

HUANENG POWER INTERNATIONAL INC  
Form 6-K  
February 03, 2015

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of  
The Securities Exchange Act of 1934

For the month of January 2015

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F  Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes  No

(If "Yes" is marked, indicate below the file number assigned to registrant in connection with Rule 12g3-2(b):

82-\_\_\_\_\_.)

N/A

Huaneng Power International, Inc.  
Huaneng Building,  
6 Fuxingmennei Street,  
Xicheng District,  
Beijing, 100031 PRC

This Form 6-K consists of:

1. An announcement regarding connected transaction of Huaneng Power International, Inc. (the “Registrant”);
  2. An announcement regarding continuing connected transactions of the Registrant;
- Each made by the Registrant on January 30, 2015.

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### CONNECTED TRANSACTION

On 29 January 2015, the Company entered into the Investment Agreement with Jingneng Power and Hua Neng HK. Pursuant to the terms and conditions of the Investment Agreement, the Company shall contribute capital towards the construction of Beijing Co-generation Phase III Project jointly with Jingneng Power and Hua Neng HK. The planned investment amount of Beijing Co-generation Phase III Project is approximately RMB3,092.57 million, of which the capital contribution shall be approximately RMB1,020.54 million (the actual amount shall be determined based on the total investment in the construction) and shall be contributed by the shareholders to Beijing Co-generation on a pro rata basis according to their current shareholding interest in Beijing Co-generation. The difference between the actual investment amount and the capital contribution of Beijing Co-generation Phase III Project shall be settled by Beijing Co-generation through bank loans. Prior to the Transaction, the investors and the proportion of their shareholding interests in Beijing Co-generation are: the Company (41%), Jingneng Power (34%) and Hua Neng HK (25%). Based on the estimation of the 41% equity interest held by the Company in Beijing Co-generation, the proposed investment amount in the Transaction by the Company will approximately be RMB418.4214 million. After completion of the Transaction, the Company's equity interest in Beijing Co-generation at 41% will remain unchanged.

Beijing Co-generation is a connected subsidiary of the Company. Pursuant to the Rule 14A.25 of the Hong Kong Listing Rules, the Transaction constitutes a connected transaction of the Company. As the applicable percentage ratios relating to the size of the Transaction calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules do not exceed 5%, the Transaction is therefore only subject to compliance with the annual reporting and announcement requirements under Rules 14A.71 and 14A.35 of the Hong Kong Listing Rules, but is exempt from independent shareholders' approval requirements.

## RELATIONSHIP BETWEEN THE COMPANY, HUANENG HK AND BEIJING CO-GENERATION

The Company and its subsidiaries mainly develop, construct, operate and manage large-scale power plants in China nationwide. It is one of the largest listed power producers in China. As at the date of this announcement, the Company's controlled generation capacity is 78,622 MW and the equity based generation capacity is 70,545 MW.

Huaneng Group is principally engaged in the operation and management of enterprises investments; development, investment, construction, operation and management of power plants; organising the generation and sale of power (and heat); and the development, investment, construction, production and sale of products in relation to information, transportation, new energy and environmental protection industries.

Hua Neng HK is a wholly-owned subsidiary of Huaneng Group established in Hong Kong. It is mainly engaged in import, export, and entrepot business in energy and associated industrial equipment and technology; development of energy and other projects to generate revenue by attracting foreign investment and financing; and provision of consultancy services for domestic technological projects in areas including raw materials of energy production.

As at of the date of issue of this announcement, HIPDC, being the direct controlling shareholder of the Company, holds 35.14% of the total equity interest in the Company, while Huaneng Group holds a 51.98% direct equity interest and a 5% indirect equity interest in HIPDC. In addition, Huaneng Group holds a 10.78% direct equity interest in the Company, a 3.27% indirect equity interest in the Company through Hua Neng HK (a wholly-owned subsidiary of Huaneng Group), a 0.04% indirect equity interest in the Company through Huaneng Capital Services Company Limited (a wholly-owned subsidiary of Huaneng Group) and a 0.77% indirect equity interest in the Company through China Huaneng Finance Corporation Limited (a controlling subsidiary of Huaneng Group).

The relationship between the Company and Hua Neng HK is as follows:

\* Huaneng Group, through Hua Neng HK, its wholly-owned subsidiary, indirectly holds a 100% interest in Pro-Power Investment Limited while Pro- Power Investment Limited holds a 5% interest in HIPDC.

# Huaneng Group holds a 10.78% direct interest in the Company. It also holds 3.27%, 0.04% and 0.77% interest in the Company through Hua Neng HK (its wholly owned subsidiary), Huaneng Capital Services Co. Ltd., (its wholly owned subsidiary) and China Huaneng Finance Corporation (its controlling subsidiary), respectively.

Incorporated in the PRC in 1991, Beijing Co-generation is a non-wholly owned subsidiary of the Company, the principal businesses of which include construction and operation of power plants and the ancillary projects including fund raising both within and/or outside China; import of complete or ancillary sets of equipment, machinery tools, and provision of three materials (steel, cement and wood), fuel and other material for construction and operation of power plants. The current shareholding proportion of the shareholders of Beijing Co-generation is: the Company (41%), Jingneng Power (34%) and Hua Neng HK (25%). According to the auditor's report of 18 March 2014 provided by KPMG Certified Public Accountants (Special General Partnership), as of 31 December 2013, Beijing Co-generation had a total assets of RMB5.316 billion, net asset of RMB2.59 billion, operation income of RMB4.11 billion, net profits of RMB0.29 billion, net profit after non-recurring items amounted to RMB0.269 billion. As of 30 September 2014, Beijing Co-generation had a total assets of RMB4.929 billion, net assets of RMB3.212 billion, operating income of RMB3.914 billion, net profits of RMB0.855 billion, net profit after non-recurring items amounted to RMB0.854 billion. As of 30 September 2014, Beijing Co-generation had an installed capacity of 1,768.4 MW.

Jingneng Power does not hold shares in the Company and is also a third party independent of the Company and connected persons of the Company.

Under the Hong Kong Listing Rules, Huaneng Group is a connected person of the Company while Beijing Co-generation is a connected subsidiary of the Company. The transactions between the Company and Huaneng Group and Hua Neng HK (including its subsidiaries and associates), and the transaction between the Company and Beijing Co-generation constitute connected transactions of the Company, subject to the compliance with the relevant disclosures and/or Independent Shareholders' approval requirements as stipulated in the Hong Kong Listing Rules.

