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華能國際電力股份有限公司

HUANENG POWER INTERNATIONAL, INC.

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

(Stock Code: 902)

CONNECTED TRANSACTION
CAPITAL INCREASE IN SHIDAOWAN NUCLEAR

CAPITAL INCREASE AGREEMENT

On 27 October 2026, the Company entered into the Capital Increase Agreement with Other SDW Shareholders and Shidaowan Nuclear, pursuant to which the Company and Other SDW Shareholders will subscribe for the additional registered capital of Shidaowan Nuclear by making cash capital contributions pro rata to their respective existing equity holdings in Shidaowan Nuclear. The Company will subscribe for a portion of the additional registered capital of Shidaowan Nuclear with RMB315 million. Following completion of the Capital Increase, the registered capital of Shidaowan Nuclear will be increased to RMB7,643 million and the Company's shareholding interest in Shidaowan Nuclear will remain unchanged at 22.5%.

As of the date of publication of this announcement, Huaneng Group holds a 75% direct equity interest and a 25% indirect equity interest in HIPDC, whilst HIPDC, being the direct controlling shareholder of the Company, holds a 32.28% equity interest in the Company. Huaneng Group is a state-owned central enterprise mainly operating in the electricity industry and is supervised by the State-owned Assets Supervision and Administration Commission of the State Council. Huaneng Group also holds a 9.91% direct equity interest in the Company, a 3.01% indirect equity interest in the Company through Hua Neng HK, a wholly-owned subsidiary of Huaneng Group, a 0.84% indirect equity interest in the Company through Huaneng Treasury, a wholly-owned subsidiary of Huaneng Group, and a 0.20% indirect equity interest in the Company through Huaneng Structural Adjustment No. 1 Securities Investment Private Fund, a party acting in concert with Huaneng Group. Huaneng Group is the ultimate controlling shareholder of the Company. Huaneng Nuclear is a wholly-owned subsidiary of Huaneng Group. Huaneng Nuclear holds a 30% equity interest in Shidaowan Nuclear. According to the relevant provisions of the Hong Kong Listing Rules, HIPDC is a connected person of the Company, while each of Huaneng Nuclear and Shidaowan Nuclear is an associate of the connected person of the Company. The Transaction constitutes a connected transaction of the Company, and is subject to the relevant disclosure and/or independent shareholders' approval requirements under the Hong Kong Listing Rules.

As the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) in relation to the Transaction exceeds 0.1% but is less than 5%, the Transaction is only subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

I. INTRODUCTION

On 27 October 2026, the Company entered into the Capital Increase Agreement with Other SDW Shareholders and Shidaowan Nuclear, pursuant to which the Company and Other SDW Shareholders will subscribe for the additional registered capital of Shidaowan Nuclear by making cash capital contributions pro rata to their respective existing equity holdings in Shidaowan Nuclear. The Company will subscribe for a portion of the additional registered capital of Shidaowan Nuclear with RMB315 million. Following completion of the Capital Increase, the registered capital of Shidaowan Nuclear will be increased to RMB7,643 million and the Company's shareholding interest in Shidaowan Nuclear will remain unchanged at 22.5%.

II. RELATIONSHIP BETWEEN THE COMPANY AND OTHER SDW SHAREHOLDERS

The Company and its subsidiaries mainly develop, construct, operate and manage power plants in China nationwide. It is one of the largest listed power producers in China. As at 30 September 2026, the Company's controlled generation capacity was 160,893 MW.

As of the date of publication of this announcement, Huaneng Group holds a 75% direct equity interest and a 25% indirect equity interest in HIPDC, whilst HIPDC, being the direct controlling shareholder of the Company, holds a 32.28% equity interest in the Company. Huaneng Group is a state-owned central enterprise mainly operating in the electricity industry and is supervised by the State-owned Assets Supervision and Administration Commission of the State Council. Huaneng Group also holds a 9.91% direct equity interest in the Company, a 3.01% indirect equity interest in the Company through Hua Neng HK, a wholly-owned subsidiary of Huaneng Group, a 0.84% indirect equity interest in the Company through Huaneng Treasury, a wholly-owned subsidiary of Huaneng Group, and a 0.20% indirect equity interest in the Company through Huaneng Structural Adjustment No. 1 Securities Investment Private Fund, a party acting in concert with Huaneng Group. Huaneng Group is the ultimate controlling shareholder of the Company.

Huaneng Nuclear is a wholly-owned subsidiary of Huaneng Group and is mainly engaged in nuclear power investment, development, production, the supply of electricity to the grid, nuclear power and related fields of scientific research and development and technical services, etc. Huaneng Nuclear holds a 30% equity interest in Shidaowan Nuclear.

