
- (b) The business office of the Company is situated at No. 2 Xuanwumennei Street, Xicheng District, Beijing, the PRC.
- (c) The Hong Kong H share registrar and H share transfer office of the Company is Hong Kong Registrars Limited situated at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) None of the websites appearing in or referred to in this circular or any of the information contained on any such websites forms part of this circular. Neither the Company nor any Director take any responsibility for any information contained on such websites or its accuracy.

- (e) The English text of this circular (except for Appendix I to this circular, the Chinese text of which shall prevail over its English text in the case of inconsistency) shall prevail over its Chinese text in the case of inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the (i) Revised Finance Lease Framework Agreement; (ii) the Articles of Association; (iii) the letter from the Board, the text of which is set out on pages 1 to 11 of this circular; (iv) the letter from the Independent Board Committee, the text of which is set out on pages 12 to 13 of this circular; and (v) the letter from the Independent Financial Adviser, the text of which is set out on pages 14 to 27 of this circular will be available for inspection at the offices of Alpha Financial Press Limited, 7th Floor, Nexxus Building, 41 Connaught Road, Central, Hong Kong during normal business hours on any weekday (except public holidays) from the date of this circular up to and including 24 June 2017.

NOTICE OF AGM



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the "**AGM**") of Huadian Power International Corporation Limited* (the "**Company**") for the financial year ended 31 December 2016 will be held at 2:00 p.m., on Friday, 30 June 2017 at Huabin International Hotel, No. 4 Xuanwumennei Street, Xicheng District, Beijing, the PRC for the purpose of considering and, if appropriate, by way of polls, approving the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve the exercise of general mandate by the board of directors (the "**Directors**") of the Company (the "**Board**") to allot, issue and deal with additional shares of the Company (*Note 1*):

"THAT:

- (a) The Board be and is hereby granted, during the Relevant Period (as hereafter defined), an unconditional general mandate to separately or concurrently allot, issue and deal with additional domestic shares (the "**A Shares**") and/or overseas listed foreign invested shares (the "**H Shares**") of the Company by way of equity or Equity Connected Tools (as hereafter defined), and to make or grant offers, agreements or options in respect thereof, subject to the following conditions:
 - (i) such mandate shall not extend beyond the Relevant Period save that the Board may, during the Relevant Period, make or grant offers, agreements or options which might require the implementation or exercise of such powers beyond the end of the Relevant Period;

NOTICE OF AGM

- (ii) the number of the A Shares and/or H Shares to be issued and allotted or agreed conditionally or unconditionally to be issued and allotted separately or concurrently approved by the Board pursuant to the general mandate shall not exceed 20% of each of its existing issued A Shares and/or H Shares respectively; and
 - (iii) the Board will only exercise its power under such mandate in accordance with the Company Law of the PRC and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) (as amended from time to time) or the applicable laws, rules and regulations of other government or regulatory bodies and only if all necessary approvals from the China Securities Regulations Commission and/or other relevant PRC government authorities have been obtained.

- (b) For the purposes of this special resolution:

“**Relevant Period**” means the period from the date of passing this special resolution until the earliest of the following three dates:

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the 12-month period following the passing of this resolution in a general meeting of the Company; and
 - (iii) the date on which the authority granted to the Board as set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company (the “**Shareholders**”) in a general meeting.

“**Equity Connected Tools**” include any bonds, options or other derivative products that are convertible or exchangeable into A Shares or H Shares.

- (c) Contingent on the Board resolving to separately or concurrently issue Shares pursuant to paragraph (a) of this special resolution, the Board be authorized to increase the registered capital of the Company to reflect the number of Shares authorized to be issued by the Company pursuant to paragraph (a) of this resolution and to make such appropriate and necessary amendments to the Articles of Association as they think fit to reflect such increases in the registered capital of the Company and to take any other actions and complete any formalities required to effect the separate or concurrent issuance of Shares pursuant to paragraph (a) of this resolution and the increase in the registered capital of the Company.”

