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CHINA HUANENG GROUP CO., LTD.*
中國華能集團有限公司

*(A limited liability company incorporated in
the People's Republic of China)*

 **華能新能源股份有限公司**
Huaneng Renewables Corporation Limited *

*(A joint stock limited company incorporated in
the People's Republic of China with limited
liability)*

(Stock Code: 0958)

JOINT ANNOUNCEMENT
(1) VOLUNTARY CONDITIONAL OFFER
BY CLSA LIMITED ON BEHALF OF
CHINA HUANENG
TO ACQUIRE ALL OF THE ISSUED H SHARES IN
HUANENG RENEWABLES
AND
(2) PROPOSED VOLUNTARY WITHDRAWAL
OF LISTING OF THE H SHARES OF HUANENG RENEWABLES
AND
(3) RESUMPTION OF TRADING

EXCLUSIVE FINANCIAL ADVISER TO CHINA HUANENG



INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE



INTRODUCTION

Reference is made to the Rule 3.7 Announcement of Huaneng Renewables dated 2 September 2019 relating to China Huaneng's intention to make a voluntary general offer for the H Shares.

On 3 October 2019, China Huaneng Board and Huaneng Renewables Board jointly announced that CLSA Limited, on behalf of China Huaneng, firmly intends to make a voluntary conditional cash offer to acquire all the issued H Shares.

The H Share Offer is subject to the fulfilment of a number of Conditions as set out in this joint announcement, including the passing of resolution by the Independent H Shareholders approving the Delisting at the H Share Class Meeting and the Extraordinary General Meeting.

CONSIDERATION FOR THE H SHARE OFFER

The H Share Offer will be made by CLSA Limited on behalf of China Huaneng on the following basis:

For each H Share HK\$3.17

China Huaneng will not increase the H Share Offer Price for the H Share Offer as set out above. Shareholders and potential investors of Huaneng Renewables should be aware that, following the making of this statement, China Huaneng will not be allowed to increase the H Share Offer Price and China Huaneng does not reserve the right to increase the H Share Offer Price.

INTENTION IN RELATION TO HUANENG RENEWABLES

If the H Share Offer is completed, China Huaneng intends that Huaneng Renewables will continue to carry on its existing business and, save for transactions in the ordinary course of business, does not expect there to be a redeployment of the fixed assets of Huaneng Renewables. Under current market conditions, China Huaneng has no plans to effect any redundancies in respect of the employees of Huaneng Renewables Group (other than in the ordinary course of business).

DELISTING

Upon the H Share Offer becoming unconditional, Huaneng Renewables will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules. The H Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the H Shares and on which the Delisting will become effective.

SHAREHOLDING IN HUANENG RENEWABLES

As at the date of this joint announcement, Huaneng Renewables has 10,566,532,192 Shares in issue, with 5,535,311,200 Domestic Shares and 5,031,220,992 H Shares. China Huaneng directly owns 5,258,545,640 Domestic Shares, representing approximately 49.77% of the total issued share capital and 95% of the total issued Domestic Shares of Huaneng Renewables. Huaneng Capital directly owns 276,765,560 Domestic Shares, representing approximately 2.62% of the total issued share capital and 5% of the total issued Domestic Shares of Huaneng Renewables. Huaneng No. 1 Fund through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect owns 33,268,000 H Shares, representing approximately 0.31% of the total issued share capital of Huaneng Renewables. CLSA Capital Markets and persons controlling, controlled by or under the same control as CLSA Capital Markets hold a total of 890,000 H Shares, representing approximately 0.01% of the total issued share capital and approximately 0.02% of the total issued H Shares of Huaneng Renewables. Save for the shareholding of Huaneng No. 1 Fund and the shareholding of CLSA Capital Markets and its presumed concert party, none of China Huaneng or the parties acting in concert with it legally or beneficially owns any H Share.

As at the date of this joint announcement, there were no outstanding options, warrants, derivatives, convertible securities or other securities which confer any right to subscribe for, convert or exchange into Domestic Shares or H Shares and/or rights over the Domestic Shares or H Shares issued by Huaneng Renewables.

CLOSING DATE OF THE H SHARE OFFER

The H Share Offer will initially be open for acceptances for at least 21 days from the date of the Composite Document. Once all of the Conditions have been satisfied, the H Share Offer will be declared unconditional in all respects and the H Share Offer should remain open for acceptance for not less than 28 days in compliance with the note to Rule 2.2 and Rule 15.3 of the Takeovers Code before the H Share Offer is closed in order to allow sufficient time for those H Shareholders who have not initially accepted the H Share Offer to accept the H Share Offer or to process the transfer of their H Shares.

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document for the H Share Offer containing, inter alia, further details of (a) the H Share Offer; (b) the expected timetable relating to the H Share Offer; (c) the Delisting; (d) the recommendation from the Independent Board Committee with respect to the H Share Offer and the Delisting; (e) the advice of Gram Capital to the Independent Board Committee; (f) a notice of the H Share Class Meeting to approve the Delisting; (g) a notice of the Extraordinary General Meeting to approve the Delisting, and other particulars required by the Listing Rules and the Takeovers Code (if any), will be despatched to the H Shareholders within 21 days from the date of this joint announcement or such later date to which the Executive may consent.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the H Share Offer is, or is not, fair and reasonable; and (ii) as to acceptance or voting.

