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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)

**CONTINUING CONNECTED TRANSACTIONS UNDER THE
HUANENG GROUP FRAMEWORK AGREEMENT; AND
DISCLOSEABLE TRANSACTIONS AND CONTINUING
CONNECTED TRANSACTIONS UNDER THE TIANCHENG
LEASING FRAMEWORK AGREEMENT**

**Independent Financial Adviser to the Independent Board Committee and the
Independent Shareholders**



Gram Capital Limited
嘉林資本有限公司

HUANENG GROUP FRAMEWORK AGREEMENT

On 27 October 2026, the Company entered into the Huaneng Group Framework Agreement with Huaneng Group, its ultimate controlling shareholder, for a term commencing on 1 January 2027 and expiring on 31 December 2027. Pursuant to the Huaneng Group Framework Agreement, the Company will conduct, among other things, the following transactions with Huaneng Group and its subsidiaries and associates: (1) purchase of fuel and transportation services; (2) purchase of ancillary equipment and parts; (3) leasing of facilities, land and office spaces; (4) acceptance of technical services, engineering contracting services and other services; (5) sale of products and related services; (6) purchase of heat products and related services; (7) sale of heat products and related services; (8) purchase of carbon emission reduction resources and related services; (9) sale of carbon emission reduction resources and related services; (10) accepting loans; (11) borrowing trust loans; and (12) accepting factoring services. Such transactions will be conducted on an ongoing basis and constitute continuing connected transactions under the Hong Kong Listing Rules.

Among the above 12 types of transactions:

- (a) since the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for the Proposed Annual Cap for the purchase of fuel and transportation services (i.e. type (1)) exceeds 5%, this transaction is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules;
- (b) since the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for each of the Proposed Annual Caps for types (2) to (9) and type (12) exceeds 0.1% but is less than 5%, these transactions are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but are exempt from the Independent Shareholders' approval requirement; and
- (c) as regards borrowing trust loans and accepting loans (i.e. types (10) and (11)), since they constitute financial assistance provided by connected persons to the Company and its subsidiaries on normal commercial terms or better without security over the Company's or any of its subsidiaries' assets, they are fully exempt from the reporting, announcement and Independent Shareholders' approval requirements.

TIANCHENG LEASING FRAMEWORK AGREEMENT

On 27 October 2026, the Company entered into the Tiancheng Leasing Framework Agreement with Tiancheng Leasing to govern the continuing connected transactions between them for 2027 to 2029. The agreement has a term from 1 January 2027 to 31 December 2029. The finance leasing business to be provided by Tiancheng Leasing comprises Direct Lease(s) and Sales and Leaseback.

For the purposes of Chapter 14 of the Hong Kong Listing Rules, Direct Lease(s) under the Tiancheng Leasing Framework Agreement involve the acquisition of assets by the Company and its subsidiaries, while Sales and Leaseback involve the disposal of assets by the Company and its subsidiaries. As the highest applicable percentage ratios calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for the acquisition and disposal of assets, respectively, exceed 5% but are less than 25%, these transactions constitute discloseable transactions of the Company and are subject to the announcement requirement under Chapter 14 of the Hong Kong Listing Rules.

For the purposes of Chapter 14A of the Hong Kong Listing Rules, Tiancheng Leasing is a connected person of the Company and the transactions contemplated under the Tiancheng Leasing Framework Agreement constitute continuing connected transactions of the Company. As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for those transactions exceeds 5%, the transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

EXTRAORDINARY GENERAL MEETING

The Company proposes to convene an extraordinary general meeting in December 2026 to seek the Independent Shareholders' approval of, among other things, the continuing connected transactions under the Huaneng Group Framework Agreement (including the relevant Proposed Annual Caps) and the transactions contemplated under the Tiancheng Leasing Framework Agreement.

To comply with the Hong Kong Listing Rules, the Company has established an Independent Board Committee to advise the Independent Shareholders on the purchase of fuel and transportation services and the relevant Proposed Annual Cap under the Huaneng Group Framework Agreement, and the transactions contemplated under the Tiancheng Leasing Framework Agreement, and has appointed Gram Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As the Company requires more time to prepare and finalise the information for inclusion in the circular, the Company expects to despatch to Shareholders on or before 10 December 2026 a circular containing, among other things, further details of the purchase of fuel and transportation services and the relevant Proposed Annual Cap under the Huaneng Group Framework Agreement, and the transactions contemplated under the Tiancheng Leasing Framework Agreement, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and a notice of the extraordinary general meeting.