According to the financial statements of Huaneng Nuclear prepared in accordance with the China Accounting Standards for Business Enterprises, the key financial information of Huaneng Nuclear is set out below:

Item	As at 31 December 2025 *(RMB10,000)* (audited)	As at 30 September 2026 *(RMB10,000)* (unaudited)
Total assets	7,305,025.48	7,763,619.26
Total liabilities	5,006,048.76	5,410,651.10
Total owners' equity	2,298,976.72	2,352,968.15
Debt-to-asset ratio	68.53%	69.69%

Item	For the year ended 31 December 2025 *(RMB10,000)* (audited)	For the nine months ended 30 September 2026 *(RMB10,000)* (unaudited)
Operating revenue	20,010.01	49,437.16
Net profit/(loss)	(254,761.71)	33,068.16

HIPDC is a sino-foreign joint venture established with the approval of the State Council and is principally engaged in the development, construction and operation of power plants across the country.

According to the financial statements of HIPDC prepared in accordance with the China Accounting Standards for Business Enterprises, the key financial information of HIPDC is set out below:

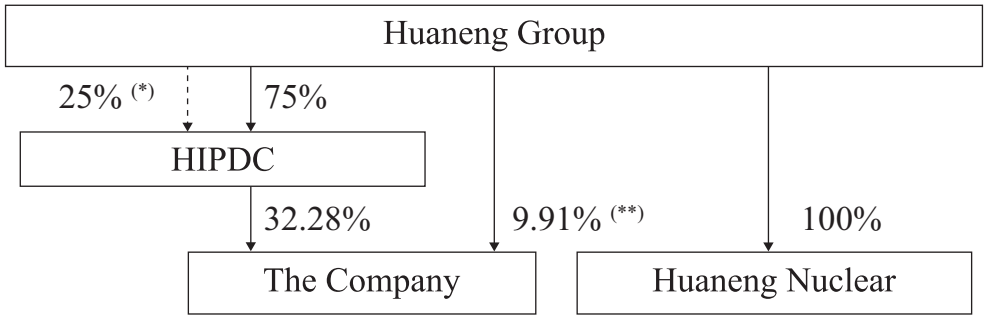
Item	As at 31 December 2025 *(RMB10,000)* (audited)	As at 30 September 2026 *(RMB10,000)* (unaudited)
Total assets	66,166,071.28	68,085,661.91
Total liabilities	42,952,008.68	44,341,916.91
Total owners' equity	23,214,062.60	23,743,745.00
Debt-to-asset ratio	64.92%	65.13%

Item	For the year ended 31 December 2025 *(RMB10,000)* (audited)	For the nine months ended 30 September 2026 *(RMB10,000)* (unaudited)
Operating revenue	23,151,669.32	16,648,268.11
Net profit	1,948,971.37	1,182,898.52

State Nuclear was established in May 2007. Currently, the three shareholders are State Power Investment Group Co., Ltd., China General Nuclear Power Group Co., Ltd. and China National Nuclear Corporation. State Nuclear is mainly engaged in the introduction, digestion, absorption, research and development, transfer, application and promotion of third-generation advanced nuclear power technology; third-generation nuclear power engineering survey, engineering design, engineering management services, engineering supervision, engineering contracting, environmental assessment, radiation protection assessment and monitoring of radioactive pollution sources, services in nuclear engineering and related fields, development and trial sales of new products, and engineering-related equipment procurement and material ordering, and provides technical support and consulting services for the construction and operation of nuclear power plants. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries and based on the information publicly available to the Company, State Nuclear and its ultimate beneficial owners are third parties independent of the Company and its connected persons under the Hong Kong Listing Rules.

Weihai Recheng was established in February 2026. Currently, its two shareholders are Weihai Thermal Power Group Co., Ltd. and Weihai City Investment Group Co., Ltd. It is principally engaged in investment activities with its own funds. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries and based on the information publicly available to the Company, Weihai Recheng and its ultimate beneficial owners are third parties independent of the Company and its connected persons under the Hong Kong Listing Rules.

As at the date of this announcement, the relationships between the Company, Huaneng Nuclear and HIPDC are as follows:



* Huaneng Group holds through its wholly-owned subsidiary Hua Neng HK a 100% equity interest in Shanghua Investment Co., Ltd. which in turn holds a 25% equity interest in HIPDC. As such, Huaneng Group holds an indirect 25% equity interest in HIPDC.

** Huaneng Group also holds a 9.91% direct equity interest in the Company, a 3.01% indirect equity interest in the Company through its wholly-owned subsidiary Hua Neng HK, a 0.84% indirect equity interest in the Company through its wholly-owned subsidiary Huaneng Treasury, and a 0.20% indirect equity interest in the Company through Huaneng Structural Adjustment No. 1 Securities Investment Private Fund, a party acting in concert with Huaneng Group.