Mr. Qi Hesheng, Ms. Zhang Lizi, Mr. Woo Kar Tung, Raymond and Mr. Zhu Xiao (each being an independent non-executive director of Huaneng Renewables, representing all non-executive directors having excluded Mr. Wang Kui, Mr. Dai Xinmin and Mr. Zhai Ji who are connected to China Huaneng by way of their positions held in China Huaneng) have been appointed as members of the Independent Board Committee in respect of the H Share Offer and the Delisting.

Pursuant to Rule 2.1 of the Takeovers Code, Huaneng Renewables has appointed and the Independent Board Committee has approved the appointment of Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee in respect of the H Share Offer and the Delisting, in particular, as to whether the H Share Offer is fair and reasonable and as to acceptance and voting.

WARNING

The H Share Offer is conditional upon the satisfaction of the Conditions as described in this joint announcement in all aspects. Accordingly, the H Share Offer may or may not become unconditional and the issue of this joint announcement does not imply that the H Share Offer or the Delisting will be completed. Shareholders and/or potential investors of Huaneng Renewables should therefore exercise caution when dealing in the securities of Huaneng Renewables (including the H Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

INTRODUCTION

Reference is made to the Rule 3.7 Announcement of Huaneng Renewables dated 2 September 2019 relating to China Huaneng's intention to make a voluntary general offer for the H Shares.

On 3 October 2019, China Huaneng Board and Huaneng Renewables Board jointly announced that CLSA Limited, on behalf of China Huaneng, firmly intends to make a voluntary conditional cash offer to acquire all the issued H Shares.

THE H SHARE OFFER

As at the date of this joint announcement, Huaneng Renewables has 10,566,532,192 Shares in issue, with 5,535,311,200 Domestic Shares and 5,031,220,992 H Shares. Apart from the aforementioned, there were no other outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares and no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by Huaneng Renewables as at the date of this joint announcement.

Consideration for the H Share Offer

The H Share Offer will be made by CLSA Limited on behalf of China Huaneng on the following basis:

For each H Share HK\$3.17

The H Share Offer Price was determined after taking into account the publicly available financial information of Huaneng Renewables, China Huaneng's review of Huaneng Renewables' business, and with reference to other privatisation transactions in Hong Kong in recent years.

China Huaneng will not increase the H Share Offer Price for the H Share Offer as set out above. Shareholders and potential investors of Huaneng Renewables should be aware that, following the making of this statement, China Huaneng will not be allowed to increase the H Share Offer Price and China Huaneng does not reserve the right to increase the H Share Offer Price.

Comparison of value

The H Share Offer Price offered under the H Share Offer represents:

- (a) a premium of approximately 46.08% over the closing price of HK\$2.17 per H Share as quoted on the Stock Exchange on the last trading day prior to the publication of the Rule 3.7 Announcement;
- (b) a premium of approximately 18.73% over the closing price of HK\$2.67 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 50.95% over the average closing price of approximately HK\$2.10 per H Share as quoted on the Stock Exchange for the last 5 trading days immediately prior to and including the last trading day prior to the publication of the Rule 3.7 Announcement;
- (d) a premium of approximately 55.72% over the average closing price of approximately HK\$2.04 per H Share as quoted on the Stock Exchange for the last 30 trading days immediately prior to and including the last trading day prior to the publication of the Rule 3.7 Announcement;

- (e) a premium of approximately 51.17% over the average closing price of approximately HK\$2.10 per H Share as quoted on the Stock Exchange for the last 60 trading days immediately prior to and including the last trading day prior to the publication of the Rule 3.7 Announcement;
- (f) a premium of approximately 51.28% over the average closing price of approximately HK\$2.10 per H Share as quoted on the Stock Exchange for the last 90 trading days immediately prior to and including the last trading day prior to the publication of the Rule 3.7 Announcement; and
- (g) a discount of approximately 4.62% to the unaudited consolidated net asset value of Huaneng Renewables of approximately HK\$3.32 per Share as at 30 June 2019, based on the exchange rate of RMB1: HK\$1.1368.

Highest and lowest prices

During the period beginning on 2 March 2019 (being six (6) months preceding the commencement of the offer period) and ending on 26 September 2019 (being the Last Trading Day), the highest closing price of the H Shares as quoted on the Stock Exchange was HK\$2.74 on 11 September 2019, and the lowest closing price of the H Shares as quoted on the Stock Exchange was HK\$1.92 on 14 August 2019.

Consideration

Based on the H Share Offer Price of HK\$3.17 per H Share and 5,031,220,992 H Shares in issue as at the date of this joint announcement, the maximum value of the H Share Offer (assuming the H Share Offer is accepted in full and there is no change in the share capital of Huaneng Renewables) is approximately HK\$15,948,970,545. The consideration will be paid in cash.

Settlement of consideration

Settlement of consideration in respect of acceptance of the H Share Offer will be made as soon as possible but in any event within seven (7) Business Days of (i) the date of receipt of a complete and valid acceptance in respect of the H Share Offer or (ii) the Unconditional Date, whichever is later.

Confirmation of financial resources in respect of the H Share Offer

China Huaneng intends to satisfy the consideration required and the buyer's ad valorem stamp duty for the H Share Offer by cash from a loan facility in a maximum amount of up to HK\$17.2 billion provided by the Bank of China (Hong Kong) Limited and Bank of China Limited Macau Branch to China Huaneng's wholly-owned subsidiary.

CLSA Capital Markets, the exclusive financial adviser to China Huaneng in respect of the H Share Offer, is satisfied that sufficient financial resources are available to China Huaneng to satisfy full acceptance of the H Share Offer.