I. RELATIONSHIP BETWEEN THE COMPANY, HUANENG GROUP AND TIANCHENG LEASING

The Company and its subsidiaries mainly develop, construct, operate and manage power plants throughout China. It is one of the largest listed power producers in China, with a controlled generation capacity of 160,893 MW as at 30 September 2026.

Huaneng Group is principally engaged in the operation and management of enterprise investments; development, investment, construction, operation and management of power plants; organising the generation and sale of power (and heat); and the development, investment, construction, production and sale of products in relation to energy, transportation, new energy and environmental protection industries.

As at the date of publication 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 shares of the Company, representing approximately 32.28% of the total issued shares of the Company. Huaneng Group is a state-owned central enterprise with the power industry as its main business and is under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council. Huaneng Group also directly holds A shares of the Company, representing approximately 9.91% of the total issued shares of the Company. In addition, Huaneng Group indirectly holds H shares of the Company through its wholly-owned subsidiary Hua Neng HK and its indirect wholly-owned subsidiary Huaneng Treasury, representing approximately 3.01% and 0.84% of the total issued shares of the Company, respectively. Its concert party Huaneng Structural Adjustment No. 1 Securities Investment Private Fund holds A shares of the Company, representing approximately 0.20% of the total issued shares of the Company. Huaneng Group and its associates hold an aggregate of 7,257,376,866 ordinary shares of the Company, representing approximately 46.23% of the total issued shares of the Company. Huaneng Group is the ultimate controlling shareholder of the Company.

Tiancheng Leasing is a company incorporated in the PRC and is principally engaged in finance leasing. It has six shareholders. The Company holds 20% of Tiancheng Leasing, and five subsidiaries controlled by Huaneng Group together hold the remaining 80% (comprising Huaneng Capital Services Co., Ltd. (39%), China Hua Neng Group Hong Kong Limited (21%), Huaneng Lancang River Hydropower Inc. (10%), Huaneng Renewables Corporation Limited (5.56%) and Huaneng Renewables (Hong Kong) Limited (4.44%)).

Under Chapter 14A of the Hong Kong Listing Rules, Huaneng Group is a connected person of the Company. Accordingly, transactions between the Company and Huaneng Group (including its subsidiaries and associates and Tiancheng Leasing) are connected transactions of the Company and are subject to the applicable disclosure and/or Independent Shareholders' approval requirements under the Hong Kong Listing Rules.

II. HUANENG GROUP FRAMEWORK AGREEMENT

1. Introduction

The Company entered into the 2026 Huaneng Group Framework Agreement with Huaneng Group on 28 October 2025 for the purpose of governing the conduct of the continuing connected transactions between the Company and its subsidiaries and Huaneng Group (and its subsidiaries and associates) in 2026. Such agreement will expire on 31 December 2026. In order to continue the relevant transactions, the Company entered into the Huaneng Group Framework Agreement with Huaneng Group on 27 October 2026 for a term commencing on 1 January 2027 and expiring on 31 December 2027.

2. Particulars of Transactions

Pursuant to the Huaneng Group Framework Agreement, the Company and its subsidiaries will conduct the following transactions with Huaneng Group and its subsidiaries and associates on an on-going basis:

(1) Purchase of fuel and transportation services

The Company's main fuel for power generation is coal. Pursuant to the Huaneng Group Framework Agreement, the Company and its subsidiaries will purchase fuel and coal transportation services from Huaneng Group and its subsidiaries and associates at prices and charges calculated by reference to RMB/ton and the actual weight of carriage, with arm's length terms taking into account the then market conditions, and in any event the terms of the purchases of fuel and the transportation services shall be no less favourable than those offered by independent third parties to the Company and its subsidiaries for the same or similar type of fuel supply or transportation services.

Pursuant to the 2026 Huaneng Group Framework Agreement, the annual cap for the purchase of fuel and transportation services by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates in 2026 was RMB73.4 billion. For the nine months ended 30 September 2026, the unaudited actual transaction amount was approximately RMB42.026 billion. The Company expects the actual transaction amount for 2026 not to exceed the annual cap. The difference between the annual cap and the actual transaction amount was mainly due to coal demand and market conditions differing from expectations, in response to which the Company adjusted the relevant transaction arrangements.