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2. To consider and approve the issuance of debt financing instruments by the Company:

“THAT:

- (1) the Company, before its right to concurrently issue and register debentures becomes ineffective, to continue to register debentures including short-term debentures, super short-term commercial papers, medium-term notes and perpetual notes. The short-term debentures, super short-term commercial papers, medium-term notes and perpetual notes are to be issued, when appropriate, in one or more tranches with an aggregate principal balance (excluding accrued interest) not exceeding RMB50 billion according to the capital needs of the Company, and to issue non-public placed bonds, in one or more tranches with an aggregate principal balance (excluding accrued interest) not exceeding RMB20 billion according to its capital needs;

The general manager and the authorized person of the Company are authorized to properly select debt financing instruments from the above and determine the size of issue under the abovementioned authorization according to the market conditions and subject to compliance with the relevant laws and regulations; within the effective period of registration, to decide all the matters in relation to the issuance of the aforesaid debt financing instruments, including but not limited to the issuance time, size of issuance, term, price and interest rate thereof, and use of proceeds, and execution of the documents and agreements required for the application and issuance of debt financing instruments, including the underwriting agreement and the offering prospectus, as well as making appropriate disclosure of information. The authorization will be valid from the date of approval at the AGM to the conclusion of the 2017 annual general meeting.

- (2) the Company, as and when appropriate, to issue convertible bonds, corporate bonds and (or) RMB-denominated bonds in Hong Kong, in tranches with an aggregate principal balance (excluding accrued interest) not exceeding RMB15 billion according to its capital needs, and to issue renewable financing instruments such as renewable corporate bonds and (or) renewable equity investment plans, in one or more tranches with an aggregate principal balance (excluding accrued interest) not exceeding RMB5 billion according to its capital needs.

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The Board is authorized to properly select financing instruments from the above and determine the size of issue under the abovementioned authorization according to the market conditions and subject to compliance with relevant laws and regulations; within the valid registered period, to decide all the matters in relation to the issuance of the aforesaid financing instruments, including but not limited to the issuance time, variety of issuance, size of issuance (scope), target subscribers, term, price and interest rate (interest determination method) thereof, use of proceeds, guarantee method (credit measures) and repayment guarantee measures, undertaking method and the listing arrangements, and the concrete clauses such as renewal, delayed payment of interest, redemption and sale-back of the aforesaid financing instruments, and execution of the documents and agreements required for the application and issuance of financing instruments, including the underwriting agreement, the offering prospectus and making appropriate disclosure of information; to represent the Company to apply to relevant regulatory authorities regarding the approval of issuance and listing matters and to make appropriate adjustment to the issuance proposal based on the opinions from the regulatory department (if any). The authorization will be valid from the date of approval at the AGM to the conclusion of the 2017 annual general meeting.”

3. To consider and approve the proposed amendments to the Articles of Association (the “**Articles of Association**”) of the Company:

“**THAT:**

The proposed amendments to the Articles of Association be and are hereby approved and an executive Director be authorized to make amendments, if appropriate, according to the requirements of relevant competent departments and regulatory bodies.

Details of relevant contents will be available at the website of the Shanghai Stock Exchange at <http://www.sse.com.cn> and in the circular of the Company to be despatched on (or before) 9 June 2017 containing, among others, the details of Resolutions No. 3, 5, 10 and 11, which will be available at the website of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) at <http://www.hkex.com.hk>.”

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ORDINARY RESOLUTIONS

4. To consider and approve the report of the Board for the year ended 31 December 2016.

The aforementioned report has been prepared by the Company in compliance with the requirements under the Hong Kong Listing Rules, the listing rules of Shanghai Stock Exchange and the other relevant rules and requirements for annual report disclosure. For details of the aforementioned report of the Board, please refer to the 2016 annual report of the Company which is available at the website of the Hong Kong Stock Exchange at <http://www.hkex.com.hk>.

5. To consider and approve the report of the supervisory committee of the Company (the “**Supervisory Committee**”) for the year ended 31 December 2016.

Details of the abovementioned report of the Supervisory Committee will be available in the circular of the Company to be despatched on (or before) 9 June 2017 containing, among others, the details of Resolutions No. 3, 5, 10 and 11.

6. To consider and approve the Company’s 2016 audited financial report (i.e. the financial report for the year ended 31 December 2016 prepared by the Company in compliance with the International Financial Reporting Standards and China Accounting Standards for Business Enterprises, respectively).

Details of the aforementioned audited financial statements are available at the website of the Shanghai Stock Exchange at <http://www.sse.com.cn> and the website of the Hong Kong Stock Exchange at <http://www.hkex.com.hk>.

7. To consider and approve the proposal in relation to the profit distribution of the Company for the year ended 31 December 2016 (the “**2016 Profit Distribution Proposal**”) (*Note 2*).