Conditions of the H Share Offer

The H Share Offer is subject to the fulfilment of the following conditions:

- (a) the passing of a resolution by the Independent H Shareholders approving the Delisting at the H Share Class Meeting to be convened for this purpose, provided that:
 - (i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) the passing of a resolution by the Independent H Shareholders approving the Delisting at the Extraordinary General Meeting to be convened for this purpose, provided that:
 - (i) approval is given by at least 75% of the votes attaching to the Shares held by the Independent H Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the Shares held by the Independent H Shareholders;
- (c) minimum valid acceptances of the H Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date amounting to at least 90% of the H Shares held by the Independent H Shareholders;
- (d) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the H Share Offer (including its implementation) (if applicable) having been obtained and remaining in full force and effect pursuant to the provision of any laws or regulations in the PRC and other relevant jurisdictions;
- (e) no action, decision, order, proceeding, enquiry or investigation having been taken or made by any relevant government, governmental, quasi-governmental, regulatory body, court or agent that has the effect of making unlawful, void or unenforceable or otherwise prohibiting or restricting the H Share Offer (including its implementation) or imposing any material conditions or obligations with respect to the H Share Offer (including its implementation) (other than such action, decision, order, proceeding, enquiry or investigation as would not have a material adverse effect on the legal ability of China Huaneng to proceed with or consummate the H Share Offer);
- (f) the granting of the waiver by the Executive from the requirements under Rule 2.2(c) of the Takeovers Code; and

- (g) the filing of NDRC and MOFCOM and the registration of SAFE in relation to the H Share Offer having been completed and remaining in full force and effect pursuant to the provisions of relevant laws and regulations in the PRC.

All the issued Domestic Shares are held by China Huaneng and Huaneng Capital (being a party acting in concert with China Huaneng), and therefore no class meeting of Domestic Shareholders will be convened for the purpose of approving the Delisting and the Domestic Shareholders are not entitled to vote in the Extraordinary General Meeting to be convened for approving the Delisting.

All Conditions are incapable of being waived. After consulting its legal advisors, China Huaneng is not aware of any necessary authorisations, consents and approvals of any governmental or regulatory body required in relation to the H Share Offer at the date of this joint announcement, save as disclosed in Conditions (f) and (g) above. Save for Condition (e) above, no Conditions have been satisfied at the date of this joint announcement.

According to the applicable PRC laws and regulations, the H Share Offer requires the filing of NDRC and MOFCOM and the registration of SAFE, and such regulatory requirements shall be complied with, irrespective of the funding arrangement mentioned in the paragraph headed "Confirmation of financial resources in respect of the H Share Offer" of this joint announcement. According to the applicable PRC laws and regulations, each of the filing of NDRC and MOFCOM and the registration of SAFE is required to be completed prior to the completion of the H Share Offer.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, China Huaneng will not invoke any of the conditions above so as to cause the H Share Offer to lapse unless the circumstances which give rise to a right to invoke the condition are of material significance to China Huaneng in the context of the H Share Offer. Except with the consent of the Executive, if any of the Conditions is not satisfied within 21 days of the first Closing Date or the date the H Share Offer becomes or is declared unconditional as to acceptances, whichever is the later, the H Share Offer will lapse.

The Huaneng Renewables Board confirms that as at the date of this joint announcement, no third party consent in relation to the H Share Offer is required pursuant to any agreement to which any member of the Huaneng Renewables Group is a party.

In addition to the Conditions set out above, the H Share Offer is made on the basis that acceptance of the H Share Offer by any person will constitute a warranty by such person or persons to China Huaneng that the H Shares acquired under the H Share Offer are sold by such person or persons free from all third party rights, liens, charges, equities, adverse interests and encumbrances whatsoever and together with all rights attaching thereto as at the date of this joint announcement or subsequently becoming attached to them, and including the right to receive all dividends (whether final or interim) and other distributions, if any, declared and where the record date for such entitlement is on or after the date of this joint announcement.

As of the date of this joint announcement, Huaneng Renewables has not declared any dividends, the record date of which falls on or after the date of this joint announcement. Huaneng Renewables does not have any intention to declare, make or pay any future dividends or make other distributions until the Closing Date.

The H Share Offer will be made in compliance with the Takeovers Code, which is administered by the Executive.

The latest time on which China Huaneng can declare the H Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent). If the H Share Offer becomes or is declared unconditional in all respects, the H Share Offer should remain open for acceptance for not less than 28 days in compliance with the note to Rule 2.2 and Rule 15.3 of the Takeovers Code, and H Shareholders will be notified as soon as possible by way of an announcement in accordance with the Takeovers Code and the Listing Rules.

Further terms and general matters relating to the H Share Offer

H Shares

Under the terms of the H Share Offer, the H Shares will be acquired with all rights attached thereto as at the date of this joint announcement or which subsequently become attached thereto, including the right to receive in full all dividends and other distributions, if any, declared and where the record date for such entitlement is on or after the date of this joint announcement, and free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

Hong Kong stamp duty

Seller's ad valorem stamp duty for the H Shares which are registered with the H Shares registrar arising in connection with acceptance of the H Share Offer will be payable by each accepting H Shareholder at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable by China Huaneng for such person's H Shares and will be deducted from the cash amount due to such accepting H Shareholder under the H Share Offer. China Huaneng will pay the buyer's ad valorem stamp duty on its own behalf.