The Proposed Annual Cap for the purchase of fuel and transportation services by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates under the Huaneng Group Framework Agreement in 2027 is RMB70 billion. The consideration will be paid in cash upon delivery, or in accordance with the terms of contracts to be entered into by the relevant parties under the framework agreement. The Proposed Annual Cap is based on the current overall business scale and operations of the power plants of the Company and its subsidiaries, reasonable expectations regarding the development of those power plants and market conditions, and the ability of Huaneng Group and its subsidiaries and associates to offer favourable prices for bulk purchases of coal and transportation services.

The competitive advantage of Huaneng Group and its subsidiaries and associates in the supply of fuel and transportation services lies in their ability to offer more favourable prices for bulk purchases and to ensure a secure supply of coal and transportation capacity. Taking into account that ability and their close relationship with the Company and its subsidiaries, they should be able to supply fuel and transportation services to the Company and its subsidiaries in a timely and reliable manner, thereby reducing the Company's and its subsidiaries' management and operating costs.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for the Proposed Annual Cap for the purchase of fuel and transportation services exceeds 5%, this transaction is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. If the actual aggregate amount of this transaction during the year ending 31 December 2027 exceeds the Proposed Annual Cap (i.e. RMB70 billion), the Company will further comply with Rule 14A.54 of the Hong Kong Listing Rules.

(2) *Purchase of ancillary equipment and parts*

Due to operational needs, the Company and its subsidiaries purchase ancillary equipment and parts, mainly including raw materials and ancillary equipment for power plant infrastructure construction projects, as well as other equipment and products related to production and operation. Pursuant to the 2026 Huaneng Group Framework Agreement, the annual cap for such purchases in 2026 was RMB2.1 billion. For the nine months ended 30 September 2026, the aggregate unaudited transaction amount was approximately RMB0.307 billion. The Company expects the actual transaction amount for 2026 not to exceed the annual cap. The difference between the annual cap and the actual transaction amount was mainly due to adjustments to the transactions in response to the Company's actual operations and changes in market conditions, while certain periodic projects are expected to take place in the fourth quarter.

The Proposed Annual Cap for the purchase of ancillary equipment and parts by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates under the Huaneng Group Framework Agreement in 2027 is RMB2.1 billion. The Proposed Annual Cap is determined based on the current overall business scale and operations of the power plants of the Company and its subsidiaries, reasonable expectations regarding their future development, and the ability of Huaneng Group and its subsidiaries and associates to offer favourable prices through bulk purchasing.

The competitive advantage of Huaneng Group and its subsidiaries and associates in the supply of ancillary equipment and parts is that they are able to offer more favourable prices for bulk purchase of ancillary equipment and parts to the Company and its subsidiaries, they have a close relationship with the Company and its subsidiaries, while they are able to provide the Company and its subsidiaries with the ancillary equipment and parts in a timely and reliable manner, thereby minimising the management and operational costs of the Company and its subsidiaries.

Pursuant to the Huaneng Group Framework Agreement, the terms and the prices with respect to the purchase of ancillary equipment and parts by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates are negotiated at arm's length terms, taking into account the types and quantity of ancillary equipment and parts to be purchased according to the Company's procurement policy, details of which are set out in paragraph headed "Measures to Safeguard the Interests of the Independent Shareholders" to this announcement. In

any event, the terms and prices shall be no less favourable than those offered to the Company and its subsidiaries by independent third parties for the same or similar type of ancillary equipment and parts. In addition, the payment of such purchases will be settled in cash upon delivery, or in accordance with the payment terms agreed by the relevant parties in the contracts to be entered into pursuant to such framework agreement.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for the Proposed Annual Cap for this transaction exceeds 0.1% but is less than 5%, it is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but is exempt from the Independent Shareholders' approval requirement. If the actual aggregate amount of this transaction during the year ending 31 December 2027 exceeds the Proposed Annual Cap (i.e. RMB2.1 billion), the Company will further comply with Rule 14A.54 of the Hong Kong Listing Rules.

(3) *Leasing of facilities, land and office spaces*

For operational needs, the Company and its subsidiaries lease facilities, land and office spaces (mainly including power transmission and transformation assets, vessels, power plant land and power plant offices) from Huaneng Group and its subsidiaries and associates. Pursuant to the 2026 Huaneng Group Framework Agreement, the annual cap for such leases in 2026 was RMB400 million. For the nine months ended 30 September 2026, the unaudited amount paid by the Company and its subsidiaries for such leases was approximately RMB134 million. The Company expects the actual transaction amount for 2026 not to exceed the annual cap.