#### DESCRIPTION OF THE CONNECTED TRANSACTION

On 29 January 2015, the Company entered into the Investment Agreement with Jingneng Power and Hua Neng HK. Pursuant to the terms and conditions of the Investment Agreement, the Company shall contribute capital towards the construction of Beijing Co-generation Phase III Project jointly with Jingneng Power and Hua Neng HK. The planned investment amount of Beijing Co-generation Phase III Project is approximately RMB3,092.57 million, of which the capital contribution shall be approximately RMB1,020.54 million (the actual amount shall be determined based on the total investment in the construction) and shall be contributed by the shareholders to Beijing Co-generation on a pro rata basis according to their current shareholding interest in Beijing Co-generation. The difference between the actual investment amount and the capital contribution of Beijing Co-generation Phase III Project shall be settled by Beijing Co-generation through bank loans. Prior to the Transaction, the investors and the proportion of their shareholding interests in Beijing Co-generation are: the Company (41%), Jingneng Power (34%) and Hua Neng HK (25%). Based on the estimation

of the 41% equity interest held by the Company in Beijing Co-generation, the proposed investment amount in the Transaction by the Company will approximately be RMB418.4214 million. After completion of the Transaction, the Company's equity interest in Beijing Co-generation at 41% will remain unchanged.

#### DETAILS OF THE CONNECTED TRANSACTION

With respect to the approval and construction of Beijing Co-generation Phase III Project, the Company together with Jingneng Power and Hua Neng HK entered into the Investment Agreement, agreeing to provide the capital contribution required for the construction of Beijing Co-generation Phase III Project by the shareholders on a pro rata basis according to their respective shareholding interests in Beijing Co-generation. According to the needs of the project and the stipulations in the Investment Agreement and following obtaining the approval to the project, the Company shall provide capital contribution to Beijing Co-generation jointly with Jingneng Power and Hua Neng HK, make corresponding amendments to the related documents like the joint venture agreement(s) and the articles of association of Beijing Co-generation, and make, if required, appropriate disclosure according to the regulatory requirements.

Major terms of the Investment Agreement:

1. Parties to the agreement:

The Company, Jingneng Power and Hua Neng HK

2. Proportion of investment:

The total investment amount of the Beijing Co-generation Phase III Project is approximately RMB3,092.57 million. Of which the capital contribution (which is 33% of the total investment amount of the project) is approximately RMB1,020.54 million (the actual amount shall be determined based on the total investment in the construction).

Each party agreed that the construction of Beijing Co-generation Phase III Project shall be implemented by Beijing Co-generation and will not separately establish another joint venture company. The rights and responsibilities of the parties shall be set out in the articles of association of Beijing Co-generation.

The investment ratio of the parties shall be on a pro rata basis according to their shareholding interests in Beijing Co-generation, i.e., 41% thereof by the Company, 34% thereof by Jingneng Power and 25% thereof by Hua Neng HK.

### 3. Arrangement for capital contribution

The difference between the actual investment amount (cost of construction) and the capital contribution of Beijing Co-generation Phase III Project shall be settled by Beijing Co-generation through bank loans.

### 4. Conditions for and timing of the agreement to become effective

The Investment Agreement shall become effective when it is signed by the legal representative(s) or the delegate(s) of each investor. The investment matters contemplated under the Investment Agreement shall be subject to obtaining the approval(s) from relevant government department(s).

## REASONS OF THE TRANSACTION AND PRICING DETERMINATION

The Transaction involves the Company together with Jingneng Power and Hua Neng HK jointly invest in the construction of Beijing Co-generation Phase III Project, i.e., the construction of one set of (two with one) F-class gas turbine consisting of two gas-steam combined cycle co-generation units with a generation capacity reaching 900MW level, to be constructed on the reserved construction site of Beijing Co-generation at Wangsiying Village, Chaoyang District, Beijing.

According to the needs of the project and the stipulations in the Investment Agreement and following obtaining the approval to the project, the Company shall subscribe for the increased registered share capital in Beijing Co-generation jointly with Jingneng Power and Hua Neng HK. The proposed subscription amount by the Company will approximately be RMB418.4214 million. After completion of the Transaction, the Company's equity interest in Beijing Co-generation at 41% will remain unchanged.

In accordance with the relevant national and Beijing's policy on prevention and control of air pollution, and the relevant policies, planning and work arrangement to accelerate clean energy development, the construction of the Beijing Co-generation Phase III Project shall further increase the proportion of the Company's clean energy generation, expand the Company's market shares in the power and co-generation markets in Beijing, and consolidate the Company's technological leadership position in gas turbine power generation, co-generation and energy-saving and environmental protection.

## IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Beijing Co-generation is a connected subsidiary of the Company. Pursuant to the Rule 14A.25 of the Hong Kong Listing Rules, the Transaction constitutes a connected transaction of the Company. As the applicable percentage ratios relating to the size of the Transaction calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules do not exceed 5%, the Transaction is therefore only subject to

compliance with the annual reporting and announcement requirements under Rules 14A.71 and 14A.35 of the Hong Kong Listing Rules, but is exempt from independent shareholders' approval requirements.

On 29 January 2015, the proposal on the Transaction was considered and approved at the fifth meeting of the eighth session of the Board of the Company. Pursuant to the Shanghai Listing Rules and the Hong Kong Listing Rules, Messrs. Cao Peixi, Guo Junming, Liu Guoyue, Li Shiqi, Huang Jian and Fan Xiaxia, all being the related Directors, abstained from voting on the board resolution on the Transaction. The relevant resolution was voted by Directors who are not connected to the Transaction.

The Board (including the independent non-executive Directors) is of the view that the Investment Agreement was entered into: (1) on normal commercial terms (on arm's length basis or on terms no less favourable to the Company than those available from independent third parties); (2) on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole; and (3) in the ordinary and usual course of business of the Company.

The Directors are of the view that the Transaction is fair and reasonable for the Company and its shareholders as a whole, and is in the interest of the Company.

#### DEFINITIONS

“associates” has the meaning ascribed to it in the Hong Kong Listing Rules;

“Beijing Co-generation” Huaneng Beijing Co-generation Limited Liability Company;

“Beijing Co-generation

Phase III Project” expansion project of Beijing Co-generation, i.e., the construction of one set of F-class gas turbine (two with one) consisting of two gas-steam combined cycle co-generation units with a generation capacity reaching 900MW level, to be constructed on the reserved construction site of Beijing Co-generation at Wangsiying Village, Chaoyang District, Beijing;

“Board” the board of Directors of the Company;

“Company” Huaneng Power International, Inc.;

“connected person(s)” has the meaning ascribed to it in the Hong Kong Listing Rules;

“Directors” the directors of the Company;

“HIPDC” Huaneng International Power Development Corporation;



“Hong Kong Listing Rules” The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;

“Huaneng Group” China Huaneng Group;

“Hua Neng HK” China Hua Neng Group Hong Kong Limited;

“Investment Agreement” the investment agreement relating to expansion project of Huaneng Beijing Co-generation Power Plant entered into between the Company, Jingneng Power and Hua Neng HK on 29 January 2015;

“Jingneng Power” Beijing Jingneng Power Co., Ltd.;

“PRC” or “China” The People’s Republic of China;

“RMB” Renminbi, the lawful currency of the PRC;

“Shanghai Listing Rules” The Rules Governing the Listing of Securities on the Shanghai Stock Exchange;

“Stock Exchange” The Stock Exchange of Hong Kong Limited;

“subsidiaries” has the meaning ascribed to it in the Hong Kong Listing Rules; and

“Transaction” the Company shall, pursuant to the terms and conditions of the Investment Agreement, invest in the construction of Beijing Co-generation Phase III Project jointly with Jingneng Power and Hua Neng HK, and upon obtaining the project approval, provide the capital contribution to Beijing Co-generation for the project construction on a pro-rata basis according to their current shareholding interests in Beijing Co-generation held by the Company, Jingneng Power and Hua Neng HK, respectively.