Closing Date of the H Share Offer

The H Share Offer will initially be open for acceptances for at least 21 days from the date of the Composite Document. Once all of the Conditions have been satisfied, the H Share Offer will be declared unconditional in all respects and the H Share Offer should remain open for acceptance for not less than 28 days in compliance with the note to Rule 2.2 and Rule 15.3 of the Takeovers Code before the H Share Offer is closed in order to allow sufficient time for those H Shareholders who have not initially accepted the H Share Offer to accept the H Share Offer or to process the transfer of their H Shares.

Completion of the H Share Offer

Except with the consent of the Executive, if any of the Conditions is not satisfied within 21 days of the first Closing Date or of the date the H Share Offer becomes or is declared unconditional as to acceptances, whichever is the later, the H Share Offer will lapse.

China Huaneng and Huaneng Renewables will issue an announcement in relation to the extension or lapse of the H Share Offer or the fulfilment of the Conditions in accordance with the Takeovers Code and the Listing Rules. The latest time on which China Huaneng can declare the H Share Offer unconditional as to acceptance is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent).

INTENTION IN RELATION TO HUANENG RENEWABLES

If the H Share Offer is completed, China Huaneng intends that Huaneng Renewables will continue to carry on its existing business and, save for transactions in the ordinary course of business, does not expect there to be a redeployment of the fixed assets of Huaneng Renewables. Under current market conditions, China Huaneng has no plans to effect any redundancies in respect of the employees of Huaneng Renewables Group (other than in the ordinary course of business).

Delisting

Upon the H Share Offer becoming unconditional, Huaneng Renewables will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules. The H Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the H Shares and on which the Delisting will become effective.

No Right of Compulsory Acquisition

China Huaneng has no rights under the laws of the PRC and the articles of association of Huaneng Renewables to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, Huaneng Renewables will no longer be subject to the Listing Rules and, may or may not continue to be subject to the Takeovers Code after the completion of the H Share Offer depending on whether it remains as a public company in Hong Kong for the purposes of the Takeovers Code thereafter.

China Huaneng has applied to the Executive for a waiver from the requirements under Rule 2.2(c) of the Takeovers Code.

INFORMATION AND PRINCIPAL BUSINESS OF CHINA HUANENG

China Huaneng is a key state-owned enterprise established with the approval of the State Council of the PRC. Established in 1985, China Huaneng is an integrated energy company primarily focused on power generation. China Huaneng had total installed capacity of over 176GW by the end of 2018, with over 59GW of clean and low-carbon installed capacity. China Huaneng is also engaged in the sectors of coal production, finance, technology research and development, transportation and technical retrofit engineering service, etc. that support the core business of power generation. China Huaneng was the first Chinese power producer to join the ranks of Fortune 500 Companies, ranking 289th in 2018.

China Huaneng directly owns 5,258,545,640 Domestic Shares, representing approximately 49.77% of the total issued share capital and 95% of the total issued Domestic Shares of Huaneng Renewables. China Huaneng is owned as to 90% by SASAC and 10% by the National Council for Social Security Fund of the PRC.

Huaneng Capital directly owns 276,765,560 Domestic Shares, representing approximately 2.62% of the total issued share capital and 5% of the total issued Domestic Shares of Huaneng Renewables. Huaneng Capital is owned as to approximately 61.22% by China Huaneng, approximately 15% by Shenzhen Overseas Chinese Town Capital Investment Management Company Limited* (深圳華僑城資本投資管理有限公司), approximately 10% by Yunnan Nengtou Capital Investment Company Limited* (雲南能投資本投資有限公司), approximately 7.65% by Guoxin Shengde Investment (Beijing) Company Limited* (國新盛德投資(北京)有限公司), approximately 3.27% by China Structural Reform Fund Corporation Limited* (中國國有企業結構調整基金股份有限公司) and approximately 2.86% by Beijing Urban Construction Investment Development Company Limited* (北京城建投資發展股份有限公司). Huaneng Capital is a party acting in concert with China Huaneng.

China Huaneng and Huaneng Capital own the entire issued Domestic Shares.

Huaneng No. 1 Fund through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect owns 33,268,000 H Shares, representing approximately 0.31% of the total issued share capital of Huaneng Renewables. Huaneng No. 1 Fund is managed by its fund manager, Tianjin Chinese Investment Management Company Limited* (天津華人投資管理有限公司). Tianjin Chinese Investment Management Company Limited is wholly-owned by Huaneng Investment Management Company Limited* (華能投資管理有限公司). Huaneng Investment Management Company Limited is owned as to 55% by Huaneng Capital, 25% by China Petroleum Assets Management Company Limited* (中油資產管理有限公司) and 20% by Three Gorges Capital Holding Company Limited* (三峽資本控股有限責任公司). Huaneng No. 1 Fund is indirectly controlled by China Huaneng and is a party acting in concert with China Huaneng. H Shares owned by Huaneng No.1 Fund will be subject to the H Share Offer, but will not be voted on in the Extraordinary General Meeting and the H Share Class Meeting.

INFORMATION AND PRINCIPAL BUSINESS OF HUANENG RENEWABLES

Principal activities of Huaneng Renewables

Huaneng Renewables is a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which have been listed on the Main Board of the Stock Exchange since 10 June 2011. Huaneng Renewables Group is committed to the investment, construction and operation of new energy projects. It focuses on developing and operating wind power projects while promoting synergistic growth of solar and other renewable energies.

There have been no significant changes in the nature of Huaneng Renewables Group's principal activities since Huaneng Renewables' listing.