Pursuant to the Huaneng Group Framework Agreement, the Proposed Annual Cap for the leasing of facilities, land and office spaces by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates in 2027 is RMB500 million. The Proposed Annual Cap is determined based on the current overall business scale and operations of the power plants of the Company and its subsidiaries, reasonable expectations regarding their development, and the ability of Huaneng Group and its subsidiaries and associates to offer favourable lease prices.

In respect of leasing of facilities, land and office spaces, the competitive advantage of Huaneng Group and its subsidiaries and its associates is that they are able to offer more favourable prices for leasing of facilities, land and office spaces to the Company and its subsidiaries, they have a close relationship with the Company and its subsidiaries, while they are able to provide the Company and its subsidiaries with the leased facilities, land and office spaces in a timely and reliable manner, thereby minimising the management and operational costs of the Company and its subsidiaries.

Pursuant to the Huaneng Group Framework Agreement, the terms and the prices with respect to the leasing of facilities, land and office spaces to the Company and its subsidiaries by Huaneng Group and its subsidiaries and associates are negotiated at arm's length terms, taking into account the then prevailing market conditions; but in any event at the leasing terms and prices no less favourable than those offered to the Company and its subsidiaries by independent third parties for the same or similar types of leased facilities, land and office spaces. In addition, the payment will be settled in cash, or in accordance with the payment terms agreed by the relevant parties in the contracts to be entered into in the future pursuant to the framework agreement.

As the term relating to the leasing of facilities, land and office spaces contemplated under the Huaneng Group Framework Agreement is 12 months or less, the Company will not recognise right-of-use assets and lease liabilities for such short-term leases under International Financial Reporting Standard 16 (Leases).

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for the Proposed Annual Cap for this transaction exceeds 0.1% but is less than 5%, it is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but is exempt from the Independent Shareholders' approval requirement. If the actual aggregate amount of this transaction during the year ending 31 December 2027 exceeds the Proposed Annual Cap (i.e. RMB500 million), the Company will further comply with Rule 14A.54 of the Hong Kong Listing Rules.

(4) Accepting the technical services, engineering contracting services and other services

The Company and its subsidiaries accept technical services, engineering contracting services and other services from Huaneng Group and its subsidiaries and associates, mainly including fuel management services at power plants, maintenance of power plant monitoring systems, real-time project data integration, generating unit commissioning, contracting for construction in progress, equipment supervision and insurance services, and services related to electricity trading. Pursuant to the 2026 Huaneng Group Framework Agreement, the annual cap for these services in 2026 was RMB5.5 billion. For the nine months ended 30 September 2026, the unaudited actual transaction amount was approximately RMB1.973 billion. The actual amount was below the 2026 annual cap mainly because the Company adjusted the relevant transactions in response to its actual business scale, operations and market changes, and certain periodic projects are expected to take place in the fourth quarter. The Company expects the actual transaction amount for 2026 not to exceed the annual cap.

The Proposed Annual Cap for the acceptance of technical services, engineering contracting services and other services by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates under the Huaneng Group Framework Agreement in 2027 is RMB4.5 billion. It is determined based on the current overall business scale and operations of the power plants of the Company and its subsidiaries, the anticipated demand for new energy construction arising from the green transition, and the favourable prices that Huaneng Group and its subsidiaries and associates can offer.

The competitive advantage of Huaneng Group and its subsidiaries and associates in terms of providing technical services, engineering contracting services and other services is that they can offer more favourable prices to the Company and its subsidiaries, they have a close relationship with the Company and its subsidiaries, while they are able to provide the Company and its subsidiaries with the technical services, engineering contracting services and other services in a timely and reliable manner, thereby minimizing the management and operational costs of the Company and its subsidiaries. In addition, some of the subsidiaries and associates of Huaneng Group focus on researching information technology and national new energy power generation technology, as well as equipment of thermal energy in power plants, therefore they can provide reliable and efficient services of information technology and project contracting, and can also provide advanced and comprehensive power station-specific technical services and project contracting services, which can lower the operational costs of the Company and its subsidiaries.

