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華能國際電力股份有限公司

HUANENG POWER INTERNATIONAL, INC.

(a Sino-foreign joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 902)

**CONNECTED TRANSACTION
CAPITAL INCREASE AND
NON-EXERCISE OF THE PRE-EMPTIVE RIGHT
TO ACQUIRE 19% INTEREST IN HAINAN NUCLEAR**

- On 19 March 2013, the Company entered into the Capital Increase Agreement with the existing shareholders of Hainan Nuclear (including Huaneng Group), pursuant to which the existing shareholders of Hainan Nuclear agreed to subscribe by way of cash for the new registered capital of Hainan Nuclear in accordance with their respective proportion of shareholding in Hainan Nuclear. The Company shall pay to Hainan Nuclear an amount of not more than RMB262,612,800 as the consideration of the Capital Increase, which sum will be funded by the Company's internal cash surplus. Following completion of the Capital Increase, the Company's proportion of shareholding of 30% in Hainan Nuclear shall remain unchanged.
- Following completion of the Capital Increase, Huaneng Group proposes to transfer at no consideration its 19% interest in Hainan Nuclear to its wholly owned subsidiary Huaneng Nuclear. The Company will not exercise its pre-emptive right to acquire the 19% interest in Hainan Nuclear.

- HIPDC, as the direct controlling shareholder of the Company, holds 36.05% of the total issued share capital of the Company, while Huaneng Group holds a 51.98% direct interest and a 5% indirect interest in HIPDC. Huaneng Group also directly and indirectly (through its subsidiaries other than HIPDC) holds an aggregate interest of 15.29% in the Company. Huaneng Group and its associates (including Huaneng Nuclear) are connected persons of the Company under the Hong Kong Listing Rules. Pursuant to the stipulation in Rule 14.70(3) of the Hong Kong Listing Rule, if the pre-emptive right involving the Company and a connected person, the exercise of which is at the Company's discretion, non-exercise of the pre-emptive right to acquire the 19% interest in Hainan Nuclear by the Company and the buyer is a connected person of the Company, then such non-exercise of the pre-emptive right shall be regarded as a connected transaction of the Company.
- With respect to the Capital Increase and given the scale of the subscription amount does not exceed 5% of the applicable percentage ratios as calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules, the Capital Increase does not constitute a notifiable transaction under Chapter 14 of the Hong Kong Listing Rules. However, with respect to the non-exercise of the pre-emptive right to acquire the 19% interest in Hainan Nuclear and based on the net asset value of Hainan Nuclear as at end of 2012, the value of Huaneng Group's transfer at no consideration of its 19% interest in Hainan Nuclear amounted to RMB391,270,000. The relevant transaction scale exceeds 0.1% but does not exceed 5% of the applicable percentage ratios as calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules. Therefore, the Company's non-exercise of the pre-emptive right to acquire the 19% interest in Hainan Nuclear is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Hong Kong Listing Rules but are exempt from independent shareholders' approval requirements.

RELATIONSHIP BETWEEN THE COMPANY, HUANENG GROUP AND HUANENG NUCLEAR

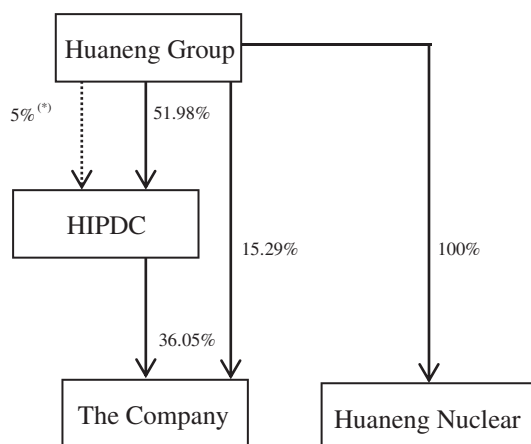
The Company and its subsidiaries mainly develop, construct, operate and manage large-scale power plants in China nationwide. It is one of the largest listed power producers in China, with a controlling capacity of 63,857 MW.

Huaneng Group is principally engaged in 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 energy, transportation, new energy and environmental protection industries.

HIPDC, as the controlling shareholders of the Company, holds approximately 36.05% of the total issued share capital of the Company. Huaneng Group is holding a 51.98% direct interest and a 5% indirect interest in HIPDC. Huaneng Group also, directly and indirectly (through its subsidiaries other than HIPDC), holds an aggregate of 15.29% interest in the total issued share capital of the Company.

Huaneng Nuclear is a wholly owned subsidiary of Huaneng Group, which is principally engaged in investment, development and production of nuclear power.

The relationship among the Company, Huaneng Group and Huaneng Nuclear are 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 11.06% direct interest in the Company. It also holds 3.36%, 0.04% and 0.82% 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 non wholly owned subsidiary), respectively.

