

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or reliance upon the whole or any part of the contents of this announcement.



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 JOINT VENTURE

On 27 April 2021, the Company entered into the Investment Agreement with Pro-Power Investment. Pursuant to the terms and conditions of the Investment Agreement, the Company and Pro-Power Investment will jointly fund the establishment of Wushan Company. The Company will contribute no more than RMB81 million and Pro-Power Investment will contribute RMB27 million (or its equivalent). After the completion of the Transaction, the Company will hold 75% of the equity interest of Wushan Company, while Pro-Power Investment will hold 25% of the equity interest of Wushan 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 Huaneng HK, a 0.84% indirect interest in the Company through China Huaneng Group Treasury Management (Hong Kong) Limited, its indirect wholly-owned subsidiary, and a 0.39% indirect interest in the Company through its controlling subsidiary Huaneng Finance. Pro-Power Investment is an indirect wholly-owned subsidiary of Huaneng Group. According to the Hong Kong Listing Rules, Pro-Power Investment is connected person/associate of the Company, the Transaction constitutes a connected transaction of the Company.

According to 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 scale of the Transaction exceeds 0.1% but does not exceed 5% of the applicable percentage ratios (other than the profit ratio) as calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules, the Company is only required to comply with the 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.

I. INTRODUCTION

On 27 April 2021, the Company entered into the Investment Agreement with Pro-Power Investment. Pursuant to the terms and conditions of the Investment Agreement, the Company and Pro-Power Investment will jointly fund the establishment of Wushan Company. The Company will contribute no more than RMB81 million and Pro-Power Investment will contribute RMB27 million (or its equivalent). After the completion of the Transaction, the Company will hold 75% of the equity interest of Wushan Company, while Pro-Power Investment will hold 25% of the equity interest of Wushan Company.

II. RELATIONSHIP AMONG THE COMPANY, HUANENG GROUP AND PRO-POWER INVESTMENT

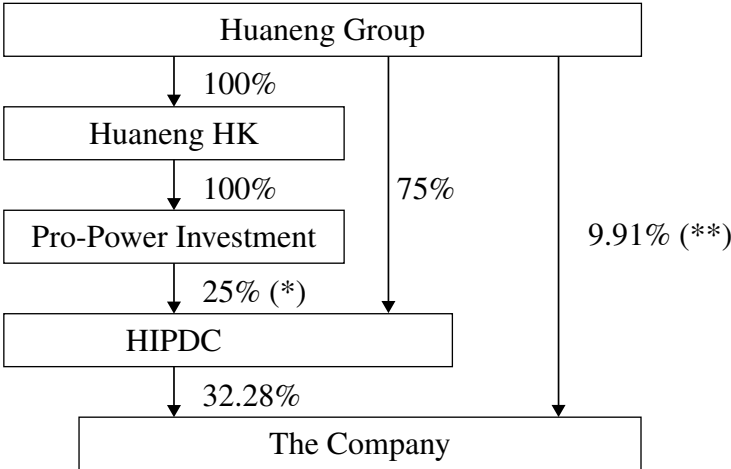
The Company and its subsidiaries mainly develop, construct, operate and manage large-scale power plants in China. It is one of the largest listed power suppliers in China. As at the date of this announcement, the Company's controlled generation capacity is 113,805 MW and the equity based generation capacity is 99,570 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.

Pro-Power Investment is a limited liability company incorporated in Hong Kong which is principally engaged in investment business. Huaneng Group, through its wholly-owned subsidiary, Hua Neng HK, indirectly wholly owns Pro-Power Investment.

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 Huaneng HK, a 0.84% indirect interest in the Company through China Huaneng Group Treasury Management (Hong Kong) Limited, its indirect wholly-owned subsidiary, and a 0.39% indirect interest in the Company through its controlling subsidiary Huaneng Finance. Pro-Power Investment is an indirect wholly-owned subsidiary of Huaneng Group. According to the Hong Kong Listing Rules, Pro-Power Investment is connected person/associate of the Company, the Transaction constitutes a connected transaction of the Company.

As of the date of this announcement, the connected relationship between the Company, Huaneng Group and Pro-Power Investment is illustrated as follows:



* Huaneng Group, through its wholly-owned subsidiary i.e. Huaneng HK, indirectly holds 100% of Pro-Power Investment 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 China Huaneng Group Treasury Management (Hong Kong) Limited (an indirect wholly-owned subsidiary of Huaneng Group) and a 0.39% indirect interest in the Company through Huaneng Finance (a controlling subsidiary of Huaneng Group).