Pursuant to the Huaneng Group Framework Agreement, the terms and the prices of transactions with respect to accepting technical services, engineering contracting services and other services by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates are negotiated at arm's length terms, taking into account the types of energy transactions, technical indicators and engineering related raw materials required for each of the contracts according to the Company's procurement rules, details of which are set out in paragraph headed "Measures to Safeguard the Interests of the Independent Shareholders" to this announcement. In any event, the terms and prices shall be no less favourable than those offered to the Company and its subsidiaries by independent third parties for the same or similar types of technical services, engineering contracting services and other services. In addition, the payment of consideration will be settled in cash following performance of the relevant services, or in accordance with the payment terms agreed by the relevant parties in the contracts to be entered into pursuant to the framework agreement.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for the Proposed Annual Cap for this transaction exceeds 0.1% but is less than 5%, it is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but is exempt from the Independent Shareholders' approval requirement. If the actual aggregate amount of this transaction during the year ending 31 December 2027 exceeds the Proposed Annual Cap (i.e. RMB4.5 billion), the Company will further comply with Rule 14A.54 of the Hong Kong Listing Rules.

(5) *Sale of products and related services*

To achieve better cost management, the Company and its subsidiaries sell products and related services to Huaneng Group and its subsidiaries and associates, mainly including the sale of transportation capacity and the provision of maintenance and supporting services, information technology services, port services and power trading-related services. Coal is priced in RMB per tonne and settled according to actual weight. The transaction prices and terms are negotiated by the parties on an arm's length basis with reference to prevailing market conditions; in any event, the terms shall be no less favourable than those on which the Company and its subsidiaries sell the same or similar products and provide related services to independent third parties. Pursuant to the 2026 Huaneng Group Framework Agreement, the annual cap for the sale of products and related services in 2026 was RMB800 million. For the nine months ended 30 September 2026, the unaudited actual transaction amount was approximately RMB345 million. The Company expects the actual transaction amount for 2026 not to exceed the annual cap. The actual amount was below the 2026 annual cap mainly because the 2026 budget included potential coal sales to Huaneng Group and its subsidiaries and associates under specific circumstances, but no such coal sales had occurred as at 30 September 2026.

The Proposed Annual Cap for the sale of products and related services by the Company and its subsidiaries to Huaneng Group and its subsidiaries and associates under the Huaneng Group Framework Agreement in 2027 is RMB1.3 billion. The consideration will be paid in cash upon delivery or in accordance with the terms to be agreed by the relevant parties under the Huaneng Group Framework Agreement. The Proposed Annual Cap is based on the expected demand for transportation and other products or services in 2027 from certain power plants of Huaneng Group and its subsidiaries.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for the Proposed Annual Cap for this transaction exceeds 0.1% but is less than 5%, it is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but is exempt from the Independent Shareholders' approval requirement. If the actual aggregate amount of this transaction during the year ending 31 December 2027 exceeds the Proposed Annual Cap (i.e. RMB1.3 billion), the Company will further comply with Rule 14A.54 of the Hong Kong Listing Rules.

(6) *Purchase of heat products and related services*

The Company and its subsidiaries purchase heat products and related services from Huaneng Group and its subsidiaries and associates, including industrial steam, hot water and other heat products produced by power plants and heating enterprises, and entrust Huaneng Group and its subsidiaries and associates to sell such products, paying the counterparties corresponding service fees. Pursuant to the 2026 Huaneng Group Framework Agreement, the annual cap for these transactions in 2026 was RMB400 million. For the nine months ended 30 September 2026, the actual transaction amount was approximately RMB149 million. The Company expects the actual transaction amount for 2026 not to exceed the annual cap. The difference between the annual cap and the actual transaction amount mainly reflects adjustments to the relevant transactions in response to the Company's actual operations and market changes, with certain periodic projects expected to take place in the fourth quarter.

The Proposed Annual Cap for the purchase of heat products and related services by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates under the Huaneng Group Framework Agreement in 2027 is RMB500 million. It is based on the expected demand of the Company and its subsidiaries for heat products and related services in 2027, reasonable expectations regarding the development of such transactions, and their cooperative relationship with Huaneng Group and its subsidiaries and associates.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for the Proposed Annual Cap for this transaction exceeds 0.1% but is less than 5%, it is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but is exempt from the Independent Shareholders' approval requirement. If the actual aggregate amount of this transaction during the year ending 31 December 2027 exceeds the Proposed Annual Cap (i.e. RMB500 million), the Company will further comply with Rule 14A.54 of the Hong Kong Listing Rules.

