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華電國際電力股份有限公司
Huadian Power International Corporation Limited*

*(A Sino-foreign investment joint stock company limited by shares incorporated in the People's Republic of China (the "**PRC**"))*

(Stock Code: 1071)

Connected Transaction
Capital Increase in Huadian Jinsha River

Capital Increase in Huadian Jinsha River

The Board considered and approved the Capital Increase Agreement proposed to be entered into between the Company and Huadian Jinsha River on 28 August 2025, pursuant to which Huadian Jinsha River will increase its registered capital by RMB5.0 billion, and the Company has agreed to subscribe for a capital contribution of RMB600 million in proportion to its 12% equity interests. The Capital Increase Agreement is expected to be entered into on or before 30 September 2025. Upon completion of the Capital Increase, the registered capital of Huadian Jinsha River will be increased to RMB15.0 billion, which will be funded entirely by capital contributions made by the existing shareholders of Huadian Jinsha River in proportion to their existing equity interests. The equity interests held by the Company in the then enlarged registered capital of Huadian Jinsha River will remain as 12%.

The Implications under the Hong Kong Listing Rules

Huadian Jinsha River is a subsidiary of the Company's controlling Shareholder, i.e., China Huadian, and thus a connected person of the Company. The Proposed Capital Increase therefore constitutes a connected transaction of the Company as defined under Chapter 14A of the Hong Kong Listing Rules. As the percentage ratio (as defined in Rule 14.07 of the Hong Kong Listing Rules) applicable to the proposed capital contribution by the Company under the Capital Increase Agreement exceeds 0.1% but is less than 5%, the Proposed Capital Increase is subject to the annual reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

I. INTRODUCTION

The Board considered and approved the Capital Increase Agreement proposed to be entered into between the Company and Huadian Jinsha River on 28 August 2025, pursuant to which Huadian Jinsha River will increase its registered capital by RMB5.0 billion, and the Company has agreed to subscribe for a capital contribution of RMB600 million in proportion to its 12% equity interests. The Capital Increase Agreement is expected to be entered into on or before 30 September 2025. Upon completion of the capital increase, the registered capital of Huadian Jinsha River will be increased to RMB15.0 billion, which will be funded entirely by capital contributions made by the existing shareholders of Huadian Jinsha River in proportion to their existing equity interests. The equity interests held by the Company in the then enlarged registered capital of Huadian Jinsha River will remain as 12%.

II. PRINCIPAL TERMS OF THE CAPITAL INCREASE AGREEMENT

1. PARTIES:

(1) The Company; and

(2) Huadian Jinsha River

2. CAPITAL INCREASE IN HUADIAN JINSHA RIVER

The equity interests of Huadian Jinsha River are owned as to: (i) 48% by China Huadian; (ii) 12% by the Company; and (iii) the remaining 40% by other shareholders. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the other shareholders and ultimate beneficial owners of Huadian Jinsha River, excluding China Huadian and the Company, are all the third parties independent of the Company and its connected persons as at the date of this announcement.

The registered capital of Huadian Jinsha River will be increased from RMB10.0 billion to RMB15.0 billion, and the newly added registered capital of RMB5.0 billion will be funded entirely by capital contributions made by the existing shareholders of Huadian Jinsha River in proportion to their existing equity interests. Upon completion of the capital increase, the equity interests held by each of the shareholders of Huadian Jinsha River in the then enlarged registered capital of Huadian Jinsha River will remain the same.

Huadian Jinsha River is an associated company of the Company whose results are and will, following the Proposed Capital Increase, continue to be recorded using the equity method of accounting in the Company's financial statements.

3. AMOUNT AND METHOD OF CAPITAL CONTRIBUTION

Pursuant to the Capital Increase Agreement, the Company will subscribe for a capital contribution of RMB600 million in cash in proportion to its 12% equity interests. The Company and each of the other shareholders of Huadian Jinsha River will make their capital contributions in cash, and the capital increase will be contributed upon the same pricing terms and conditions. The paid-in capital contribution deadline is set to be before 31 July 2030 in accordance with the requirements of the Company Law.

The amount and deadline for each instalment of the paid-in capital contribution will be further clarified through a resolution of the shareholders' general meeting of Huadian Jinsha River. The Company will complete its capital contribution based on the aforementioned resolution of the shareholders' general meeting in due course.

4. BASIS FOR DETERMINING THE AMOUNT OF THE CAPITAL CONTRIBUTION

The price for the Proposed Capital Increase is RMB1 per unit of registered capital. The amount and price of the capital contribution made by the Company in Huadian Jinsha River were determined based on arm's length negotiations between the parties, taking into account various factors including the business nature and the future development plan of Huadian Jinsha River. The Board primarily considered the progress of Huadian Jinsha River's hydropower projects and its funding needs. Based on an analysis of the estimated investment completion and commissioning conditions up to the end of 2027, it is estimated that Huadian Jinsha River will complete an investment amount of approximately RMB21.8 billion from 2025 to 2027, and its cumulative investment will reach approximately RMB74.8 billion by the end of 2027. Based on the calculation that Huadian Jinsha River's capital accounts for 20% of the aforementioned investment, its total capital requirement will amount to RMB14.96 billion.

5. EFFECTIVENESS

The Capital Increase Agreement shall become effective upon the legal representatives or their authorized representatives of the parties affixing their signatures and the official seal or special contract seal of the entities.