According to the relevant provisions of the Hong Kong Listing Rules, HIPDC is a connected person of the Company, while each of Huaneng Nuclear and Shidaowan Nuclear is an associate of the connected person of the Company. The Transaction constitutes a connected transaction of the Company, and is subject to the relevant disclosure and/or independent shareholders' approval requirements under the Hong Kong Listing Rules.

III. THE CAPITAL INCREASE

The Transaction was approved at the meeting of the Board of Directors of the Company held on 27 October 2026. The Company entered into the Capital Increase Agreement with Other SDW Shareholders and Shidaowan Nuclear. Major terms of the Capital Increase Agreement are as follows:

1. Date : 27 October 2026

2. Parties to the agreement : (i) the Company;
(ii) Huaneng Nuclear;
(iii) State Nuclear;
(iv) Weihai Recheng;
(v) HIPDC; and
(vi) Shidaowan Nuclear.

3. Capital Increase : The existing registered capital of Shidaowan Nuclear will be increased by RMB1,400 million to RMB7,643 million following completion of the Capital Increase.

4. Subscription : The Company and Other SDW Shareholders shall each contribute to the Capital Increase on a pro rata basis at a price of RMB1 for RMB1 of registered capital. The Company and Other SDW Shareholders shall each subscribe for and contribute to the increase in the registered capital of Shidaowan Nuclear as follows:

Shareholders	**Capital contribution**	**Subscription amount**
	(RMB million)	*(RMB million)*
The Company	315	315
Huaneng Nuclear	420	420
State Nuclear	350	350
HIPDC	35	35
Weihai Recheng	280	280
In total	1,400	1,400

5. Registered capital and shareholding structure : The registered capital and shareholding structure of Shidaowan Nuclear prior to the completion of the Capital Increase are as follows:

Shareholders	**Capital contribution**	**Shareholding percentage**
	(RMB million)	
The Company	1,404.675	22.50%
Huaneng Nuclear	1,872.9	30%
State Nuclear	1,560.75	25%
HIPDC	156.075	2.50%
Weihai Recheng	1,248.6	20%
In total	6,243	100%

The registered capital and shareholding structure of Shidaowan Nuclear following completion of the Capital Increase are as follows:

Shareholders	**Capital contribution**	**Shareholding percentage**
	(RMB million)	
The Company	1,719.675	22.50%
Huaneng Nuclear	2,292.90	30%
State Nuclear	1,910.75	25%
HIPDC	191.075	2.50%
Weihai Recheng	1,528.60	20%
In total	7,643	100%

6. Payment of consideration : The consideration payable by each of the Company and Other SDW Shareholders for the Capital Increase shall be made to Shidaowan Nuclear in cash. The Company will fund the capital contribution from its internal resources.

7. Entry into force : The Capital Increase Agreement shall become effective upon the signature and seal of all parties thereto.

IV. INFORMATION OF SHIDAOWAN NUCLEAR

Shidaowan Nuclear was jointly funded and established by the Company, Huaneng Group and HIPDC in Rongcheng, Shandong Province in October 2009. It had a registered capital of RMB1 billion at the time of establishment and is mainly engaged in the preparation of the pressurized water reactor power plant project. In July 2014, State Nuclear became a new shareholder of Shidaowan Nuclear. In December 2018, Huaneng Nuclear replaced Huaneng Group as the shareholder of Shidaowan Nuclear. In June 2026, HIPDC transferred its 20% equity interest in Shidaowan Nuclear to Weihai Recheng, and Weihai Recheng became a new shareholder of Shidaowan Nuclear. Shidaowan Nuclear is currently owned as to 30% by Huaneng Nuclear, 25% by State Nuclear, 20% by Weihai Recheng, 22.5% by the Company and 2.5% by HIPDC.

The following sets out the key financial information of Shidaowan Nuclear prepared in accordance with the PRC Accounting Standards for the years ended 31 December 2024 and 2025 and the nine months ended 30 September 2026, and as at the respective period ends:

Item	**Year ended 31 December 2024** *(RMB10,000)* (audited)	**Year ended 31 December 2025** *(RMB10,000)* (audited)	**Nine months ended 30 September 2026** *(RMB10,000)* (Unaudited)
Revenue	0	0	0
Profit before tax	0	6,200.04	0
Net profit	0	4,650.03	0
Net profit after deducting non-recurring gains and losses	0	0	0

Item	**As at 31 December 2024** *(RMB10,000)* (Audited)	**As at 31 December 2025** *(RMB10,000)* (Audited)	**As at 30 September 2026** *(RMB10,000)* (Unaudited)
Total assets	1,919,044.34	2,577,844.12	2,704,785.98
Total liabilities	1,305,785.63	1,538,942.88	1,665,884.74
Total equity	613,258.71	1,038,901.24	1,038,901.24
Debt-to-asset ratio	68.04%	59.70%	61.59%

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

The Board considers that the Capital Increase will further enhance the financing capability and risk resilience of Shidaowan Nuclear, thereby safeguarding the funding needs of its relevant projects and facilitating the implementation of such projects as planned. The Transaction is in line with the national "dual carbon" strategic direction and the Company's practical needs, and will help increase the proportion of quality assets in the Company's asset portfolio.