8. To consider and approve the appointments of international auditor, domestic auditor and auditor of internal control.

“**THAT:**

- (1) Deloitte Touche Tohmatsu Certified Public Accountants and Deloitte Touche Tohmatsu Certified Public Accountants LLP be appointed as international and domestic auditors of the Company for the financial year ending 31 December 2017;

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- (2) Deloitte Touche Tohmatsu Certified Public Accountants LLP be appointed as the auditor of the Company's internal control for the financial year ending 31 December 2017;

The Board be and is authorized to determine their remunerations which shall not exceed RMB10.95 million.”

9. To consider and approve the performance report of the independent non-executive Directors for the year ended 31 December 2016 (*Note 3*).

Details of the aforementioned performance report of the independent non-executive Directors are available at the website of the Shanghai Stock Exchange at <http://www.sse.com.cn> and the website of the Hong Kong Stock Exchange at <http://www.hkex.com.hk>.

10. To consider and approve the proposal in relation to the remuneration of the Directors and the supervisors of the Company (the “**Supervisors**”) for the year ended 31 December 2016.

Details of the aforementioned remuneration proposal will be available in the circular of the Company to be despatched on (or before) 9 June 2017 containing, among others, the details of Resolutions No. 3, 5, 10 and 11.

11. To consider and approve the proposal in relation to the revision of the finance lease framework agreement with 華電融資租賃有限公司 (Huadian Financial Leasing Company Limited*), a subsidiary of 中國華電集團公司 (China Huadian Corporation*) which is the controlling Shareholder of the Company, with the aggregate finance amount outstanding not exceeding RMB6 billion.

The general manager and the authorized person of the Company be and are hereby authorized, for a period of three years, to sign the finance lease framework agreement when appropriate, make disclosure in accordance with the requirements of the Hong Kong Listing Rules and complete other necessary procedures and formalities.

Details of the abovementioned renewed finance lease framework agreement are available in the announcement of the Company dated 10 May 2017 and the circular of the Company to be despatched on (or before) 9 June 2017 containing, among others, the details of Resolutions No. 3, 5, 10 and 11.

NOTICE OF AGM

12. To consider and approve, by way of separate ordinary resolutions, each of the resolutions in relation to the re-election of the following persons as the Directors of the eighth session of the Board for a term of three years, commencing from the conclusion of the AGM and expiring at the conclusion of the general meeting electing the ninth session of the Board to be held by the Company and to authorize the Board to determine and finalize the remuneration of the Directors (*Note 4*).

(1) Zhao Jianguo

(2) Chen Bin

(3) Wang Yingli

(4) Tian Hongbao

(5) Gou Wei

(6) Chu Yu

(7) Zhang Ke

13. To consider and approve, by way of separate ordinary resolutions, each of the resolutions in relation to the re-election of the following persons as independent non-executive Directors of the eighth session of the Board for a term of three years, commencing from the conclusion of the AGM and expiring at the conclusion of the general meeting electing the ninth session of the Board to be held by the Company and to authorize the Board to determine and finalize the remuneration of the independent non-executive Directors (*Note 4*).

(1) Ding Huiping

(2) Wang Dashu

(3) Wang Chuanshun

(4) Zong Wenlong

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14. To consider and approve, by way of separate ordinary resolutions, each of the resolutions in relation to the re-election of the following persons as Supervisors (not representing the employees of the Company) of the eighth session of the Supervisory Committee for a term of three years, commencing from the conclusion of the AGM and expiring at the conclusion of the general meeting electing the ninth session of the Supervisory Committee (not representing the employees of the Company) to be held by the Company (*Note 4*).

(1) Li Xiaopeng

(2) Peng Xingyu

(3) Zha Jianqiu

By order of the Board

Huadian Power International Corporation Limited*

Zhou Lianqing

Secretary to the Board

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

Zhao Jianguo (Chairman, Non-executive Director), Chen Bin (Vice Chairman, Executive Director), Wang Yingli (Vice Chairman, Non-executive Director), Tian Hongbao (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), Wang Chuanshun (Independent Non-executive Director) and Zong Wenlong (Independent Non-executive Director).

Beijing, the PRC

16 May 2017

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Notes:

1. Proposal to obtain general mandate to issue shares

In order to ensure flexibility and to give discretion to the Directors in the event that it becomes desirable to issue any Shares, the Board has on 28 March 2017 resolved to seek the Shareholders' approval for obtaining the General Mandate, which is an unconditional general mandate to allot, issue and/or deal with additional shares.