Financial information of Huaneng Renewables Group

Set out below is a summary of (i) the audited consolidated results of Huaneng Renewables Group for each of the two financial years ended 31 December 2017 and 2018, as extracted from the financial statements prepared in accordance with International Financial Reporting Standards in Huaneng Renewables' 2018 annual report published by Huaneng Renewables on 10 April 2019 and (ii) the unaudited consolidated results of Huaneng Renewables Group for the six months ended 30 June 2019, as extracted from Huaneng Renewables' 2019 interim report published by Huaneng Renewables on 11 September 2019:

	For the year ended		For the six
	31 December 2017	31 December 2018	months ended
	(audited)	(audited)	30 June 2019
	<i>RMB'000</i>	<i>RMB'000</i>	(unaudited)
			<i>RMB'000</i>
Revenue	10,554,355	11,650,291	7,138,711
Profit before tax	3,407,665	3,695,184	3,696,350
Profit after tax	3,061,322	3,128,460	3,150,491

Shareholding in Huaneng Renewables

As at the date of this joint announcement, Huaneng Renewables has 10,566,532,192 Shares in issue, with 5,535,311,200 Domestic Shares and 5,031,220,992 H Shares. China Huaneng directly owns 5,258,545,640 Domestic Shares, representing approximately 49.77% of the total issued share capital and 95% of the total issued Domestic Shares of Huaneng Renewables. Huaneng Capital directly owns 276,765,560 Domestic Shares, representing approximately 2.62% of the total issued share capital and 5% of the total issued Domestic Shares of Huaneng Renewables. Huaneng No. 1 Fund through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect owns 33,268,000 H Shares, representing approximately 0.31% of the total issued share capital of Huaneng Renewables. CLSA Capital Markets and persons controlling, controlled by or under the same control as CLSA

Capital Markets hold a total of 890,000 H Shares, representing approximately 0.01% of the total issued share capital and approximately 0.02% of the total issued H Shares of Huaneng Renewables. Save for the shareholding of Huaneng No. 1 Fund and the shareholding of CLSA Capital Markets and its presumed concert party, none of China Huaneng or the parties acting in concert with it legally or beneficially owns any H Share. The 33,268,000 H Shares held by Huaneng No. 1 Fund and the 890,000 H Shares held by CLSA Capital Markets and its presumed concert party will not be considered as H Shares held by the Independent H Shareholders for the purpose of Condition (c) set out in the paragraph headed “Conditions of the H Share Offer”.

The rights of the holders of Domestic Shares and H Shares rank pari passu to each other, including voting rights and the right to receive dividend payment, except that payment of dividend will be made in RMB to the holders of the Domestic Shares and in Hong Kong dollars to H Shareholders. As at the date of this joint announcement, there were no outstanding options, warrants, derivatives, convertible securities or other securities which confer any right to subscribe for, convert or exchange into Domestic Shares or H Shares and/or rights over the Domestic Shares or H Shares issued by Huaneng Renewables.

The table below sets out the shareholding structure of Huaneng Renewables as at the date of this joint announcement and immediately after the completion of the H Share Offer (assuming that the H Share Offer is fully accepted by the H Shareholders):

	As at the date of this joint announcement		Immediately after the completion of the H Share Offer (assuming the H Share Offer is fully accepted by the H Shareholders)	
	Number of Shares	Approximate percentage over the total issued share capital of Huaneng Renewables	Number of Shares	Approximate percentage over the total issued share capital of Huaneng Renewables
Domestic Shares	5,535,311,200	52.39%	5,535,311,200	52.39%
China Huaneng	5,258,545,640	49.77%	5,258,545,640	49.77%
Huaneng Capital (<i>Note i</i>)	276,765,560	2.62%	276,765,560	2.62%
Total Domestic Shares held by China Huaneng and its concert party	5,535,311,200	52.39%	5,535,311,200	52.39%
H Shares	5,031,220,992	47.61%	5,031,220,992	47.61%
Huaneng No. 1 Fund (<i>Note ii</i>)	33,268,000	0.31%	0	0%
CLSA Capital Markets and its presumed concert party (<i>Note iii</i>)	890,000	0.01%	0	0%
China Huaneng	0	0%	5,031,220,992	47.61%
Total H Shares held by China Huaneng and its concert party	34,158,000	0.32%	5,031,220,992	47.61%
Independent H Shareholders	4,997,062,992	47.29%	0	0%
Total Shares in issue	<u>10,566,532,192</u>	<u>100.00%</u>	<u>10,566,532,192</u>	<u>100.00%</u>

Notes:

- (i) Huaneng Capital is owned as to approximately 61.22% by China Huaneng and is a party acting in concert with China Huaneng.
- (ii) Huaneng No. 1 Fund is managed by its fund manager, Tianjin Chinese Investment Management Company Limited* (天津華人投資管理有限公司), which is indirectly controlled by China Huaneng, and is a party acting in concert with China Huaneng.

- (iii) CLSA Capital Markets is a party presumed to be acting in concert with the Offeror under class (5) of the definition of acting in concert in the Takeovers Code as a result of it being the financial adviser of the Offeror. Any persons controlling, controlled by or under the same control as CLSA Capital Markets is also a party presumed to be acting in concert with the Offeror under class (5) of the definition of acting in concert in the Takeovers Code. H Shares owned by CLSA Capital Markets and its presumed concert parties will be subject to the H Share Offer, but will not be voted on in the Extraordinary General Meeting and the H Share Class Meeting.