By Order of the Board  
Huaneng Power International, Inc.  
Du Daming  
Company Secretary

As at the date of this announcement, the Directors of the Company are:

|                                      |  |
|--------------------------------------|--|
| Cao Peixi (Executive Director)       | Li Zhensheng (Independent Non-executive Director)  |
| Guo Junming (Non-executive Director) | Qi Yudong (Independent Non-executive Director)     |
| Liu Guoyue (Executive Director)      | Zhang Shouwen (Independent Non-executive Director) |
| Li Shiqi (Non-executive Director)    | Yue Heng (Independent Non-executive Director)      |
| Huang Jian (Non-executive Director)  | Zhang Lizi (Independent Non-executive Director)    |
| Fan Xiaxia (Executive Director)      |  |
| Mi Dabin (Non-executive Director)    |  |
| Guo Hongbo (Non-executive Director)  |  |
| Xu Zujian (Non-executive Director)   |  |
| Li Song (Non-executive Director)     |  |

Beijing, the PRC  
30 January 2015

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#### CONTINUING CONNECTED TRANSACTIONS

The Company and Huaneng Group entered into the Entrusted Management Power Assets Agreement, Entrusted Management Coal Assets Agreement and Trusteeship Management Power Assets Agreement on 29 January 2015. Pursuant to the provisions of the Assets Entrusted Management Agreements, the Company and its subsidiaries will entrust Huaneng Group and its subsidiaries and associates to manage the Entrusted Management Power Assets and Entrusted Management Coal Assets of the Company, and will be entrusted to manage Huaneng Group's Trusteeship Management Power Assets. The term of the above entrusted management and trustee management shall be three years, commencing on 1 January 2015 expiring on 31 December 2017. The entrusting party will pay the relevant management fees to the management party.

As the transaction scale of each of the Entrusted Management Assets Transaction and Trusteeship Management Assets Transaction does not exceed 0.1% of the applicable percentage ratios as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules, the transactions under the Assets Entrusted Management Agreements are exempt from the reporting, announcement and Independent Shareholders' approval under the Hong Kong Listing Rules. The Company makes disclosure simultaneously pursuant to the Company's announcement disclosed on the Shanghai Stock Exchange.

#### RELATIONSHIP BETWEEN THE COMPANY AND HUANENG GROUP

The Company and its subsidiaries mainly develop, construct, operate and manage large-scale power plants in China nationwide. It is one of the largest listed power producers in China. As at the date of this announcement, the controlled generation capacity is 78,622 MW and the equity based generation capacity is 70,545 MW.

Huaneng Group is principally engaged in the operation and management of enterprises investments; development, investment, construction, operation and management of power plants; organising the generation and sale of power (and heat); and the development, investment, construction, production and sale of products in relation to information, transportation, new energy and environmental protection industries.

As at of the date of this announcement, HIPDC, being the direct controlling shareholder of the Company, holds 35.14% of the total equity interest in the Company, while Huaneng Group holds a 51.98% direct equity interest and a 5% indirect equity interest in HIPDC. In addition, Huaneng Group holds a 10.78% direct equity interest in the Company, a 3.27% indirect equity interest in the Company through Hua Neng HK (a wholly-owned subsidiary of Huaneng Group), a 0.04% indirect equity interest in the Company through Huaneng Capital Services Company Limited (a wholly-owned subsidiary of Huaneng Group) and a 0.77% indirect equity interest in the Company through China Huaneng Finance Corporation Limited (a controlling subsidiary of Huaneng Group).

The relationship between the Company and Huaneng Group is as follows:

- \* Huaneng Group, through Hua Neng HK, its wholly-owned subsidiary, indirectly holds a 100% interest in Pro-Power Investment Limited while Pro- Power Investment Limited holds a 5% interest in HIPDC.
- # Huaneng Group holds a 10.78% direct interest in the Company. It also holds 3.27%, 0.04% and 0.77% interest in the Company through Hua Neng HK (its wholly owned subsidiary), Huaneng Capital Services Co. Ltd., (its wholly owned subsidiary) and China Huaneng Finance Corporation (its controlling subsidiary), respectively.

Under the Hong Kong Listing Rules, Huaneng Group is a connected person of the Company while the transactions between the Company and Huaneng Group (including its subsidiaries and associates) constitute connected transactions of the Company, subject to the relevant disclosures and/or Independent Shareholders' approval requirements as stipulated in the Hong Kong Listing Rules.

#### BRIEF DESCRIPTION OF THE CONTINUING CONNECTED TRANSACTIONS

The Company and Huaneng Group entered into the Entrusted Management Power Assets Agreement, Entrusted Management Coal Assets Agreement and Trusteeship Management Power Assets Agreement on 29 January 2015. Pursuant to the provisions of the Assets Entrusted Management Agreements, the Company and its subsidiaries will entrust Huaneng Group and its subsidiaries and associates to manage the Entrusted Management Power Assets and Entrusted Management Coal Assets of the Company, and will be entrusted to manage Huaneng Group's Trusteeship Management

Power Assets. The term of the above entrusted management and trustee management shall be three years, commencing on 1 January 2015 and expiring on 31 December 2017. The entrusting party will pay the relevant management fees to the management party.

## MAJOR TERMS OF THE ENTRUSTED MANAGEMENT POWER ASSETS AGREEMENT

### 1. Parties to the agreement

Entrusting party : Huaneng Power International  
 Management party : Huaneng Group

### 2. Description of management services

According to the Entrusted Management Power Assets Agreement, the Company and its subsidiaries will entrust Huaneng Group and its subsidiaries and associates to manage the Entrusted Management Power Assets.