2. The 2016 Profit Distribution Proposal

As audited by Deloitte Touche Tohmatsu (德勤•關黃陳方會計師行) and Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所 (特殊普通合夥)) for the accounting year ended 31 December 2016 and calculated under China Accounting Standards for Business Enterprises and International Financial Reporting Standards, net profit attributable to shareholders of the Company amounted to RMB3,344,443,000 and RMB3,127,799,000, respectively. The proposed 2016 Profit Distribution Proposal is set out as follows:

- 1) 10% of the net profit as shown in the accounting report of the Company under the PRC Accounting Standards for Business Enterprises, amounting to RMB411,366,000, will be transferred to the statutory surplus reserve.
- 2) The Board has proposed to declare a final dividend of RMB0.136 per share (based on the total share capital of 9,862,976,653 shares) for the financial year ended 31 December 2016, totalling RMB1,341,365,000. Such dividend will be paid to holders of A Shares in Renminbi ("RMB") and to holders of H Shares in Hong Kong dollars ("HKD"). The actual amounts of dividend to be paid in HKD shall be converted at the average closing exchange rates for HKD to RMB announced by the People's Bank of China for the five business days prior to the declaration of the dividend.

If such dividend is declared upon passing Resolution No. 7 by the Shareholders, it is expected to be paid to those Shareholders whose names appear on the register of members of the Company on Tuesday, 11 July 2017. In order to ascertain the entitlements of the Shareholders to receive the final dividend, the register of the members of the Company will be closed from Thursday, 6 July 2017 to Tuesday, 11 July 2017 (both days inclusive), during which period no transfer of H shares of the Company will be effected. In order to be entitled to the final dividend, H Shareholders of the Company who have not registered their transfer documents are required to deposit the transfer documents together with the relevant share certificates with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 5 July 2017.

According to the Law on Enterprise Income Tax of the People's Republic of China and its implementation rules which came into effect on 1 January 2008, and the Circular on the Issues Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation (Guo Shui Han [2008] No. 897) on 6 November 2008, the Company is required to withhold enterprise income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H Share register of members. The enterprise income tax shall be withheld for the dividends of any H Shares under the name of non-individual Shareholders (any H Shares registered in the name of HKSCC Nominees Limited, other nominees and trustees, or other organizations and institutions, shall be deemed as shares held by non-resident enterprise Shareholders). The Company will distribute the final dividend to such non-resident enterprise Shareholders after withholding the enterprise income tax at a rate of 10%.

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Pursuant to provisions set out in the Circular on Issues Concerning Individual Income Tax Policies (Cai shui zi [1994] No. 20) (《關於個人所得稅若干政策問題的通知》(財稅字 [1994] 20 號)) issued by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, individual foreigners are exempted from individual income tax on dividend distributed by foreign-invested enterprises. When the Company, as a foreign-invested enterprise, distributes the 2016 final dividend to its individual H Shareholders whose names appear on the Company's register of holders of H Shares on the relevant record date, the Company will distribute the 2016 final dividend in full to such individual H Shareholders.

Details in relation to profit distribution to investors who invest in the shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai Stock Exchange or vice versa under the Shanghai-Hong Kong Stock Connect program and the Shenzhen-Hong Kong Stock Connection program will be disclosed in the AGM poll results announcement of the Company.

3. Performance report of the independent non-executive Directors

The A Shares of the Company are listed on the Shanghai Stock Exchange of the PRC. The performance report of the independent non-executive Directors for the year ended 31 December 2016 is prepared in compliance with the relevant and applicable PRC regulatory requirements, and shall be proposed for approval by the Shareholders at the AGM as required under such requirements. The performance report of the independent non-executive Directors is available at the website of the Shanghai Stock Exchange at <http://www.sse.com.cn> and the website of the Hong Kong Stock Exchange at <http://www.hkex.com.hk>.

4. Change and election of Directors and Supervisors

(1) Cumulative voting

The cumulative voting method shall be adopted for the voting of Resolutions No. 12, 13 and 14. The cumulative voting method refers to the voting for the election of Directors (excluding independent non-executive Directors), independent non-executive Directors or Supervisors where each share is entitled to the same number of votes which equals to the total number of Directors (excluding independent non-executive Directors), independent non-executive Directors or Supervisors to be elected, and the entire votes, represented by the shares held by each Shareholder, can be equally cast for each candidate or can be consolidated to vote for one or certain candidates. For example, if a Shareholder holds 100 Shares, then he/she is entitled to 700 votes, 400 votes and 300 votes for Resolutions No. 12, 13 and 14, respectively. He/she may cast his/her respective votes equally to each of the candidates of Directors (excluding independent non-executive Directors), independent non-executive Directors or Supervisors with 100 votes for each; or cast respective votes entirely for one or certain candidates of Directors (excluding independent non-executive Directors), independent non-executive Directors or Supervisors.