III. REASONS FOR AND BENEFITS OF THE PROPOSED CAPITAL INCREASE

During the "15th Five-Year Plan" period, Huadian Jinsha River will remain in a critical period of project construction, with higher investment intensity and significant capital requirements each year. The capital increase is conducive to ensuring the smooth implementation of major projects of Huadian Jinsha River and meeting the capital requirements for project construction. At the same time, Huadian Jinsha River has demonstrated stable production and operation activities, with good earnings prospects for its basin hydropower projects. The Company's continued capital contribution and equity interests in Huadian Jinsha River will help the Group obtain stable earnings in the form of equity participation.

The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the Capital Increase Agreement is in line with the Company's development strategy of adjusting its power structure, which is expected to bring benefits to the operation of the Group. Although the Proposed Capital Increase does not constitute an ordinary and usual course of business of the Group, the Capital Increase Agreement is entered into on normal commercial terms, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Given that our Directors Mr. Liu Lei, Mr. Chen Bin, Mr. Zhao Wei, Mr. Zeng Qinghua and Ms. Cao Min hold positions in China Huadian and its subsidiaries, they have abstained from voting on the resolution regarding the Proposed Capital Increase at the Board meeting. Save as disclosed above, no other Director has any material interest in the Proposed Capital Increase, and therefore no other Director has abstained from voting on such Board resolution.

IV. THE IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Huadian Jinsha River is a subsidiary of the Company's controlling Shareholder, i.e., China Huadian, and thus a connected person of the Company. The Proposed Capital Increase therefore constitutes a connected transaction of the Company as defined under Chapter 14A of the Hong Kong Listing Rules. As the percentage ratio (as defined in Rule 14.07 of the Hong Kong Listing Rules) applicable to the proposed capital contribution by the Company under the Capital Increase Agreement exceeds 0.1% but is less than 5%, the Proposed Capital Increase is subject to the annual reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

V. INFORMATION ON THE PARTIES

The Group

The Group is one of the largest comprehensive energy companies in China, which is principally engaged in the construction and operation of power plants, including large-scale efficient coal or gas-fired generating units and hydropower projects, and the development, construction and operation of coal mines.

Huadian Jinsha River

Huadian Jinsha River is a subsidiary of China Huadian. It is principally engaged in the development, construction and operation of the hydropower resources located at mainstream of the Sichuan-Tibet and the Sichuan-Qinghai segments, which are within the upper reaches of Jinsha River situated at the Sichuan Province, Qinghai Province and Tibet Autonomous Region of the PRC.

According to the audited accounts prepared in accordance with PRC Accounting Standards, as at 31 December 2024, the total assets and net assets of Huadian Jinsha River amounted to approximately RMB57.464 billion and RMB10.707 billion, respectively. The total profit and net profit of Huadian Jinsha River for the two financial years ended 31 December 2024 are set out below:

	For the year ended 31 December 2024 ***(RMB'0,000)***	**For the year ended 31 December 2023** ***(RMB'0,000)***
Total profit	35,417.86	28,731.27
Net profit	34,206.27	28,731.27

VI. DEFINITIONS

"Board"	the board of Directors of the Company;
"China Huadian"	China Huadian Corporation Limited* (中國華電集團有限公司), a wholly-PRC State-owned enterprise and the controlling Shareholder of the Company, whose ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council;
"Company"	Huadian Power International Corporation Limited* (華電國際電力股份有限公司), a Sino-foreign investment joint stock company limited by shares incorporated in the PRC, whose H shares and A shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively;
"Group"	the Company and its subsidiaries;
"Huadian Jinsha River"	Huadian Jinsha River Upstream Hydropower Development Co., Ltd.* (華電金沙江上游水電開發有限公司), a company established under the laws of the PRC with limited liability, which is a subsidiary of China Huadian;
"Capital Increase Agreement"	the capital increase agreement proposed to be entered into between the Company and Huadian Jinsha River, pursuant to which Huadian Jinsha River will increase its registered capital by RMB5.0 billion, and the Company has agreed to subscribe for a capital contribution of RMB600 million in proportion to its 12% equity interests;
"Proposed Capital Increase"	the proposed capital contribution of RMB600 million by the Company in Huadian Jinsha River pursuant to the Capital Increase Agreement;
"Director(s)"	the director(s) of the Company;
"Company Law"	the Company Law of the People's Republic of China (as amended, supplemented and otherwise modified from time to time);
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"PRC"	the People's Republic of China;
"RMB"	Renminbi, the lawful currency of the PRC;
"%"	per cent.

In addition, the terms "connected person(s)", "connected transaction", "controlling Shareholder" and "Subsidiary(ies)" shall have the meanings ascribed to them under the Hong Kong Listing Rules.

By order of the Board
Huadian Power International Corporation Limited*
Qin Jiehai
Secretary to the Board

As at the date of this announcement, the Board comprises the following directors:

Liu Lei (Chairman, Executive Director), Chen Bin (Vice Chairman, Executive Director), Zhu Peng (Vice Chairman, Non-executive Director), Zhao Wei (Non-executive Director), Zeng Qinghua (Non-executive Director), Cao Min (Non-executive Director), Wang Xiaobo (Non-executive Director), Li Guoming (Executive Director), Feng Zhenping (Independent Non-executive Director), Li Xingchun (Independent Non-executive Director), Wang Yuesheng (Independent Non-executive Director) and Shen Ling (Independent Non-executive Director).

Beijing, the PRC
28 August 2025

* *For identification purpose only*