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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 FORMATION OF A JOINT VENTURE

FORMATION OF A JOINT VENTURE

On 29 October 2024, the Company entered into the Joint Venture Agreement with Huaneng Hydropower, pursuant to which, the Company and Huaneng Hydropower will jointly fund the establishment of Yuwang Company. The Company will contribute RMB1,509.6 million and Huaneng Hydropower will contribute RMB1,450.4 million. After the completion of the Transaction, the Company will hold 51% of the equity interests of Yuwang Company, while Huaneng Hydropower will hold 49% of the equity interests of Yuwang Company.

As of the date of this announcement, Huaneng Group holds a 75% direct interest and a 25% indirect interest in HIPDC, while HIPDC, being the direct controlling shareholder of the Company, holds a 32.28% interest in the Company. Huaneng Group also holds a 9.91% direct interest in the Company and holds a 3.01% indirect interest in the Company through its wholly-owned subsidiary, Hua Neng HK, a 0.84% indirect interest in the Company through Huaneng Treasury, its indirect wholly-owned subsidiary, a 0.13% indirect interest in the Company through Huaneng Structural Adjustment No.1 Securities Investment Private Fund, its concerted party, and a 0.06% indirect interest in the Company through its subsidiary, Huaneng Finance. Huaneng Hydropower is a subsidiary of Huaneng Group. According to the Hong Kong Listing Rules, Huaneng Hydropower is connected person/associate of the Company, the Transaction constitutes a connected transaction of the Company.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

According to the relevant percentage ratios as calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules, the Transaction does not constitute a notifiable transaction under Chapter 14 of the Hong Kong Listing Rules. However, the Transaction constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio as calculated under Rule 14.07 of the Hong Kong Listing Rules which determines the scale of the

Transaction exceeds 0.1% but is less than 5%, the Company is only required to comply with the reporting and announcement requirement under the Hong Kong Listing Rules but is exempt from independent shareholders' approval requirement.

I. INTRODUCTION

On 29 October 2024, the Company entered into the Joint Venture Agreement with Huaneng Hydropower, pursuant to which, the Company and Huaneng Hydropower will jointly fund the establishment of Yuwang Company. The Company will contribute RMB1,509.6 million and Huaneng Hydropower will contribute RMB1,450.4 million. After the completion of the Transaction, the Company will hold 51% of the equity interests of Yuwang Company, while Huaneng Hydropower will hold 49% of the equity interests of Yuwang Company.

II. RELATIONSHIP AMONG THE COMPANY, HUANENG GROUP AND HUANENG HYDROPOWER

The Company and its subsidiaries mainly develop, construct, operate and manage large-scale power plants in China. It is one of the largest listed power suppliers in China. As of 30 September 2024, the Company's controlled generation capacity is 140,711 MW.

Huaneng Group is principally engaged in the operation and management of enterprise investments, the 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.

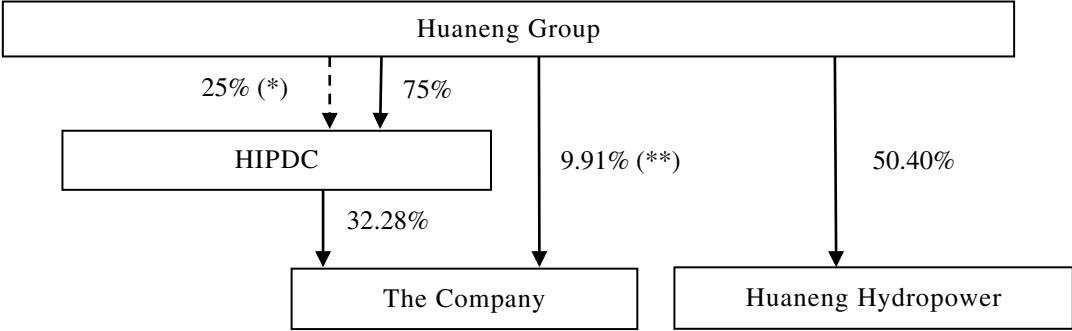
As of the date of this announcement, Huaneng Group holds a 75% direct interest and a 25% indirect interest in HIPDC, while HIPDC, being the direct controlling shareholder of the Company, holds a 32.28% interest in the Company. Huaneng Group is a state-controlled central enterprise primarily engaged in the power industry, and is under the supervision of the State-owned Assets Supervision and Administration Commission. Huaneng Group also holds a 9.91% direct interest in the Company and a 3.01% indirect interest in the Company through its wholly-owned subsidiary, Hua Neng HK, a 0.84% indirect interest in the Company through Huaneng Treasury, its indirect wholly-owned subsidiary, a 0.13% indirect interest in the Company through Huaneng Structural Adjustment No.1 Securities Investment Private Fund, its concerted party, and a 0.06% indirect interest in the Company through its controlling subsidiary, Huaneng Finance. Huaneng Group is the ultimate controlling shareholder of the Company.