The basic information of the Entrusted Management Power Assets that the Company and its subsidiaries entrust Huaneng Group and its subsidiaries and associates to manage is as follows:

| Entrusted Management Power Assets                    | Date of establishment | Nature of entity          | Registered capital (ten thousand) | Location                       | Installed capacity (number of generating units × MW) | Equity ratio of Huaneng Power International | Other shareholder(s)   |
|--|-----------------------|---------------------------|-----------------------------------|--------------------------------|--|---|--|
| Huaneng Power International, Inc. Dezhou Power Plant | 2002.6.28             | branch                    | Not applicable                    | Dezhou City, Shandong Province | 2×330+2×320+2×700                                    | 100.00%                                     | –  |
| Huaneng Power International, Inc. Jining Power Plant | 2004.4.15             | branch                    | Not applicable                    | Jining City, Shandong Province | 2×135+2×350  | 100.00%                                     | –  |
| Huaneng Xindian Power Company Limited                | 2004.3.24             | limited liability company | 46,560                            | Zibo City, Shandong Province   | 2×300  | 95.00%                                      | Zibo City Linzi District Public Asset Management Company Limited 5.00% |

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|   |            |                           |                |                                |             |         |   |
|---|------------|---------------------------|----------------|--------------------------------|-------------|---------|---|
| Huaneng Power International, Inc. Xindian Power Plant | 2003.12.18 | branch                    | Not applicable | Zibo City, Shandong Province   | 0 (Note 1)  | 100.00% | –   |
| Huaneng Power International, Inc. Rizhao Power Plant  | 2003.11.13 | branch                    | Not applicable | Rizhou City, Shandong Province | 2×680       | 100.00% | –   |
| Huaneng Weihai Power Limited Liability Company        | 1993.11.22 | limited liability company | 178,184        | Weihai City, Shandong Province | 2×320+2×680 | 60.00%  | Weihai City Power Development Office 40.00% |

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| Entrusted Management Power Assets                           | Date of establishment | Nature of entity          | Registered capital (ten thousand) | Location                          | Installed capacity (number of generating units × MW) | Equity ratio of Huaneng Power International | Other shareholder(s)                                   |
|---|-----------------------|---------------------------|-----------------------------------|-----------------------------------|--|---|--|
| Huaneng Zhanhua Co-generation Company Limited               | 2003.7.3              | limited liability company | 19,000                            | Zhanhua County, Shandong Province | 2×165  | 100.00%                                     | –  |
| Huaneng Pingliang Power Limited Liability Company           | 1996.11.6             | limited liability company | 92,405                            | Pingliang City, Gansu Province    | 3×325+1×330+2×600                                    | 65.00%                                      | Gansu Power Investment Longneng Company Limited 35.00% |
| Huaneng Jiuquan Wind Power Limited Liability Company        | 2010.6.10             | limited liability company | 136,017                           | Jiuquan City, Gansu Province      | 133×1.5+25×2+101×1.5                                 | 100.00%                                     | –  |
| Huaneng Jiuquan Second Wind Power Limited Liability Company | 2013.7.12             | limited liability company | 1,000                             | Jiuquan City, Gansu Province      | 0 (Note 2)   | 100.00%                                     | –  |
| Huaneng Yumen Wind Power Limited Liability Company          | 2012.12.18            | limited liability company | 34,958                            | Jiuquan City, Gansu Province      | 67×1.5   | 100.00%                                     | –  |
| Huaneng Yunnan Diandong Energy Limited Liability            | 2003.4.29             | limited liability company | 180,000                           | Fuyuan County, Yunnan Province    | 4×600  | 100.00%                                     | –  |

| Company  |            |                           |         |                                   |            |         |   |
|--|------------|---------------------------|---------|-----------------------------------|------------|---------|---|
| Yunnan Diandong Yuwang Energy Company Limited                | 2005.1.18  | limited liability company | 123,632 | Fuyuan County, Yunnan Province    | 2×600      | 100.00% | – |
| Huaneng Yunnan Fuyuan Wind Power Limited Liability Company   | 2013.7.11  | limited liability company | 1,000   | Fuyuan County, Yunnan Province    | 20×2       | 100.00% | – |
| Huaneng Qingdao Co-generation Company Limited                | 2012.12.13 | limited liability company | 18,788  | Qingdao City, Shandong Province   | 0 (Note 2) | 100.00% | – |
| Huaneng Guizhou Panxian Wind Power Limited Liability Company | 2013.7.19  | limited liability company | 1,000   | Liupanshui City, Guizhou Province | 0 (Note 2) | 100.00% | – |

Note 1. Huaneng Power International, Inc. Xindian Power Plant has been shut down and currently there is no installed capacity;

Note 2. Huaneng Jiuquan Second Wind Power Limited Liability Company, Huaneng Qingdao Co- generation Limited Liability Company and Huaneng Guizhou Panxian Wind Power Limited Liability Company are still in the stage of infrastructure construction.



As at 30 September 2014, the unaudited total assets, total net assets, total revenue and total net profit of the Entrusted Management Power Assets was RMB49.004 billion, RMB16.519 billion, RMB17.279 billion and RMB1.875 billion respectively.

According to the different circumstances of the Entrusted Management Power Assets, the management party shall provide management services of the Entrusted Management Power Assets to the entrusting party in accordance with all applicable laws and requirements of the regulatory organs and actual circumstances with reference to the applicable management experience and management mode of domestic and international power generation enterprises. Management services include pre-project planning management, annual budgeting and comprehensive project management, power marketing management, power plant production management, construction management, financial management, personnel and labour wages management, administrative affairs management, legal affairs, asset operation and equity management, assist in information disclosure, related transactions, risk and internal control management, enterprise culture, supervision and other affairs management and reporting/ coordination management etc.; but in any case such management services should not exceed the rights and obligations of the management interests enjoyed by the entrusting party itself according to law or under the relevant agreement or arrangement in relation to any of the Entrusted Management Power Assets.

3. Conflict of interest

Certain power plants of the entrusting party and management party are located in the same power grid. Both parties understand that power plants in the same power grid have entered into dispatch agreements and power sale and purchase contracts with the regional and provincial power grid companies respectively. The management party shall conduct unified reasonable dispatch according to the principle of fair dispatch and taking into account of the status of the generating units of the power plants in the power grid, overhaul time and safe operation of the power grids. The self-owned power plants of the management party and Entrusted Management Power Assets must implement the above dispatch.

The management party/entrusting party shall comply with the following principles in order to avoid potential conflict of interest:

- (a) If an emergency occurs in the self-owned power plants of the management party which exceeds the annual budget and comprehensive plan, the management party shall not resolve such emergency at the expense of the interests of the Entrusted Management Power Assets; and
- (b) If an emergency occurs in the Entrusted Management Power Plants which exceeds the annual budget and comprehensive plan, the entrusting party shall not demand the management party to resolve such emergency at the expense of the interests of the self- owned power plants of the management party.

4. Entrusted management fees

The entrusting party shall pay management fees to the management party in relation to the management services provided by the management party for the Entrusted Management Power Assets pursuant to the Entrusted Management Power Assets Agreement.

Management fees consist of two parts as follows:

- (a) management costs, that is RMB21,910,000 each year;
- (b) performance assessment, bonus or penalty determined according to the performance evaluation which shall not exceed plus-minus ten percent ( $\pm 10\%$ ) of the management costs, that is plus-minus RMB2,191,000 each year.