(7) *Sale of heat products and related services*

The Company and its subsidiaries sell heat products and related services to Huaneng Group and its subsidiaries and associates, including industrial steam, hot water and other heat products produced by the Company's power plants and heating enterprises. They also accept the entrustment of Huaneng Group and its subsidiaries and associates to sell such products on their behalf and charge the counterparties corresponding service fees.

Pursuant to the 2026 Huaneng Group Framework Agreement, the annual cap for the sale of heat products and related services in 2026 was RMB200 million. For the nine months ended 30 September 2026, the unaudited actual transaction amount was approximately RMB28 million. The Company expects the actual transaction amount for 2026 not to exceed the annual cap.

The Proposed Annual Cap for the sale of heat products and related services by the Company and its subsidiaries to Huaneng Group and its subsidiaries and associates under the Huaneng Group Framework Agreement in 2027 is RMB200 million. It is based on the overall business scale and operations of the Company and its subsidiaries in 2027, the expected transaction volume of heat products and related services, reasonable expectations regarding the development of such transactions, and their cooperative relationship with Huaneng Group and its subsidiaries and associates.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for the Proposed Annual Cap for this transaction exceeds 0.1% but is less than 5%, it is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but is exempt from the Independent Shareholders' approval requirement. If the actual aggregate amount of this transaction during the year ending 31 December 2027 exceeds the Proposed Annual Cap (i.e. RMB200 million), the Company will further comply with Rule 14A.54 of the Hong Kong Listing Rules.

(8) Purchase of carbon emission reduction resources and related services

The purchase of carbon emission reduction resources and related services by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates includes purchase of carbon allowances, China Certified Emission Reduction (CCER), green certificates and carbon emission reduction related services.

Pursuant to the 2026 Huaneng Group Framework Agreement, the annual cap for the purchase of carbon emission reduction resources and related services in 2026 was RMB1.1 billion. For the nine months ended 30 September 2026, the unaudited actual transaction amount was RMB17 million. The difference between the actual amount and the 2026 annual cap was mainly due to changes in the Company's actual operations and market conditions, and the fact that compliance with the 2025 carbon allowance obligations will be completed in the fourth quarter of 2026. The Company is carrying out the carbon allowance compliance work and expects the actual transaction amount for 2026 not to exceed the annual cap.

The Proposed Annual Cap for the purchase of carbon emission reduction resources and related services by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates under the Huaneng Group Framework Agreement in 2027 is RMB300 million. It is based on the expected demand of the Company and its subsidiaries for carbon emission reduction resources in 2027, reasonable expectations regarding the development of such transactions, and their cooperative relationship with Huaneng Group and its subsidiaries and associates.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for the Proposed Annual Cap for this transaction exceeds 0.1% but is less than 5%, it is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but is exempt from the Independent Shareholders' approval requirement. If the actual aggregate amount of this transaction during the year ending 31 December 2027 exceeds the Proposed Annual Cap (i.e. RMB300 million), the Company will further comply with Rule 14A.54 of the Hong Kong Listing Rules.

(9) *Sale of carbon emission reduction resources and related services*

The sale of carbon emission reduction resources and related services by the Company and its subsidiaries to Huaneng Group and its subsidiaries and associates includes the sale of carbon allowances, China Certified Emission Reduction (CCER), green certificates and carbon emission reduction related services.

Pursuant to the 2026 Huaneng Group Framework Agreement, the annual cap for the sale of carbon emission reduction resources and related services in 2026 was RMB600 million. For the nine months ended 30 September 2026, the actual transaction amount was RMB52 million. The difference between the actual transaction amount and the 2026 annual cap was mainly due to changes in the Company's actual operations and market conditions and the scheduled completion of compliance with the 2025 carbon allowance obligations in the fourth quarter of 2026. The Company is carrying out its carbon allowance compliance work and expects the actual transaction amount for 2026 not to exceed the annual cap.