Huaneng Hydropower is a company incorporated in China in 2001 with a registered capital of RMB18 billion. The shares of Huaneng Hydropower are listed on the Shanghai Stock Exchange (Stock Code: 600025). Huaneng Hydropower is primarily engaged in the development, construction, production, operation, and product sales of domestic and international electricity and other energy resources; investment, consultation, maintenance, repair, and management

services for electricity and other energy projects; investment, development, construction, production, operation, and product sales in related extended industries; and procurement, sales, and import and export of materials.

As per Huaneng Hydropower's audited financial statements prepared in accordance with Chinese Accounting Standards, as at 31 December 2023, Huaneng Hydropower's total assets were RMB195.2 billion, with total liabilities amounting to RMB124.5 billion, and the net assets standing at RMB70.7 billion. In 2023, Huaneng Hydropower achieved a total operating revenue of RMB23.5 billion, and a net profit of RMB8.2 billion. Huaneng Hydropower is a subsidiary controlled by Huaneng Group. Under the Hong Kong Listing Rules, Huaneng Hydropower is connected person/associate of the Company and the Transaction constitutes a connected transaction of the Company.

As of the date of this announcement, the relationship among the Company, Huaneng Group and Huaneng Hydropower is illustrated as follows:



* Huaneng Group, through its wholly-owned subsidiary, Hua Neng HK, indirectly holds 100% of Pro-Power Investment Limited while Pro-Power Investment Limited holds a 25% interest in HIPDC. Therefore, Huaneng Group holds a 25% indirect interest in HIPDC.

** Huaneng Group holds a 9.91% direct interest in the Company, a 3.01% indirect interest in the Company through Hua Neng HK (a wholly-owned subsidiary of Huaneng Group), a 0.84% indirect interest in the Company through Huaneng Treasury (an indirect wholly-owned subsidiary of Huaneng Group), a 0.13% indirect interest in the Company through Huaneng Structural Adjustment No.1 Securities Investment Private Fund, its concerted party, and a 0.06% indirect interest in the Company through Huaneng Finance (a subsidiary of Huaneng Group).

III. THE TRANSACTION

The principal terms of the Joint Venture Agreement are set out as follows:

- 1. Date: 29 October 2024
- 2. Parties: (1) the Company; and
(2) Huaneng Hydropower

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| 3. Registered Capital and Equity Ratio | The registered capital of Yuwang Company shall be RMB2,960 million, of which, the Company will contribute RMB1,509.6 million in cash, accounting for 51% of the registered capital, Huaneng Hydropower will contribute RMB1,450.4 million, accounting for 49% of the registered capital. |
| 4. Principles of Capital Contribution | The Company and Huaneng Hydropower shall complete the capital contribution within the capital contribution period in accordance with the requirements of the local government, the progress of the construction of the project and the fulfillment of the investment decision-making procedures of the two parties, at the same time and in proportion to their respective shareholdings. In the event of subsequent capital increase in accordance with the development of the project, both shareholders shall increase the capital in proportion to their respective shareholdings. |
| 5. Corporate Structure | Yuwang Company will form a board of directors consisting of five members, including two recommended by the Company, two recommended by Huaneng Hydropower, and one employee representative director. The chairman of the board of directors shall be a director recommended by the Company. |
| 6. Effectiveness | The Joint Venture Agreement shall become effective upon being duly signed by both parties. |

IV. PURPOSE OF THE TRANSACTION AND THE EFFECT ON THE COMPANY

The Transaction is designed to fulfill the national energy supply requirements and will help the Company secure resources for new energy projects and facilitate the joint operation of the Company's thermal power and new energy sectors, which will be conducive to the sustainable development of the Company.