III. BASIC INFORMATION OF THE CONNECTED TRANSACTION

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

1. Date

27 April 2021

2. Parties

- (1) the Company
- (2) Pro-Power Investment

3. Payment of the capital contribution

The registered capital of Wushan Company shall be RMB108 million, of which, the Company will contribute RMB81 million in cash, with a shareholding ratio of 75%, while Pro-Power will contribute RMB27 million or its equivalent (in cash) in US dollars, with a shareholding ratio of 25%. The time for making the contribution shall be 31 December 2021. The Company shall pay the capital contribution by its own internal fund.

4. Corporate governance

Wushan Company does not have a board of directors, but has an executive director appointed by the Company with a term of three years. There is no board of supervisor, but two supervisors with a term of three years. Each of the Company and Pro-Power Investment shall have a right to appoint one supervisor. There shall be one president, who shall be nominated by the Company, several vice presidents and one officer responsible for the financial affairs, who shall be nominated by the president.

5. Effectiveness

The Investment Cooperation Agreement shall become effective upon being duly signed and sealed by the legal representatives or authorized representatives from parties.

IV. BASIC INFORMATION OF THE TARGET

The Company and Pro-Power Investment will jointly fund the establishment of Wushan Company in the Transaction. In order to develop the Wushan wind power project, and given that foreign-invested enterprises can at the same time fully enjoy the preferential tax policies for the development of the western region, the Company plans to establish Wushan Company jointly with Pro-Power Investment.

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

In order to meet the development and construction requirements of the wind power project in Wushan and to enjoy tax preferential policies, it is proposed to establish Wushan Company, with the Company holding 75% thereof and Pro-Power Investment holding 25% thereof.

Following completion of the Transaction, the Company will consolidate Wushan Company into its consolidated statement. The Transaction will not have a significant impact on the Company's financial status, and there does not exist any situation that will jeopardise the interest of the Company and its shareholders.

VI. 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 scale of the Transaction exceeds 0.1% but does not exceed 5% of the applicable percentage ratios (other than the profit ratio) as calculated pursuant to Rule 14.07 of the Hong Kong Listing Rules, 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.

VII. PROCEDURAL MATTER RELATING TO THE TRANSACTION

On 27 April 2021, the Twelfth Meeting of the Tenth Session of the Board of Directors 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. Zhao Keyu, Zhao Ping, Huang Jian, Wang Kui, Lu Fei and Teng Yu, all being Directors of the Company having related relationship, abstained from voting on the resolution relating to the Transaction.

The Directors (including the independent non-executive Directors) are of the view that the Investment Agreement was 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.

VIII. DEFINITIONS

“associate(s)”	has the meaning ascribed to it in the Hong Kong Listing Rules
“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 HK”	China Hua Neng Group Hong Kong Limited
“Investment Agreement”	the investment agreement entered into between the Company and Pro-Power Investment on 27 April 2021 regarding Huaneng Chongqing Wushan Wind Power Limited Liability Company
“PRC” or “China”	the People’s Republic of China
“Pro-Power Investment”	Pro-Power Investment Limited
“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 Wushan Company jointly between the Company and Pro-Power Investment pursuant to the Investment Cooperation Agreement
“Wushan Company”	Huaneng Chongqing Wushan Wind Power Limited Liability Company (provisional name, subject to final approval by the Administration for Market Regulation), which is to be established by the Company and Pro-Power Investment

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:

Zhao Keyu (*Executive Director*)
Zhao Ping (*Executive Director*)
Huang Jian (*Non-executive Director*)
Wang Kui (*Non-executive Director*)
Lu Fei (*Non-executive Director*)
Teng Yu (*Non-executive Director*)
Mi Dabin (*Non-executive Director*)
Cheng Heng (*Non-executive Director*)
Li Haifeng (*Non-executive Director*)
Lin Chong (*Non-executive Director*)

Xu Mengzhou (*Independent Non-executive Director*)
Liu Jizhen (*Independent Non-executive Director*)
Xu Haifeng (*Independent Non-executive Director*)
Zhang Xianzhi (*Independent Non-executive Director*)
Xia Qing (*Independent Non-executive Director*)

Beijing, the PRC
28 April 2021