Please note with particular attention that the sum of your votes cast for all candidates of Directors (excluding independent non-executive Directors), independent non-executive Directors or Supervisors shall not exceed the entire votes represented by the shares held by each Shareholder. That is, if the total votes a Shareholder cast for one, certain or all candidates of Directors (excluding independent non-executive Directors), independent non-executive Directors or Supervisors exceed his/her entire votes represented by the shares held by him/her, then all the votes will be invalid; if the total votes a Shareholder cast for one, certain or all candidates of Directors (excluding independent non-executive Directors), independent non-executive Directors or Supervisors are fewer than his/her entire votes represented by the shares held by him/her, then the votes cast by him/her shall be valid, and the votes not cast shall be deemed to have been waived by him/her. If a candidate of Directors (excluding independent non-executive Directors), independent non-executive Directors or Supervisors obtains more than half of the votes representing total number of shares (assuming the cumulative voting has not been adopted) from the Shareholders attending the AGM, he/she will be deemed as elected.

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(2) Proposed change and election of Directors and Supervisors

As at the date of this notice, the Board consists of 11 Directors, namely, Mr. Zhao Jianguo, Mr. Chen Bin, Ms. Wang Yingli, Mr. Tian Hongbao, Mr. Gou Wei, Mr. Chu Yu, Mr. Zhang Ke, Mr. Ding Huiping, Mr. Wang Dashu, Mr. Wang Chuanshun and Mr. Zong Wenlong.

As at the date of this notice, the Supervisory Committee consists of five Supervisors, namely Mr. Li Xiaopeng, Mr. Peng Xingyu, Ms. Yuan Yanan (employee representative supervisor), Ms. Wei Aiyun (employee representative supervisor) and Mr. Zha Jianqiu.

According to the Articles of Association, all members of the Board and the Supervisory Committee (except for the employee representative supervisors, who shall be democratically elected and removed by the Company's employees) currently in office are eligible for re-election at the AGM. All Directors and Supervisors are eligible and offer themselves for re-election for a term of three years expiring upon conclusion of the general meeting of the Company convened for election of the ninth session of the Board and the ninth session of the Supervisory Committee (other than employee representatives of the Company).

(3) Details of the Candidates for Directors and Supervisors

Except as disclosed below, none of the candidates for Directors and Supervisors held any directorship of any listed public company in the last three years, and none of them holds any position in other members of the Company's group. Furthermore, none of them has any relationship with any other Directors, Supervisors, senior management or substantial or controlling shareholder(s) of the Company. As disclosed in the 2016 annual report of the Company, Mr. Gou Wei, the candidate as the non-executive Director of the Company, was the beneficial owner of 10,000 A Shares (which accounted for approximately 0.00001% of the total issued A Shares of the Company). Save as disclosed above, none of the candidates for Directors and Supervisors had any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance as at the date of this notice. The remuneration of Directors and Supervisors is determined with reference to the remuneration policy of the Company and the qualification and experience of them. The remuneration of Mr. Chen Bin will be determined according to factors including his qualifications and experience, and the remuneration policy of the Company. The remuneration of each of Mr. Ding Huiping, Mr. Wang Dashu, Mr. Wang Chuanshun and Mr. Zong Wenlong will be RMB80,000 (tax inclusive) per annum. The remuneration of Mr. Zha Jianqiu will be RMB70,000 (tax inclusive) per annum. Save as disclosed above, the candidates for Directors and Supervisors will not receive any remuneration from the Company in respect of their services provided as Directors and Supervisors.

Save as disclosed below, there are no other matters regarding the candidates for Directors and Supervisors that in the Company's opinion are required to be brought to the attention of Shareholders in accordance with Rule 13.51(2) of the Hong Kong Listing Rules.

Biographies of the Candidates for Directors

Zhao Jianguo, Chinese, born in September 1958, is a senior engineer graduated from the Hefei University of Technology and holds a master's degree. Mr. Zhao is currently the chairman of the Company, a non-executive Director, and the chairman and secretary of the party committee of China Huadian Corporation. Mr. Zhao Jianguo had served in the Tangshan General Power Plant, the North China Power Group Company (Bureau), the State Power Corporation, the Guangxi Electric Power Company Limited (Bureau) and the China Southern Power Grid Co., Ltd.. Mr. Zhao has over 30 years of working experience in power management.