According to the Hong Kong Listing Rules, Huaneng Group and its associates (including Huaneng Nuclear) are connected persons of the Company.

CAPITAL INCREASE AGREEMENT

The Capital Increase was approved at the meeting of the board of Directors of the Company held on 19 March 2013. The Company entered into the Capital Increase Agreement with the existing shareholders of Hainan Nuclear (including Huaneng Group).

Major terms of the Capital Increase Agreement are as follows:

1. Date: 19 March 2013
2. Parties:
 - (i) China Nuclear;
 - (ii) Huaneng Group;
 - (iii) the Company; and

(iv) Hainan Nuclear

3. Subscription of share capital: Each shareholder shall inject new capital by way of cash in accordance with its original proportion of shareholding, of which:

China Nuclear shall subscribe for RMB446,441,800, representing 51% of the newly increased capital;

Huaneng Group shall subscribe for RMB166,321,400, representing 19% of the newly increased capital;

The Company shall subscribe for RMB262,612,800, representing 30% of the newly increased capital.

4. Payment method: The subscription for the year of each shareholder shall be apportioned into 30%, 30%, 20% and 20% and each payment of such apportioned amount shall be paid into a designated verification account of Hainan Nuclear before the 20th working day in the second month of each quarter. The first payment thereof shall be paid within 15 working days following the passing of the resolution relating to the Capital Increase at shareholders' meeting of Hainan Nuclear.

5. Signing and effective time: The Capital Increase Agreement became effective upon signing by China Nuclear, Huaneng Group, the Company and Hainan Nuclear on 19 March 2013.

Upon completion of the Capital Increase, the Company's shareholding in Hainan Nuclear remains unchanged, i.e. 30% equity interest in Hainan Nuclear.

INFORMATION REGARDING HAINAN NUCLEAR

Incorporation in the PRC on 3 December 2008, Hainan Nuclear is located in Hainan Province, the business of which include the construction, operation and management of nuclear power plants, production and sales of power and related products; technology advisory services. Following completion of the Capital Increase, the registered capital of Hainan Nuclear will be increased to RMB2,934,710,000.

The controlling shareholder of Hainan Nuclear, China Nuclear, holds 51% of the registered capital of Hainan Nuclear. The Company holds 30% of the registered capital of Hainan Nuclear, and Huaneng Group holds 19% of the registered capital of Hainan Nuclear. China Nuclear is principally engaged in investment, development and production of nuclear power. China Nuclear does not hold shares in the Company and is a third party independent from both the Company and its connected persons.

Selected Financial Information of Hainan Nuclear

The following sets out certain financial information of Hainan Nuclear as at 31 December 2011 and 31 December 2012 and for the year/period then ended, prepared in accordance with PRC Accounting Standards:

	As at 31 December 2011 (RMB) (audited)	As at 31 December 2012 (RMB) (unaudited)
Operating revenue	—	—
Operating profit/loss	—	—
Profit/loss before tax	—	—
Net profit/loss	—	—
Total assets	6,823,823,156	10,283,139,281
Net assets	1,265,756,000	2,059,334,000

Note: The financial information relating to the revenue and profit of Hainan Nuclear are not available as Hainan Nuclear is still in the construction process and has not yet commenced business operation.

NON-EXERCISE OF THE PRE-EMPTIVE RIGHT TO ACQUIRE THE 19% INTEREST IN HAINAN NUCLEAR

Following completion of the Capital Increase, Huaneng Group proposes to transfer at no consideration its 19% interest in Hainan Nuclear to its wholly owned subsidiary Huaneng Nuclear. The Company will not exercise its pre-emptive right to acquire the 19% interest in Hainan Nuclear and will provide an undertaking of its non-exercise of the pre-emptive right to acquire. Based on the net asset value of Hainan Nuclear as at end of 2012, the shareholding value of Huaneng Group's transfer at no consideration of its 19% interest in Hainan Nuclear to its wholly owned subsidiary Huaneng Nuclear amounted to RMB391,270,000.

Pursuant to the stipulation in Rule 14.70(3) of the Hong Kong Listing Rules, if the pre-emptive right involving the Company and a connected person, the exercise of which is at the Company's discretion, non-exercise of the pre-emptive right to acquire the 19% equity interest in Hainan Nuclear by the Company and the buyer is a connected person of the Company, then such non-exercise of the pre-emptive right shall be regarded as a connected transaction of the Company.