Following completion of the Transaction, Yuwang Company will become a subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company. The Transaction will not have a significant impact on the Company's financial position, nor will it jeopardise the interest of the Company and its shareholders.

V. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

According to the relevant percentage ratios as calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules, the Transaction does not constitute a notifiable transaction under Chapter 14 of the Hong Kong Listing Rules. However, the Transaction constitutes a connected

transaction under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio as calculated under Rule 14.07 of the Hong Kong Listing Rules which determines the scale of the Transaction exceeds 0.1% but is less than 5%, the Company is only required to comply with the reporting and announcement requirement under Rules 14A.71 and 14A.35 of the Hong Kong Listing Rules but is exempt from independent shareholders' approval requirements.

VI. BOARD APPROVAL

On 29 October 2024, the ninth meeting of the eleventh session of the Board of the Company has considered and approved the resolution regarding the Transaction. According to the SSE Listing Rules and the Hong Kong Listing Rules, Messrs. Wang Kui, Wang Zhijie, Huang Lixin, Du Daming, Zhou Yi and Li Lailong, all being Directors of the Company having connected relationship, abstained from voting on the resolution relating to the Transaction. Save as disclosed above, no other Directors are considered to have a material interest in the Transaction and/or the Joint Venture Agreement, nor are there any other Directors required to abstain from voting on the board resolution approving the Transaction and/or the Joint Venture Agreement.

The Directors (including the independent non-executive Directors) are of the view that the Joint Venture Agreement and the Transaction were entered into: (i) on normal commercial terms (on arm's length basis or on terms no less favorable to the Company than terms available from independent third parties); (ii) on terms that are fair and reasonable and are in the interests of the Company and its shareholders as a whole; and (iii) in the ordinary and usual course of business of the Company.

VII. DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it in the Hong Kong Listing Rules
“Board”	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
“Director(s)”	the director(s) of the Company (including independent non-executive director(s))
“HIPDC”	Huaneng International Power Development Corporation

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Huaneng Finance”	China Huaneng Finance Corporate Limited
“Huaneng Group”	China Huaneng Group Co., Ltd.
“Huaneng Hydropower”	Huaneng Lancang River Hydropower Inc.
“Hua Neng HK”	China Hua Neng Group Hong Kong Limited
“Huaneng Treasury”	China Huaneng Group Treasury Management (Hong Kong) Limited
“Joint Venture Agreement”	the Joint Venture Agreement for the Yuwang Phase II Thermal Power and New Energy Joint Operation Project entered into among the Company and Huaneng Hydropower on 29 October 2024
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SSE Listing Rules”	Rules Governing the Listing of Securities on Shanghai Stock Exchange
“Transaction”	the establishment of the Yuwang Company by the Company and Huaneng Hydropower pursuant to the Joint Venture Agreement
“Yuwang Company”	Huaneng Yuwang Phase II Energy Co., Ltd. (provisional name, subject to final approval by the market supervision and administration department) to be established by the Company and Huaneng Hydropower

By order of the Board
Huaneng Power International, Inc.
Huang Chaoquan
Company Secretary

As of the date of the announcement, the directors of the Company are:

Wang Kui (*Executive Director*)

Wang Zhijie (*Executive Director*)

Huang Lixin (*Executive Director*)

Du Daming (*Non-executive Director*)

Zhou Yi (*Non-executive Director*)

Li Lailong (*Non-executive Director*)

Cao Xin (*Non-executive Director*)

Li Haifeng (*Non-executive Director*)

Ding Xuchun (*Non-executive Director*)

Wang Jianfeng (*Non-executive Director*)

Xia Qing (*Independent Non-executive Director*)

He Qiang (*Independent Non-executive Director*)

Zhang Liying (*Independent Non-executive Director*)

Zhang Shouwen (*Independent Non-executive Director*)

Dang Ying (*Independent Non-executive Director*)

Beijing, the PRC

30 October 2024