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Chen Bin, Chinese, born in November 1958, a senior engineer with a bachelor's degree in Law, graduated from Hebei University. Mr. Chen is currently a vice chairman of the Company, an executive Director and the party secretary of the Company. Mr. Chen joined the People's Liberation Army of China in 1976. From 1980, Mr. Chen has successively worked at Hangzhou Zhakou Power Plant, Power Bureau of Zhejiang Province, Hangzhou Banshan Power Plant, Hangzhou Banshan Power Generation Company Limited, Zhejiang Representative Office of China Huadian Corporation and China Huadian Corporation. Mr. Chen has over 30 years of experience in power management.

Wang Yingli, Chinese, born in September 1961, is a senior engineer and holds a MBA degree. Ms. Wang is currently a vice chairman of the Company and a non-executive Director. She is also a member of the standing committee of the Party Committee of Shandong Luxin Investment Holdings Group Co., Ltd., and the party secretary and chairman of Shandong International Trust Co., Ltd. She is also a director of Shandong Nuclear Power Company Ltd.. Ms. Wang commenced her career in 1981 and had worked at Shandong University, Shandong International Trust Co., Ltd. and Shandong Luxin Investment Holdings Group Co., Ltd.. She has over 30 years of experience in macroeconomics, trust and investment management.

Tian Hongbao, Chinese, born in August 1960, a senior economist with a master's degree in Economic Law, graduated from North China Electric Power University majoring in Management Engineering with a Bachelor's degree in Management, and subsequently graduated from the Graduate School of the Party School of the Central Committee. Mr. Tian is currently an executive Director and the general manager of the Company. Mr. Tian has successively held positions in Linyi Electric Power Bureau, Weifang Electric Power Bureau, Shandong Weifang Power Plant, Beijing No. 2 Thermal Power Plant, Huadian (Beijing) Thermal Power Company Limited, China Huadian Corporation, Huadian Shaanxi Energy Company Limited and China Huadian Group Capital Holdings Limited (and concurrently served as chairman of China Chuancai Securities Co., Ltd.). Mr. Tian has over 30 years of experience in areas including power management and corporate finance.

Gou Wei, Chinese, born in June 1967, a senior engineer graduated from North China Electric Power University with a master's degree. Mr. Gou is currently a non-executive Director and the head of the Financial and Risk Department of China Huadian Corporation. Mr. Gou had previously worked at Jiangyou Electric Power Plant, Sichuan Guang'an Power Generation Co., Ltd., Huadian Power International Corporation Limited, Hubei branch of China Huadian Corporation, Huadian Hubei Power Co., Ltd. and China Huadian Corporation. Mr. Gou has 29 years of experience in power production and operation management.

Chu Yu, Chinese, born in August 1963, an engineer, graduated from Shanghai Electric Power College. Mr. Chu is currently a non-executive Director, the chairman of China Huadian Group Capital Holdings Company Limited, and a director of Huadian Property Co., Ltd. and Guizhou Wujiang Hydropower Development Company Limited. He had worked at Yangzhou Power Plant, Yangzhou Power Generation Co., Ltd., Huadian Fuel Company Limited Jiangsu Transfer Branch (華電燃料有限公司江蘇調運分公司), Huadian Coal Industry Group Company Limited Jiangsu Branch (華電煤業集團有限公司江蘇分公司), China Huadian Corporation Jiangsu Branch and China Huadian Corporation. He has over 30 years of experience in power production and operation management.

Zhang Ke, Chinese, born in February 1978, obtained a bachelor's degree in Monetary Banking from Qingdao University. He is currently a non-executive Director of the Company, a deputy general manager of the infrastructure fund management department of Shandong International Trust Co., Ltd, a director of Huadian Weifang Power Generation Company Limited, a director of Shanxi Lujin Wangqu Power Generation Co., Ltd., a director of Huadian Laizhou Power Generation Company Limited and a director of China United Cement Lunan Company Limited. Mr. Zhang started his career in 2001 and has been serving Shandong International Trust Co., Ltd for years and gained many years of experience in fields such as funds, investment, financing and securities.