Reasons for the Capital Increase and non-exercise of the pre-emptive right to acquire and the Impact on the Company

The Capital Increase will increase the registered capital of Hainan Nuclear and further enhance Hainan Nuclear's capacity to raise funds for the construction of its projects, and is expected to provide and secure stable investment returns for the Company in the future. The non-exercise of the pre-emptive right to acquire will not affect the Company's status as the second largest shareholder of Hainan Nuclear. Instead, it encourages the admission of a professional nuclear power company under Huaneng Group, whose direct shareholding in Hainan Nuclear will help strengthen the safety surveillance and management of Hainan Nuclear and make a good combination with the Company's management in producing positive effects on Hainan Nuclear's level of safety and control over construction prices and periods. Such arrangement also has a potential effect on the Company's future profitability, which will indirectly be beneficial to the Company's shareholders.

In addition, the Company has taken into account the relevant potential risks, including transaction risks. In particular, given Hainan province primarily focuses on tourism and agriculture, the power consumption for industrial use and the scale of power grids are comparatively small, there are risks that Hainan Nuclear's profitability may be affected if for some reasons it operates under an electricity load that fails to reach the expected level and there is a decrease in efficiency ratio of grid power in Hainan Nuclear.

IMPLICATION UNDER THE HONG KONG LISTING RULES

With respect to the Capital Increase and given the scale of the subscription amount does not exceed 5% of the applicable percentage ratios as calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules, the Capital Increase does not constitute a notifiable transaction under Chapter 14 of the Hong Kong Listing Rules. However, with respect to the non-exercise of the pre-emptive right to acquire the 19% interest in Hainan Nuclear and based on the net asset value of Hainan Nuclear as at end of 2012, the value of Huaneng Group's transfer at no consideration of its 19% interest in Hainan Nuclear amounted to RMB391,270,000. The relevant transaction scale exceeds 0.1% but does not exceed 5% of the applicable percentage ratios as calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules. Therefore, the Company's non-exercise of the pre-emptive right to acquire the 19% interest in Hainan Nuclear is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Hong Kong Listing Rules but are exempt from independent shareholders' approval requirements.

The Board of Directors of the Company has approved the resolutions regarding the Capital Increase and the non-exercise of the pre-emptive right to acquire the 19% interest in Hainan Nuclear. Messrs. Cao Peixi, Huang Long, Li Shiqi, Huang Jian, Liu Guoyue and Fan Xiaxia, all being directors of the Company having connected relationship, abstained from voting on the board resolutions relating to the Transaction. The resolutions were voted by directors who are not connected to the Transaction. The Directors (including independent non-executive Directors) are of the view that the Capital Increase and the non-exercise of the pre-emptive right to acquire the 19% interest in Hainan Nuclear were entered into: (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms (on arm's length basis or on terms no less favourable to the Company than terms available from independent third parties); and (iii) on terms that are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

DEFINITIONS

“associate”	the meaning ascribed to it in the Hong Kong Listing Rules;
“Capital Increase”	the subscription in an amount of not more than RMB262,672,800 for part of the new registered capital of Hainan Nuclear by the Company pursuant to the terms and conditions of the Capital Increase Agreement;
“Capital Increase Agreement”	the capital increase agreement entered into by the Company with China Nuclear, Huaneng, Huaneng Group and Hainan Nuclear on 19 March 2013;
“China Nuclear”	China Nuclear Power International, Inc.;
“Company”	Huaneng Power International, Inc.;
“Directors”	the directors (including independent non-executive directors) of the Company;
“Hainan Nuclear”	Hainan Nuclear Power Co., Ltd.;
“HIPDC”	Huaneng International Power Development Corporation;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Hua Neng HK”	China Hua Neng Group Hong Kong Limited;
“Huaneng Group”	China Huaneng Group;
“Huaneng Nuclear”	Huaneng Nuclear Power Development Co., Ltd.;

“PRC”, “China”	the People’s Republic of China;
“RMB”	the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Transaction”	collectively, the Capital Increase in Hainan Nuclear by the Company, and the non-exercise of the pre-emptive right to acquire the proposed transfer of its 19% equity interest in Hainan Nuclear in no consideration to its wholly owned subsidiary Huaneng Nuclear.

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 <i>(Executive Director)</i>	Shao Shiwei <i>(Independent Non-executive Director)</i>
Huang Long <i>(Non-executive Director)</i>	Wu Liansheng <i>(Independent Non-executive Director)</i>
Li Shiqi <i>(Non-executive Director)</i>	Li Zhensheng <i>(Independent Non-executive Director)</i>
Huang Jian <i>(Non-executive Director)</i>	Qi Yudong <i>(Independent Non-executive Director)</i>
Liu Guoyue <i>(Executive Director)</i>	Zhang Shouwen <i>(Independent Non-executive Director)</i>
Fan Xiaxia <i>(Executive Director)</i>	
Shan Qunying <i>(Non-executive Director)</i>	
Guo Hongbo <i>(Non-executive Director)</i>	

Xu Zujian

(Non-executive Director)

Xie Rongxing

(Non-executive Director)

Beijing, the PRC

20 March 2013