As at the date of this joint announcement:

- (1) save for the existing direct and indirect shareholding of China Huaneng and its parties acting in concert in Huaneng Renewables as set out in the paragraph headed “Shareholding in Huaneng Renewables”, neither China Huaneng nor parties acting in concert with it owned or had control or direction over any voting rights or rights over the shares, options, derivatives, warrants, other securities convertible into shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Huaneng Renewables;
- (2) neither China Huaneng nor parties acting in concert with it had received any irrevocable voting commitment in respect of the Extraordinary General Meeting and/or the H Share Class Meeting and/or any irrevocable commitment to accept the H Share Offer;
- (3) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by China Huaneng or parties acting in concert with it;
- (4) neither China Huaneng nor parties acting in concert with it has entered into any outstanding derivative in respect of securities in Huaneng Renewables;
- (5) save for the H Share Offer, there was no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to shares of China Huaneng or Huaneng Renewables which might be material to the H Share Offer;
- (6) there was no agreement or arrangement to which China Huaneng is a party which relates to circumstances in which it may or may not invoke or seek to invoke a condition to the H Share Offer;
- (7) neither China Huaneng nor parties acting in concert with it had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Huaneng Renewables;
- (8) there was no agreement, arrangement, or understanding (including any compensation arrangement) existed between any directors, recent directors, Shareholders or recent Shareholders of Huaneng Renewables and other persons which is conditional on or having any connection with or which was dependent upon the H Share Offer;

- (9) save for the consideration in respect of acceptance of the H Share Offer, there is no other consideration, compensation or benefits in whatever form provided (or to be provided) by China Huaneng or any parties acting in concert with it to the Independent H Shareholders and any parties acting in concert with them; and
- (10) there is no understanding, arrangement or agreement which constitutes a special deal between:
- China Huaneng or parties acting in concert with it on one hand and the Independent H Shareholders and parties acting concert with them on the other hand; and
 - any Shareholder on one hand and Huaneng Renewables, its subsidiaries or associated companies on the other hand.

Save for a total of 33,268,000 H Shares purchased by Huaneng No. 1 Fund during the period from 20 May 2019 to 26 July 2019 through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect with the highest price being HK\$2.01 per H Share, the average price being approximately HK\$1.9868 per H Share and the total consideration being HK\$66,097,480, there have been no dealings in the Shares, options, derivatives, warrants, other securities convertible into Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Huaneng Renewables by China Huaneng and parties who are acting in concert with China Huaneng during the period beginning on 2 March 2019 (being six (6) months prior to the date of the Rule 3.7 Announcement) and ending on 26 September 2019 (being the Last Trading Day). The details of the said dealings of Huaneng No. 1 Fund are set out in the table below:

Transaction Date	H Shares purchased	Highest Price per H Share (HKD)	Lowest Price per H Share (HKD)	Average Price per H Share (HKD)	Total Transaction Amount (HKD)
20 May 2019	2,500,000	1.95	1.91	1.9300	4,825,000
21 May 2019	4,016,000	1.99	1.91	1.9804	7,953,440
22 May 2019	3,000,000	1.98	1.98	1.9800	5,940,000
23 May 2019	3,912,000	1.98	1.95	1.9751	7,726,640
24 May 2019	4,184,000	1.99	1.96	1.9815	8,290,400
27 May 2019	3,000,000	1.99	1.99	1.9900	5,970,000
25 July 2019	4,000,000	2.00	2.00	2.0000	8,000,000
26 July 2019	<u>8,656,000</u>	2.01	2.00	2.0092	<u>17,392,000</u>
Total	<u><u>33,268,000</u></u>	2.01	1.91	1.9868	<u><u>66,097,480</u></u>

REASONS FOR AND BENEFITS ON THE H SHARE OFFER AND THE DELISTING

For Huaneng Renewables to deliver long-term growth and remain competitive, continuous equity fund raising is crucial. Since and including its initial public offering in 2011, Huaneng Renewables has conducted equity fund raising for a total of HK\$12.131 billion. But pursuant to relevant regulations imposed by SASAC, Huaneng Renewables has not been able to raise additional funds in the equity capital markets since August 2018 when its Price-to-Book ratio fell below one. Given the loss of the ability to raise funds in the equity capital market, Huaneng Renewables being a public entity could no longer offer a viable source of funding to develop its businesses.

China Huaneng considers that the privatisation of Huaneng Renewables will assist business integration between China Huaneng and Huaneng Renewables, which will provide China Huaneng with greater flexibility and efficiency to support the future business development of Huaneng Renewables and to withstand any potential uncertainties from the perspectives of market competition, macro environment and sector regulation.

During the period beginning on 2 March 2019 (being six (6) months preceding the commencement of the offer period) and ending on 26 September 2019 (being the Last Trading Day), the highest closing price of the H Shares as quoted on the Stock Exchange was HK\$2.74 on 11 September 2019, and the lowest closing price of the H Shares as quoted on the Stock Exchange was HK\$1.92 on 14 August 2019. In addition, the historically highest closing price of the H Shares as quoted on the Stock Exchange from 30 August 2018 to 29 August 2019 (being the last trading day prior to the publication of the Rule 3.7 Announcement) was HK\$2.55 per H Share on 12 March 2019. China Huaneng believes that the price for the H Share Offer represents a premium to the price at which the market had valued Huaneng Renewables and had reflected the potential value of the development of the business of Huaneng Renewables in the next few years under its current state and provides an opportunity for the H Shareholders to immediately realise their investments. The H Share Offer therefore allows the H Shareholders to redeploy capital from accepting the H Share Offer into other investment opportunities that they may consider more attractive in the current market environment.