If the sum of the controlled installed generation capacity and equity based generation capacity of the Entrusted Management Power Assets increases or decreases not more than 10% from the date of signing the Entrusted Management Power Assets Agreement, the management fees will not be adjusted. If the sum of the controlled installed generation capacity and equity based generation capacity of the Entrusted Management Power Assets increases or decreases more than 10% from the date of signing the agreement, the monthly management fees payable by the entrusting party to the management party will be adjusted on the basis of the amount calculated according to the following formula:

$$\text{Management fees of the previous month} \times \frac{\text{Sum of the controlled installed generation capacity and equity based generation capacity of the actual Entrusted Management Power Assets of the month}}{\text{Sum of the controlled installed generation capacity and equity based generation capacity of the actual Entrusted Management Power Assets of the previous month}}$$

5. Performance evaluation

The entrusting party will conduct evaluation of the management party according to, including but not limited to, the following major performance evaluation criteria and specifically determine the amount of the performance assessment portion in the annual management fees within the scope stipulated by the agreement:

- (a) degree of completion of the annual budget (including but not limited to power output, profits, etc.);
- (b) production safety; and



(c) other evaluation criteria agreed by both parties.

6. Payment method

Management fees shall be calculated from the effective date of the Entrusted Management Power Assets Agreement, and the management costs of the management fees shall be settled each month. The entrusting party shall pay the management fees for the current month to the management party before the 10th day of each month. The performance assessment portion (bonus or penalty) of the management fees will be paid after the performance evaluation of the management party but no later than 90 days after the end of each year.

7. Compensation and limitation of liability

If the management party fails to operate and maintain the power assets according to the Entrusted Management Power Assets Agreement or violates other obligations of the agreement, the management party shall compensate for the actual loss of the entrusting party in full. If the loss is partly due to the fault of the entrusting party, the compensation liability of the management party shall be limited to fault portion of the management party in accordance with the fault ratio.

If any claim, loss or expenses arise on the part of the management party as a result of the ownership or use right of the entrusting party in relation to the Entrusted Management Power Assets/sites or the wilful or negligent act of the entrusting party or the employees of its agents, the entrusting party shall compensate the management party in full.

The entrusting party shall ensure that the management party shall be compensated for all the environmental liability incurred in production and business activities as a result of the non-compliance with the environmental regulations by the installation of the Entrusted Management Power Assets unless the liability is due to the fraud or gross negligence of the management party.

8. Effectiveness

Unless otherwise agreed by both parties, the Entrusted Management Power Assets Agreement shall become effective after signing by the legal representatives of both parties or their authorized agents (that is 29 January 2015).

9. Performance period

Except otherwise agreed by both parties or occurrence of circumstances for the early termination of the Entrusted Management Power Assets Agreement, the term of the entrusted management shall be three years, that is from 1 January 2015 to 31 December 2017. The entrusted management may be terminated under the following circumstances: 1) due to the fault of the management party or the entrusting party; 2) the entrusting party issues the entrusted

management termination notice to the management party 30 days in advance or the management party issues the entrusted management termination notice to the entrusting party 90 days in advance; 3) bankruptcy or loss of payment ability of the entrusting party or management party.

## MAJOR TERMS OF THE ENTRUSTED MANAGEMENT COAL ASSETS AGREEMENT

### 1. Parties to the agreement

Entrusting party : Huaneng Power International

Management party : Huaneng Group

### 2. Description of management services

According to the Entrusted Management Coal Assets Agreement, the Company and its subsidiaries will entrust Huaneng Group and its subsidiaries and associates to manage the Entrusted Management Coal Assets.

The basic information of the Entrusted Management Coal Assets that the Company and its subsidiaries entrust Huaneng Group and its subsidiaries and associates to manage is as follows:

| Entrusted Management Coal Assets                 | Place                          | Designed production volume (ten thousand tons/year) | Equity ratio of Huaneng Power International | Other shareholder(s) |
|--|--------------------------------|---|---|----------------------|
| Yunnan Bailongshan Coal Mine (Note 1)            | Fuyuan County, Yunnan Province | 300   | 100.00%                                     |                      |
| Yunnan Bailongshan Coal Mine, Well No.2 (Note 1) | Fuyuan County, Yunnan Province | 180   | 100.00%                                     |                      |
| Yunnan Yuwang Coal Mine (Note 2)                 | Fuyuan County, Yunnan Province | 300   | 100.00%                                     |                      |

Note 1: Yunnan Bailongshan Coal Mine and Yunnan Bailongshan Coal Mine, Well No.2 are the coal assets of Huaneng Yunnan Diandong Energy Limited Liability Company and currently are still in the stage of infrastructure construction;

Note 2: Yunnan Yuwang Coal Mine is the coal assets of Yunnan Diandong Yuwang Energy Limited Liability Company and currently is still in the stage of infrastructure construction.

According to the different circumstances of the Entrusted Management Coal Assets, the management party shall provide management services of the Entrusted Management Coal Assets to the entrusting party in accordance with all applicable laws and requirements of the regulatory organs and actual circumstances with reference to the applicable

management experience and  
management mode of domestic and international power generation enterprises. Management

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services include pre-project planning management, budgeting and comprehensive project management, production and construction management, construction management, financial management, personnel and labour wages management, administrative affairs management, legal affairs, asset operation, information management, related transactions, risk and internal control management, enterprise culture, supervision and other affairs management; but in any case such management services should not exceed the rights and obligations of the management interests enjoyed by the entrusting party itself according to law or under the relevant agreement or arrangement in relation to any of the Entrusted Management Coal Assets.

3. Conflict of interest

The management party/entrusting party shall comply with the following principles in order to avoid potential conflict of interest:

- (a) If an emergency occurs in the self-owned coal assets of the management party which exceeds the annual budget and comprehensive plan, the management party shall not resolve such emergency at the expense of the interests of the Entrusted Management Coal Assets; and
- (b) If an emergency occurs in the Entrusted Management Coal Assets which exceeds the annual budget and comprehensive plan, the entrusting party shall not demand the management party to resolve such emergency at the expense of the interests of the self-owned coal assets of the management party.

4. Entrusted management fees

The entrusting party shall pay management fees to the management party in relation to the management services provided by the management party for the Entrusted Management Coal Assets pursuant to the Entrusted Management Coal Assets Agreement.

Management fees consist of two parts as follows:

- (a) management costs, that is RMB3,040,000 each year;
- (b) performance assessment, bonus or penalty determined according to the performance evaluation which shall not exceed plus-minus ten percent ( $\pm 10\%$ ) of the management costs, that is plus-minus RMB304,000 each year.

5. Performance evaluation

The entrusting party will conduct evaluation of the management party according to, including but not limited to, the following major performance evaluation criteria and specifically determine the amount of the performance assessment portion in the annual management fees within the scope stipulated by the agreement:

- (a) degree of completion of the annual budget (including but not limited to, construction progress, production volume, profits, etc.);
- (b) production safety; and
- (c) other evaluation criteria agreed by both parties.