The Board considers that the terms of the Transaction are fair and reasonable and in the interests of the Company and its shareholders as a whole. The Board also considers that the Transaction does not involve any change in the scope of consolidation of the Company's consolidated financial statements and is not expected to have any material adverse effect on the overall financial position and operating results of the Company, nor will it prejudice the interests of the Company and its shareholders as a whole.

VI. IMPLICATIONS UNDER HONG KONG LISTING RULES

As the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) in relation to the Transaction exceeds 0.1% but is less than 5%, the Transaction is only subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

VII. APPROVAL FROM THE BOARD

The resolution in respect of the Transaction was considered and approved at the 24th meeting of the eleventh session of the Board of Directors of the Company on 27 October 2026. Pursuant to the Shanghai Listing Rules and Rule 14A.68(8) of the Hong Kong Listing Rules, Mr. Wang Kui, Mr. Liu Ancang, Mr. Du Daming, Mr. Zhou Yi, Mr. Li Lailong, Mr. Li Jin and Mr. Wang Yu, all being Directors having connected relationships, abstained from voting on the Board resolution relating to the Transaction. Save as disclosed above, none of the other Directors has any material interest in the Capital Increase Agreement and the Transaction, and none of them is required to abstain from voting on the relevant Board resolution approving the Capital Increase.

The Directors, including the independent non-executive Directors, are of the view that the Capital Increase Agreement was entered into: (i) on normal commercial terms, being on an arm's length basis or on terms no less favourable 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

In this announcement, unless the context requires otherwise, the following terms shall have the meanings set out below:

"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Capital Increase"	increasing the existing registered capital of Shidaowan Nuclear from RMB6,243 million to RMB7,643 million
"Capital Increase Agreement"	the capital increase agreement dated 27 October 2026 entered into among the Company, Huaneng Nuclear, State Nuclear, HIPDC, Weihai Recheng and Shidaowan Nuclear
"Company"	Huaneng Power International, Inc.
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Director(s)"	the director(s), including independent non-executive director(s), of the Company
"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
"Hua Neng HK"	China Hua Neng Group Hong Kong Limited
"Huaneng Group"	China Huaneng Group Co., Ltd.
"Huaneng Nuclear"	Huaneng Nuclear Power Development Co., Ltd.
"Huaneng Treasury"	China Huaneng Group Treasury Management (Hong Kong) Limited
"Other SDW Shareholders"	collectively, the shareholders of Shidaowan Nuclear other than the Company, namely Huaneng Nuclear, State Nuclear, Weihai Recheng and HIPDC
"PRC" or "China"	the People's Republic of China
"RMB"	the lawful currency of the PRC

"Shanghai Listing Rules"	the Rules Governing the Listing of Securities on the Shanghai Stock Exchange
"Shidaowan Nuclear"	Huaneng Shidaowan Nuclear Power Development Co., Ltd.
"State Nuclear"	State Nuclear Power Technology Co., Ltd.
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Transaction"	the transaction whereby the Company contributes RMB315 million to subscribe for a portion of the additional registered capital of Shidaowan Nuclear pursuant to the terms and conditions of the Capital Increase Agreement
"Weihai Recheng"	Weihai Recheng Energy Investment Co., Ltd.

By Order of the Board
Huaneng Power International, Inc.
Wen Minggang
Joint Company Secretary

As at the date of this announcement, the Directors of the Company are:

Wang Kui *(Executive Director)*
Liu Ancang *(Executive Director)*
Du Daming *(Non-executive Director)*
Zhou Yi *(Non-executive Director)*
Li Lailong *(Non-executive Director)*
Li Jin *(Non-executive Director)*
Cao Xin *(Non-executive Director)*
Gao Guoqin *(Non-executive Director)*
Ding Xuchun *(Non-executive Director)*
Wang Jianfeng *(Non-executive Director)*
Kou Yaozhou *(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)*
Zhang Xianchong *(Independent Non-executive Director)*
Mei Shengwei *(Independent Non-executive Director)*
Wang Yu *(Employee Representative Director)*

Beijing, the PRC
28 October 2026