MEETINGS AND DESPATCH OF THE COMPOSITE DOCUMENT

The H Share Class Meeting and the Extraordinary General Meeting will be convened for the purpose of passing resolutions by way of poll to approve the Delisting by the Independent H Shareholders, and pursuant to Rule 2.2 of the Takeovers Code such approval must be given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy at the H Share Class Meeting and the Extraordinary General Meeting; and the number of votes cast (by way of poll) against the resolutions should not be more than 10% of the votes attaching to all of the H Shares held by the Independent H Shareholders.

Notices of the H Share Class Meeting and the Extraordinary General Meeting will be sent to the H Shareholders together with the Composite Document.

The Composite Document for the H Share Offer containing, inter alia, further details of (a) the H Share Offer; (b) the expected timetable relating to the H Share Offer; (c) the Delisting; (d) the recommendation from the Independent Board Committee with respect to the H Share Offer and the Delisting; (e) the advice of Gram Capital to the Independent Board Committee; (f) a notice of the H Share Class Meeting to approve the Delisting; (g) a notice of the Extraordinary General Meeting to approve the Delisting, and other particulars required by the Listing Rules and the Takeovers Code (if any), will be despatched to the H Shareholders within 21 days from the date of this joint announcement or such later date to which the Executive may consent.

OVERSEAS H SHAREHOLDERS OF HUANENG RENEWABLES

The making of the H Share Offer to the Overseas H Shareholders may be subject to the laws of the relevant jurisdictions. Overseas H Shareholders should observe any applicable legal or regulatory requirements. It is the responsibility of the Overseas H Shareholders wishing to accept the H Share Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. Huaneng Renewables will make necessary enquiries to determine whether or not it would be unduly burdensome to send the Composite Document to any of the Overseas H Shareholders. Huaneng Renewables/China Huaneng will apply for a waiver from the Executive (if applicable) pursuant to Note 3 to Rule 8 of the Takeovers Code from the requirement to send the Composite Document to such Overseas H Shareholders. The Executive may or may not grant such a waiver.

Based on the register of members of Huaneng Renewables as at 30 September 2019, none of the H Shareholders registered as a shareholder on the register of members of Huaneng Renewables is an Overseas H Shareholder.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the H Share Offer is, or is not, fair and reasonable; and (ii) as to acceptance or voting.

Mr. Qi Hesheng, Ms. Zhang Lizi, Mr. Woo Kar Tung, Raymond and Mr. Zhu Xiao (each being an independent non-executive director of Huaneng Renewables, representing all non-executive directors having excluded Mr. Wang Kui, Mr. Dai Xinmin and Mr. Zhai Ji who are connected to China Huaneng by way of their positions held in China Huaneng) have been appointed as members of the Independent Board Committee in respect of the H Share Offer and the Delisting.

Pursuant to Rule 2.1 of the Takeovers Code, Huaneng Renewables has appointed and the Independent Board Committee has approved the appointment of Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee in respect of the H Share Offer and the Delisting, in particular, as to whether the H Share Offer is fair and reasonable and as to acceptance and voting.

GENERAL

Save for (i) a total of 33,268,000 H Shares purchased by Huaneng No. 1 Fund during the period from 20 May 2019 to 26 July 2019 through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect with the highest price being HK\$2.01 per H Share, and the average price being approximately HK\$1.9868 per H Share and the total consideration being HK\$66,097,480 and (ii) certain dealings by a presumed concert party of CLSA Capital Markets (such dealings do not result in an obligation to set a minimum level of offer price) to be disclosed in the offer document, there have been no dealings in the H Shares by China Huaneng and parties who are acting in concert with it, during the period being on 2 March 2019 (being six (6) months prior to the date of the Rule 3.7 Announcement) and ending on 26 September 2019 (being the Last Trading Day). Save for the 5,258,545,640 Domestic Shares directly owned by China Huaneng, 276,765,560 Domestic Shares directly owned by Huaneng Capital, 33,268,000 H Shares owned by Huaneng No. 1 Fund through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the 890,000 H Shares owned by CLSA Capital Markets and its presumed concert party, neither China Huaneng nor any parties acting in concert with it have any other holdings in the Shares.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

The respective associates (having the meaning given to it under the Takeovers Code, including persons holding 5% or more of a class of relevant securities of Huaneng Renewables) of China Huaneng and Huaneng Renewables are hereby reminded to disclose their dealings in any relevant securities of Huaneng Renewables pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

At the request of Huaneng Renewables, trading in the H Shares on the Stock Exchange was suspended from 9:00 a.m. on 27 September 2019 pending the issue of this joint announcement. Application has been made by Huaneng Renewables to the Stock Exchange for the resumption of trading in the H Shares with effect from 9:00 a.m. on 4 October 2019.