6. Payment method

Management fees shall be calculated from the effective date of the Entrusted Management Coal Assets Agreement, and the management costs of the management fees shall be settled each month. The entrusting party shall pay the management fees for the current month to the management party before the 10th day of each month. The performance assessment portion (bonus or penalty) of the management fees will be paid after the performance evaluation of the management party but no later than 90 days after the end of each year.

7. Compensation and limitation of liability

If the management party fails to operate and maintain the coal assets according to the Entrusted Management Coal Assets Agreement or violates other obligations of the agreement, the management party shall compensate for the actual loss of the entrusting party in full. If the loss is partly due to the fault of the entrusting party, the compensation liability of the management party shall be limited to fault portion of the management party in accordance with the fault ratio.

If any claim, loss or expenses arise on the part of the management party as a result of the ownership or use right of the entrusting party in relation to the Entrusted Management Coal Assets/sites or the wilful or negligent act of the entrusting party or the employees of its agents, the entrusting party shall compensate the management party in full.

The entrusting party shall ensure that the management party shall be compensated for all the environmental liability incurred in production and business activities as a result of the non-compliance with the environmental regulations by the installation of the Entrusted Management Coal Assets unless the liability is due to the fraud or gross negligence of the management party.



## 9. Performance period

Except otherwise agreed by both parties or occurrence of circumstances for the early termination of the **Entrusted Management Coal Assets Agreement**, the term of the entrusted management shall be three years, that is from 1 January 2015 to 31 December 2017. The entrusted management may be terminated under the following circumstances: 1) due to the fault of the management party or the entrusting party; 2) the entrusting party issues the entrusted management termination notice to the management party 30 days in advance or the management party issues the entrusted management termination notice to the entrusting party 90 days in advance; 3) bankruptcy or loss of payment ability of the entrusting party or management party.

## MAJOR TERMS OF THE TRUSTEESHIP MANAGEMENT POWER ASSETS AGREEMENT

## 1. Parties to the agreement

Entrusting party : Huaneng Power International

Management party : Huaneng Group

## 2. Description of management services

According to the Trusteeship Management Power Assets Agreement, the Company and its subsidiaries will be entrusted by Huaneng Group and its subsidiaries and associates to manage the Trusteeship Management Power Assets.

The basic information of the Trusteeship Management Power Assets of Huaneng Group and its subsidiaries and associates that the Company and its subsidiaries are entrusted to manage is as follows:

| Trusteeship Management Power Assets     | Date of establishment | Nature of entity                                     | Registered capital (ten thousand) | Place                          | Installed capacity (number of generating units × MW) | Equity ratio of Huaneng Group | Other shareholder(s)                                     |
|---|-----------------------|--|-----------------------------------|--------------------------------|--|-------------------------------|--|
| Yunhe County Shitang Hydropower Station | 1994.12.30            | state-owned and state-owned enterprise joint venture | 5,052                             | Lishui City, Zhejiang Province | 3×28.6   | 73.40%                        | Zhejiang Province Energy Group Company Limited<br>26.60% |

| Trusteeship Management Power Assets                         | Date of establishment | Nature of entity          | Registered capital (ten thousand) | Place                       | Installed capacity (number of generating units × MW) | Equity ratio of Huaneng Group                   | Other shareholder(s)  |
|---|-----------------------|---------------------------|-----------------------------------|-----------------------------|--|---|---|
| Huaneng Henan Zhongyuan Gas Power Company Limited           | 2003.7.30             | limited liability company | 40,000                            | Zhumadian City, Henan 2×390 | 90.00%   | Henan Lantian Group Company Limited             | 10.00%  |
| Huaneng (Tianjin) Gasification Power Company Limited (IGCC) | 2008.11.14            | limited liability company | 73,400                            | Tianjin                     | 171+94   | directly and indirectly holds a total of 50.41% | Tianjin Jinneng Investment Company 13.62%, Huaneng Power International 35.97% |

As at 30 September 2014, the unaudited total assets, total net assets, total revenue and total net profit of the Trusteeship Management Power Assets on an equity basis was RMB5.217 billion, RMB-0.158 billion, RMB1.227 billion and RMB-0.34 billion respectively.

According to the different circumstances of the Trusteeship Management Power Assets, the management party shall provide management services of the Trusteeship Management Power Assets to the entrusting party in accordance with all applicable laws and requirements of the regulatory organs and actual circumstances with reference to the applicable management experience and management mode of domestic and international power generation enterprises. Management services include pre-project planning management, annual budgeting and comprehensive project management, power marketing management, power plant production management, construction management, financial management, personnel and labour wages management, administrative affairs management, legal affairs, asset operation and equity management, risk and internal control management, enterprise culture, supervision and other affairs management and reporting/coordination management etc.; but in any case shall management services should not exceed the rights and obligations of the management interests enjoyed by the entrusting party itself according to law or under the relevant agreement or arrangement in relation to any of the Trusteeship Management Power Assets.

### 3. Conflict of interest

Certain power plants of the entrusting party and management party are located in the same power grid. Both parties understand that power plants in the same power grid have entered into dispatch agreements and power sale and purchase contracts with the regional and provincial power grid companies respectively. The management party conducts unified reasonable dispatch according to the principle of fair dispatch and taking into account of the status of the generating



units of the power plants in the power grid, overhaul time and safe operation of the power grids. The self-owned power plants of the management party and Trusteeship Management Power Assets must implement the above dispatch.

The management party/entrusting party shall comply with the following principles in order to avoid potential conflict of interest:

- (a) If an emergency occurs in the self-owned power plants of the management party which exceeds the annual budget and comprehensive plan, the management party shall not resolve such emergency at the expense of the interests of the Trusteeship Management Power Assets; and
- (b) If an emergency occurs in the trusteeship management power plants which exceeds the annual budget and comprehensive plan, the entrusting party shall not demand the management party to resolve such emergency at the expense of the interests of the self-owned power plants of the management party.

#### 4. Entrusted management fees

The entrusting party shall pay management fees to the management party in relation to the management services provided by the management party for the Trusteeship Management Power Assets pursuant to the Trusteeship Management Power Assets Agreement.

Management fees consist of two parts as follows:

- (a) management costs, that is RMB1,700,000 each year;
- (b) performance assessment, bonus or penalty determined according to the performance evaluation which shall not exceed plus-minus ten percent ( $\pm 10\%$ ) of the management costs, that is plus-minus RMB170,000 each year.

If the sum of the controlled installed generation capacity and equity based generation capacity of the Trusteeship Management Power Assets increases or decreases not more than 10% from the date of signing the Trusteeship Management Power Assets Agreement, the management fees will not be adjusted. If the sum of the controlled installed generation capacity and equity based generation capacity of the Trusteeship Management Power Assets increases or decreases more

than 10% from the date of signing the agreement, the monthly management fees payable by the entrusting party to the management party will be adjusted on the basis of the amount calculated according to the following formula:

$$\frac{\text{Sum of the controlled installed generation capacity and equity based generation capacity of the actual Trusteeship Management Power Assets of the month}}{\text{Sum of the controlled installed generation capacity and equity based generation capacity of the actual Trusteeship Management Power Assets of the previous month}} \times \text{Management fees of the previous month}$$

5. Performance evaluation

The entrusting party will conduct evaluation of the management party according to, including but not limited to, the following major performance evaluation criteria and specifically determine the amount of the performance assessment portion in the annual management fees within the scope stipulated by the agreement:

- (a) degree of completion of the annual budget (including but not limited to power output, profits, etc.);
- (b) production safety; and
- (c) other evaluation criteria agreed by both parties.