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Biographies of the Candidates for Independent Non-executive Directors

Ding Huiping, Chinese, born in June 1956, is a professor and Ph.D. tutor and is concurrently an independent non-executive Director, the Head of PRC Enterprise Competitiveness Research Center of Beijing Jiaotong University, an independent director of China Merchants Securities Co., Ltd, an independent director of Metro Land Corporation Ltd. and an external supervisor of China Merchants Bank Co., Ltd.. Mr. Ding graduated from Northeastern University with a bachelor's degree in Engineering in February 1982. He studied in Sweden in 1987 and acquired an associate doctoral degree in Industry Engineering in 1991, a doctoral degree in Enterprise Economics in 1992 and conducted postdoctoral research. He has been working at Economic and Management School of Northern Jiaotong University (presently known as Beijing Jiaotong University) since 1994. Research directions: theory of enterprise economics and innovative management, investment and financing decisions and assessment of enterprise values, business strategies and supply chain management of enterprises.

Wang Dashu, Chinese, born in September 1956, obtained a master's degree in Economics from Peking University and a doctoral degree in Economics from La Trobe University in Australia. He is currently an independent non-executive Director, a professor at School of Economics of Peking University and a special researcher at Sichuan Market Regulatory Research Centre of the State Administration for Industry and Commerce (國家工商總局四川市場監管研究院). He served as a visiting professor at Stanford University in the U.S., a coordinator for PRC projects of United Nations Industrial Development Organisation and a project consultant of Asian Development Bank. He is specialized in fields such as Economics, Public Finance, Finance, Marketing, Demography.

Wang Chuanshun, Chinese, born in August 1965, is a certified public accountant and a senior accountant. Mr. Wang graduated from Southwest Agricultural University with a master's degree. He currently serves as an independent non-executive Director, a director of Shandong Branch of Ruihua Certified Public Accountants (瑞華會計師事務所山東分所) and concurrently serves as an independent non-executive director of Luzheng Futures Company Limited, chairman of the board of supervisors of the Institute of Certified Public Accountants of Shandong Province, a director of Shandong Accountants Association (山東省會計協會), a director of Shandong Auditors Association (山東省審計協會), deputy secretary-general of Council for the Promotion of Capital Market of Shandong Province (山東省資本市場促進會). Mr. Wang once served at Shandong Audit Office (山東省審計廳), Shandong Accounting Firm (山東會計師事務所), Shandong Zhengyuan Hexin Accounting Firm (山東正源和信會計師事務所) and China Rightson Certified Public Accountants (中瑞華恒信會計師事務所).

Zong Wenlong, Chinese, born in October 1973, a doctor of Accountancy. He is currently an independent non-executive Director, a professor at the School of Accountancy of Central University of Finance and Economics. He served as an independent director of Ningbo Ligong Online Monitoring Technology Co., Ltd. and currently serves as an independent director of Beijing Transtrue Technology Inc. (北京真視通科技股份有限公司), Beijing Dongfang Guoxin Technology Co., Ltd. (北京東方國信科技股份有限公司), Datang Telecom Technology Co., Ltd., Aerospace Changfeng Technology Co., Ltd. (航天長峰科技股份有限公司). He is specialised in the theories and practices of Accountancy, particularly enterprise accounting standards, the financial and accounting policies on non-profit organizations.

Biographies of Candidates for Supervisors

Li Xiaopeng, Chinese, born in March 1973, is a senior economist with a master's degree, Mr. Li is currently a supervisor of the Company, deputy director of Property Right Management Department of Shandong Luxin Investment Holdings Group Co., Ltd., while concurrently acting as a director of China United Cement Lunan Company Limited. Mr. Li started his career in 1995 and has successively worked in Shandong International Trust Co., Ltd and Shandong Luxin Investment Holdings Group Co., Ltd.. He has many years of experience in fields such as fund, investment, financing and securities.

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Peng Xingyu, Chinese, born in November 1962, is a Chinese Certified Public Accountant and a senior accountant. Mr. Peng is currently a supervisor of the Company, chief auditor of China Huadian Corporation, and the chairman of the supervisory committee of Huadian Coal Industry Group Company Limited. He graduated from Wuhan University with a master's degree in Economics. Mr Peng had worked at Huazhong Electric Power Management Bureau, China Huazhong Electric Power Group Company, Hubei Electric Power Company and China Huadian Corporation. He has many years of experience in fields such as power, enterprise audit, finance and assets.