WARNING

The H Share Offer is conditional upon the satisfaction of the Conditions as described in this joint announcement in all aspects. Accordingly, the H Share Offer may or may not become unconditional and the issue of this joint announcement does not imply that the H Share Offer or the Delisting will be completed. Shareholders and/or potential investors of Huaneng Renewables should therefore exercise caution when dealing in the securities of Huaneng Renewables (including the H Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the meaning given to it in the Takeovers Code, and “parties acting in concert” shall be construed accordingly
“associates”	has the meaning given to it in the Takeovers Code
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“China Huaneng”	China Huaneng Group Co., Ltd.* (中國華能集團有限公司), a limited liability company incorporated in the PRC
“China Huaneng Board”	the board of directors of China Huaneng

“CLSA Capital Markets”	CLSA Capital Markets Limited, a corporation licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the exclusive financial adviser to China Huaneng in respect of the H Share Offer, an indirectly wholly-owned subsidiary of CITIC Securities Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6030)
“CLSA Limited”	CLSA Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 7 (providing automated trading services) regulated activities under the SFO, an indirectly wholly-owned subsidiary of CITIC Securities Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6030), being the agent making the H Share Offer on behalf of China Huaneng
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the H Share Offer or any subsequent closing date as may be announced by China Huaneng and in compliance with the Takeovers Code
“Composite Document”	the composite document to be issued jointly by China Huaneng and Huaneng Renewables to the Shareholders in connection with, among other things, the detailed terms of the H Share Offer, in accordance with the Takeovers Code and the Listing Rules
“Conditions”	the conditions of the H Share Offer, as set out under the section headed “Conditions of the H Share Offer” of this joint announcement and “Condition” means any of them
“Delisting”	the voluntary withdrawal of the listing of the H Shares on the Stock Exchange
“Domestic Share(s)”	ordinary share(s) in the capital of Huaneng Renewables, with a nominal value of RMB1.00, which are subscribed for and paid up in RMB
“Domestic Shareholders”	registered holders of the Domestic Shares, namely, China Huaneng and Huaneng Capital
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

“Extraordinary General Meeting”	the extraordinary general meeting of the Shareholders to be convened, and any adjournment thereof, for the purpose of approving the Delisting
“GW”	unit of energy, gigawatt, 1GW = 1 million kW
“Huaneng Capital”	Huaneng Capital Services Corporation Limited* (華能資本服務有限公司), a limited liability company incorporated in the PRC and owned as to approximately 61.22% by China Huaneng
“Huaneng No. 1 Fund”	Huaneng Structural Adjustment No. 1 Securities Investment Private Equity Fund* (華能結構調整1號證券投資私募基金), which is managed by Tianjin Huaren Investment Management Co., Ltd* (天津華人投資管理有限公司), a wholly-owned subsidiary of Huaneng Investment Management Co., Ltd.* (華能投資管理有限公司), which is in turn indirectly controlled by China Huaneng
“Huaneng Renewables”	Huaneng Renewables Corporation Limited* (華能新能源股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0958)
“Huaneng Renewables Board”	the board of directors of Huaneng Renewables
“Huaneng Renewables Group”	Huaneng Renewables and its subsidiaries
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of Huaneng Renewables with a nominal value of RMB1.00, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“H Share Class Meeting”	the extraordinary general meeting of the H Shareholders to be convened, and any adjournment thereof, for the purpose of approving the Delisting
“H Share Offer”	the voluntary conditional offer to be made by CLSA Limited on behalf of China Huaneng to acquire all of the H Shares

“H Share Offer Price”	The cash offer price of the H Share Offer, being HK\$3.17 per H Share
“H Shareholder(s)”	registered holder(s) of H Shares
“Independent Board Committee”	the independent committee of the Huaneng Renewables Board comprising all of the independent non-executive directors of Huaneng Renewables, being Mr. Qi Hesheng, Ms. Zhang Lizi, Mr. Woo Kar Tung, Raymond and Mr. Zhu Xiao, which is formed to advise Independent H Shareholders in relation to the H Share Offer and the Delisting
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee in respect of the H Share Offer and the Delisting
“Independent H Shareholders”	the H Shareholders other than China Huaneng and persons acting in concert with China Huaneng
“Last Trading Day”	26 September 2019, being the last full trading day in the H Shares immediately before the trading in the H Shares was suspended pending publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“NDRC”	National Development and Reform Commission of the PRC
“MOFCOM”	Ministry of Commerce of the PRC
“Overseas H Shareholders”	H Shareholders who are not residents in Hong Kong
“PRC”	the People’s Republic of China, excluding for the purposes of this joint announcement, Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Rule 3.7 Announcement”	the announcement dated 2 September 2019 made by Huaneng Renewables pursuant to Rule 3.7 of the Takeovers Code
“SAFE”	State Administration of Foreign Exchange of the PRC (including its successors and local counterparts)

“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholders”	H Shareholders and Domestic Shareholders
“Shares”	Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC
“Unconditional Date”	the date on which the H Share Offer becomes or is declared unconditional in all respects

On behalf of the board of
China Huaneng Group Co., Ltd.*
SHU Yinbiao
Chairman

On behalf of the board of
Huaneng Renewables Corporation Limited*
LIN Gang
Chairman

Beijing, the PRC, 3 October 2019

As at the date of this joint announcement, the China Huaneng Board comprises: Mr. SHU Yinbiao, Mr. ZHANG Fusheng, Mr. ZHU Yuanchao, Mr. YANG Qing, Mr. SHEN Diancheng and Mr. ZHANG Xianming.

The directors of China Huaneng jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to Huaneng Renewables) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the Huaneng Renewables Board) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date hereof, the Huaneng Renewables Board comprises: Mr. LIN Gang, Mr. CAO Shiguang and Mr. WEN Minggang as executive directors, Mr. WANG Kui, Mr. DAI Xinmin and Mr. ZHAI Ji as non-executive directors, and Mr. QI Hesheng, Ms. ZHANG Lizi, Mr. WOO Kar Tung, Raymond and Mr. ZHU Xiao as independent non-executive directors.

The directors of Huaneng Renewables jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to China Huaneng and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the China Huaneng Board and parties acting in concert with China Huaneng) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

** For identification purpose only*