6. Payment method

Management fees shall be calculated from the effective date of the Trusteeship Management Power Assets Agreement, and the management costs of the management fees shall be settled each month. The entrusting party shall pay the management fees for the current month to the management party before the 10th day of each month. The performance assessment portion (bonus or penalty) of the management fees will be paid after the performance evaluation of the management party but no later than 90 days after the end of each year.

7. Compensation and limitation of liability

If the management party fails to operate and maintain the power assets according to the Trusteeship Management Power Assets Agreement or violates other obligations of the agreement, the management party shall compensate for the actual loss of the entrusting party

in full. If the loss is partly due to the fault of the entrusting party, the compensation liability of the management party shall be limited to fault portion of the management party in accordance with the fault ratio.

If any claim, loss or expenses arise on the part of the management party as a result of the ownership or use right of the entrusting party in relation to the Trusteeship Management Power Assets/sites or the wilful or negligent act of the entrusting party or the employees of its agents, the entrusting party shall compensate the management party in full.

The entrusting party shall ensure that the management party shall be compensated for all the environmental liability incurred in production and business activities as a result of the non-compliance with the environmental regulations by the installation of the Trusteeship Management Power Assets unless the liability is due to the fraud or gross negligence of the management party.

8. Effectiveness

Unless otherwise agreed by both parties, the Trusteeship Management Power Assets Agreement shall become effective after signing by the legal representatives of both parties or their authorized agents (that is 29 January 2015).

9. Performance period

Except otherwise agreed by both parties or occurrence of circumstances for the early termination of the Trusteeship Management Power Assets Agreement, the term of the entrusted management shall be three years, that is from 1 January 2015 to 31 December 2017. The entrusted management may be terminated under the following circumstances: 1) due to the fault of the management party or the entrusting party; 2) the entrusting party issues the entrusted management termination notice to the management party 30 days in advance or the management party issues the entrusted management termination notice to the entrusting party 90 days in advance; 3) bankruptcy or loss of payment ability of the entrusting party or management party.

Approval of the relevant department is not required for the Entrusted Management Assets Transaction and Trusteeship Management Assets Transaction.

#### ANNUAL CAP OF THE MANAGEMENT FEES AND PRICING POLICY

Pursuant to the terms of the Entrusted Management Power Assets Agreement, Entrusted Management Coal Assets Agreement and Trusteeship Management Power Assets Agreement, the management party shall provide management services and charge management fees. The management fees shall be comprised of the management costs and performance assessment. Pursuant to the Entrusted Management Power Assets Agreement and Entrusted Management Coal Assets Agreement and taking into account of the entrusted/trusteeship management fees and the potential performance evaluation amount, the Board of the Company anticipates that the annual cap of the management fees payable by the Company to Huaneng Group for the three years ending 31 December 2017 shall be RMB27,445,000, RMB27,445,000 and RMB27,445,000 million respectively (excluding the adjustment(s) to the management fees due to the change in the generation capacity of units). Pursuant to the Trusteeship Management Power Assets Agreement, the Board of the Company anticipates that the annual cap of the management fees payable by Huaneng Group to the Company for the three years ending 31 December 2017 shall be RMB1,870,000, RMB1,870,000 and RMB1,870,000 million respectively (excluding the adjustment(s) to the management fees due to the change in the generation capacity of units).

There were no historical data in relation to the entrusted management related fees between the Company and Huaneng Group. Management fees are determined by the parties to the agreements after arm's length negotiation according to the principles of fairness, impartiality, equality and mutual benefit and giving priority to efficiency and on the basis of the estimated management costs. Of which, the management fees of the Entrusted Management Power Assets and Trusteeship Management Power Assets are determined with reference to the management costs of the installed generation capacity by unit of the Company and the generation capacity of the Entrusted Management Power Assets and Trusteeship Management Power Assets; while the management fees of the Entrusted Management Coal Assets are determined with reference to the management costs of the coal mine capacity by unit of Huaneng Group in the past and the fees for managing the Entrusted Management Coal Assets which are still in the stage of infrastructure construction. In any event, the relevant management fees shall not, exceed the management fees of the power assets or coal mine assets (calculated based on generation capacity per unit/designed production capacity per unit) managed by the Company. The enterprise management department shall conduct regular review over the relevant management fees to ensure the interests of Independent Shareholders.

#### FINANCIAL CONDITION AND PAYMENT ABILITY OF HUANENG GROUP

Pursuant to the Trusteeship Management Power Assets Agreement, Huaneng Group is required to pay management fees to the Company. Huaneng Group is a key state-owned enterprise administered by the State-owned Assets Supervision and Administration Commission of the State Council. According to the Audit Report issued by WUYIGE Certified Public Accountants LLP on 14 April 2014, as at 31 December 2013, the total consolidated assets of Huaneng Group were RMB855.219 billion, total liabilities were RMB705.662 billion and total net assets were RMB149.557 billion. In 2013, the total consolidated revenue of Huaneng Group was RMB 293.163 billion, total profit was RMB23.619 billion and net cash flow generated from operating activities was RMB79.968 billion. Huaneng Group

has a reasonable assets and liabilities structure and good credit status. The Board of the Company reasonably believes that the possibility of bad debts does not exist in relation to Huaneng Group's performance of obligation to pay the management fees stipulated in the Trusteeship Management Power Assets Agreement.

#### PURPOSE OF THE TRANSACTION AND IMPACT ON THE COMPANY

The current "province-level" economic pattern of China and the actual 3-tier management of Huaneng Group can make better use of the overall management advantages of the Huaneng Group provincial management agencies and improve the management efficiency and overall benefits of the Company's power assets in certain provinces. Moreover, in order to give play to the management advantage of Huaneng Group's professional companies and improve the professional level of the Company's coal assets management, the Company entrusts Huaneng Group to manage the power assets and coal assets in certain provinces. At the same time, in order to enhance the management efficiency of certain power assets, Huaneng Group also entrusts the Company to manage certain power assets. The Transaction is beneficial for the overall long-term development of the Company and will promote the future development of the Company to a certain extent.

#### HONG KONG LISTING RULES IMPLICATIONS

As the transaction scale of each of the Entrusted Management Assets Transaction and Trusteeship Management Assets Transaction does not exceed 0.1% of the applicable percentage ratios as calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules, the transactions under the Assets Entrusted Management Agreements are exempt from the reporting, announcement and Independent Shareholders' approval under the Hong Kong Listing Rules. The Company makes disclosure simultaneously pursuant to the Company's announcement disclosed on the Shanghai Stock Exchange. If the actual amount(s) of the management fees exceeds the relevant annual cap(s), the Company will comply with the requirements under Rule 14A.54 of the Hong Kong Listing Rules.