Zha Jianqiu, Chinese, born in August 1969. He is a Certified Public Accountant, certified asset valuer, senior accountant, international certified internal auditor and an independent supervisor of the Company. He graduated from Nanjing Audit University and obtained a master's degree in Business Administration from Guanghua School of Management of Peking University and a doctoral degree in Corporate Management from the Economics and Management School of Beijing Jiaotong University. After graduation, he worked for the National Audit Office of the PRC. He was a partner to Crowe Horwath CPA and a general manager of Overseas Business Department. He was a special technical assistant to the chairman of the Supervisory Committee of State-owned Enterprise of the State Council, an independent director and the chairman of the Audit Committee of IRICO Group Electronics Company Limited and a council member of the Certified Management Committee of Beijing Institute of Certified Public Accountants. He is currently the director of the Department of International Liaison of Ruihua Certified Public Accountants. As a Certified Public Accountant, he has extensive experience in fields such as financial management and auditing.

5. Eligibility of attending the AGM and closure of register of members of H Shares

Shareholders of the Company's H Shares whose names appear on the Company's register of members at the close of business on Monday, 29 May 2017 (the "**Registered Shareholders**") are entitled to attend the AGM conditional upon completion of the necessary registration procedures.

The register of members of H Shares will be closed by the Company from Wednesday, 31 May 2017 to Friday, 30 June 2017, both days inclusive, for the purpose of determining H Shareholders' entitlement to attend the AGM. In order to be entitled to attend the AGM, Shareholders of H Shares whose transfer document have not been registered are required to deposit their respective instrument(s) of transfer and the relevant share certificate(s) with the H Share registrar of the Company, Hong Kong Registrars Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, on or no later than 4:30 p.m. on Monday, 29 May 2017.

6. Registration procedures for attending the AGM

- (1) Registered Shareholders who intend to attend the AGM are required to deliver the completed and signed written reply slip to the Secretarial Office of the Board of the Company on or before Friday, 9 June 2017. Please use the "Reply Slip for Attendance", as enclosed with the circular or a duplicate copy thereof to reply. Furthermore, as described above, in addition to the requirements mentioned above, Registered Shareholders who intend to attend the AGM shall also deliver copies of their instrument(s) of transfer and the relevant share certificates to the Secretarial Office of the Board of the Company on or before Friday, 9 June 2017.
- (2) Registered Shareholders may deliver the necessary registration documents to the Company in person, by post or by facsimile. Upon receipt of the above documents, the Company shall complete the registration procedures in respect of attending the AGM, and shall issue copies or facsimile copies of admission cards for attending the AGM by post or by facsimile. Shareholders or their proxies may produce such copies of the admission cards at the time of attending the AGM in exchange for the original of the admission cards of AGM.

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7. Proxies

Registered Shareholder is entitled to appoint one or more proxies to attend and vote at the AGM on his/her behalf by completing the “Proxy Form for Use at the Annual General Meeting” (the “**Proxy Form**”) enclosed with the circular or by completing a duplicate copy thereof. A proxy need not be a shareholder of the Company. Should more than one proxy be appointed, such proxies shall only exercise his/her voting rights on a poll. The Proxy Form shall be signed by a Registered Shareholder or his attorney duly authorized in writing. If the Proxy Form is signed by the attorney of a Registered Shareholder, the power of attorney or other documents of authorization authorizing the attorney to appoint the proxy shall be notarized. If the Registered Shareholder is a corporation, the Proxy Form shall be executed under seal or shall be executed by its director or a duly authorised attorney. The notarized power of attorney or other authorization documents and the completed Proxy Form shall be delivered to Hong Kong Registrars Limited not less than 24 hours before the time designated for convening the AGM or any adjournment thereof (as the case may be).

8. Miscellaneous

- (1) Each of the Shareholders (or his/her proxy) shall exercise his/her voting rights at the AGM according to the number of shares with voting rights represented by him/her and shall be entitled to one vote for each share held.
- (2) The AGM is expected to take about half a day. Shareholders who attend the AGM shall be responsible for their own travel and accommodation expenses.
- (3) The address of the Company and the contact details of the Secretarial Office of the Board are as follows:

No. 2 Xuanwumennei Street, Xicheng District, Beijing, the People’s Republic of China
Tel No.: (86 10) 8356 7888
Fax No.: (86 10) 8356 7963

- (4) The address and contact details of Hong Kong Registrars Limited are as follows:

Rooms 1712–1716, 17th floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
Tel No.: (852) 2862 8555
Fax No.: (852) 2865 0990/2529 6087

* *For identification purposes only*