The fifth meeting of the eighth session of the Board of the Company resolved and passed the "Proposals to entrust Huaneng Group to manage certain power and coal assets and to accept Huaneng Group's entrustment to manage certain power assets" on 29 January 2015. According to the Shanghai Listing Rules and Rule 14A.68(8) of the Hong Kong Listing Rules, the Company's related directors Cao Peixi, Guo Junming, Liu Guoyue, Li Shiqi, Huang Jian and Fan Xiaxia abstained from voting on the above proposals. The relevant proposals were voted for by Directors who were not connected to the Transaction.

The Board (and independent non-executive Directors) of the Company is of the view that the Assets Entrusted Management Agreements were entered into: (1) on normal commercial terms (that is, on arm's length negotiation); (2) on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole; and (3) in the ordinary and usual course of business of the Company. The Directors of the Company are of the view that the Assets Entrusted Management Agreements (and the relevant annual caps of the management fees) are fair to and in the interest of the Company and its shareholders as a whole.



## DEFINITIONS

|  |  |
|--|--|
| “Assets Entrusted Management Agreements”   | collectively, the Entrusted Management Power Assets Agreement, Entrusted Management Coal Assets Agreement and Trusteeship Management Power Assets Agreement;   |
| “associates”                               | has the meaning ascribed to it in the Hong Kong Listing Rules;   |
| “Board”                                    | the board of Directors of the Company;   |
| “Company” or “Huaneng Power International” | Huaneng Power International, Inc.;   |
| “connected person(s)”                      | has the meaning ascribed to it in the Hong Kong Listing Rules;   |
| “Directors”                                | the directors of the Company;  |
| “Entrusted Management Assets Transaction”  | collectively, the continuing connected transactions on the management of the Entrusted Management Power Assets and Entrusted Management Coal Assets under the Entrusted Management Power Assets Agreement and Entrusted Management Coal Assets Agreement between the Company and its subsidiaries and Huaneng Group and its subsidiaries and associates;   |
| “Entrusted Management Coal Assets”         | Yunnan Bailongshan Coal Mine, Yunnan Bailongshan Coal Mine, Well No.2 and Yunnan Yuwang Coal Mine, singly or collectively (as the case may be);  |
| “Entrusted Management Power Assets”        | Huaneng Power International, Inc. Dezhou Power Plant, Huaneng Power International, Inc. Jining Power Plant, Huaneng Xindian Power Company Limited, Huaneng Power International, Inc. Xindian Power Plant, Huaneng Power International, Inc. Rizhao Power Plant, Huaneng Weihai Power Limited Liability Company, Huaneng Zhanhua Co-generation Company Limited, Huaneng Pingliang Power Limited Liability Company, Huaneng Jiuquan Wind Power Limited Liability Company, Huaneng Jiuquan Second Wind Power Limited Liability Company, Huaneng Yumen Wind Power Limited Liability Company, Huaneng Yunnan Diandong Energy Limited Liability Company, Yunnan Diandong Yuwang Energy Company Limited, Huaneng Yunnan Fuyuan Wind Power Limited Liability Company, Huaneng Qingdao Co-generation Company Limited and Huaneng Guizhou Panxian Wind Power Limited Liability Company, singly or collectively (as the case may be); |

|   |  |
|---|--|
| “Entrusted Management Coal Assets Agreement”    | the agreement on entrusted management of certain coal assets between Huaneng Power International, Inc. and China Huaneng Group signed by the Company and Huaneng Group on 29 January 2015 in relation to the entrusted management of the entrusted management coal assets;       |
| “Entrusted Management Power Assets Agreement”   | the agreement on entrusted management of certain power assets between Huaneng Power International, Inc. and China Huaneng Group signed by the Company and Huaneng Group on 29 January 2015 in relation to the entrusted management of the entrusted management power assets;     |
| “HIPDC”   | Huaneng International Power Development Corporation;   |
| “Hong Kong Listing Rules”                       | The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;   |
| “Huaneng Group”                                 | China Huaneng Group;   |
| “Hua Neng HK”                                   | China Hua Neng Group Hong Kong Limited;  |
| “Independent Shareholders”                      | shareholders of the Company other than Huaneng Group and its associates;   |
| “PRC” or “China”                                | The People’s Republic of China;  |
| “RMB”   | Renminbi, the lawful currency of the PRC;  |
| “Shanghai Listing Rules”                        | The Rules Governing the Listing of Securities on the Shanghai Stock Exchange;  |
| “Trusteeship Management Assets Transaction”     | collectively, the continuing connected transactions on the trustee management of the Trusteeship Management Power Assets under the Trusteeship Management Power Assets Agreement between the Company and its subsidiaries and Huaneng Group and its subsidiaries and associates; |
| “Trusteeship Management Power Assets Agreement” | the agreement on trustee management of certain power assets between Huaneng Power International, Inc. and China Huaneng Group signed by the Company and Huaneng Group on 29 January 2015 in relation to the trustee management of the Trusteeship Management Power Assets;       |

|                                       |   |
|---------------------------------------|---|
| “Trusteeship Management Power Assets” | Yunhe County Shitang Hydropower Station, Huaneng Henan Zhongyuan Gas Power Company Limited and Huaneng (Tianjin) Gasification Power Company Limited, singly or collectively (as the case may be); |
| “Stock Exchange”                      | The Stock Exchange of Hong Kong Limited; and  |
| “subsidiaries”                        | has the meaning ascribed to it in the Hong Kong Listing Rules.  |

By Order of the Board  
Huaneng Power International, Inc. Du Daming  
Company Secretary

As at the date of this announcement, the Directors of the Company are:

|                                      |  |
|--------------------------------------|--|
| Cao Peixi (Executive Director)       | Li Zhensheng (Independent Non-executive Director)  |
| Guo Junming (Non-executive Director) | Qi Yudong (Independent Non-executive Director)     |
| Liu Guoyue (Executive Director)      | Zhang Shouwen (Independent Non-executive Director) |
| Li Shiqi (Non-executive Director)    | Yue Heng (Independent Non-executive Director)      |
| Huang Jian (Non-executive Director)  | Zhang Lizi (Independent Non-executive Director)    |
| Fan Xiaxia (Executive Director)      |  |
| Mi Dabin (Non-executive Director)    |  |
| Guo Hongbo (Non-executive Director)  |  |
| Xu Zujian (Non-executive Director)   |  |
| Li Song (Non-executive Director)     |  |

Beijing, the PRC  
30 January 2015

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the under-signed, thereunto duly authorized.

HUANENG POWER INTERNATIONAL, INC.

By /s/ Du Daming

Name: Du Daming  
Title: Company Secretary

Date: February 2, 2015