The Proposed Annual Cap for the sale of carbon emission reduction resources and related services by the Company and its subsidiaries to Huaneng Group and its subsidiaries and associates under the Huaneng Group Framework Agreement in 2027 is RMB500 million. It is based on the carbon emission reduction resources that the Company and its subsidiaries expect to have available for sale in 2027 and reasonable expectations regarding the development of such transactions.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for the Proposed Annual Cap for this transaction exceeds 0.1% but is less than 5%, it is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but is exempt from the Independent Shareholders' approval requirement. If the actual aggregate amount of this transaction during the year ending 31 December 2027 exceeds the Proposed Annual Cap (i.e. RMB500 million), the Company will further comply with Rule 14A.54 of the Hong Kong Listing Rules.

(10) Accepting loans

Loans accepted by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates principally comprise borrowings from them. The maximum daily outstanding balance of such loans expected to be accepted by the Company and its subsidiaries in 2027 will not exceed RMB16 billion (or its equivalent in foreign currency). This estimate is based on the current overall business scale and operations of the power plants of the Company and its subsidiaries and their reasonable expectations for the development of those power plants, and also takes into account the favourable lending rates that Huaneng Group and its subsidiaries and associates can offer. As at 30 September 2026, the actual maximum daily outstanding balance of accepted loans in 2026 was approximately RMB2.389 billion.

(11) Borrowing trust loans

The interest incurred by the Company and its subsidiaries on trust loans from Huaneng Group and its subsidiaries and associates principally arises from their borrowing of such loans. The interest expected to be payable on trust loans in 2027 will not exceed RMB800 million. This estimate is based on the current overall business scale and operations of the power plants of the Company and its subsidiaries and their reasonable expectations for the development of those power plants, and also takes into account the favourable interest rates that Huaneng Group and its subsidiaries and associates can offer on trust loans. As at 30 September 2026, the actual interest on trust loans in 2026 was approximately RMB350 million.

Given that the trust loans and loans are obtained by the Company and its subsidiaries from or through Huaneng Group and its subsidiaries and associates on normal commercial terms which are comparable to or more favourable than those available from independent third parties for similar services in the PRC and that no security is granted over the assets

of the Company and its subsidiaries in respect of such services, the trust loans and loans contemplated under the Huaneng Group Framework Agreement are exempted from all the reporting, announcement and the Independent Shareholders' approval requirements pursuant to Rule 14A.90 (which relates to financial assistance exemption) of the Hong Kong Listing Rules. The Company only makes corresponding disclosure by reference to its announcement published on the Shanghai Stock Exchange.

(12) Accepting factoring services

Huaneng Group and its subsidiaries and associates shall provide factoring services to the Company and its subsidiaries. The financing fee for provision of factoring services is based on the Loan Prime Rate (LPR) for the same period with moderate fluctuation, and it shall not be higher than the financing fee determined by an independent third-party factoring company for providing the same kind of services to the Company and its subsidiaries and shall be determined on normal commercial terms. The specific fee rate shall be agreed under the specific agreements to be signed by the parties based on the aforesaid principles.

Pursuant to the 2026 Huaneng Group Framework Agreement, the daily maximum outstanding balance cap for factoring services accepted by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates in 2026 was RMB4 billion. For the nine months ended 30 September 2026, the actual daily maximum outstanding balance of such services was RMB224 million. The Company expects the actual daily maximum outstanding balance for 2026 not to exceed the cap. The difference between the cap and the actual maximum daily outstanding balance mainly reflected changes in the Company's overall business scale and financial market conditions.

The cap for daily maximum balance for factoring services accepted by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates in 2027 is expected not to exceed RMB3 billion (or its equivalent in foreign currency). The cap for daily maximum balance takes into account the current overall business scale and operations of the power plants of the Company and its subsidiaries, reasonable expectations regarding their development, and the favourable interest rates that Huaneng Group and its subsidiaries and associates can offer.

The factoring business facilitates the Company to expand its financing channels and improve the operating efficiency of the supply chain. The Company would take the following factors into consideration when choosing the vendors of factoring services: (i) the qualifications and qualities of vendors; (ii) the factoring services rates; and (iii) whether the factoring financing plan meets the operating characteristics of enterprises in power industry. In comparison with obtaining from independent third parties, Huaneng Group and its subsidiaries and associates have a deeper understanding on the operation of the Company, which is beneficial for Huaneng Group and its subsidiaries and associates to provide more convenient, efficient and personalized factoring business services to the Company and its subsidiaries than other financial institutions.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for the Proposed Annual Cap for this transaction exceeds 0.1% but is less than 5%, it is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but is exempt from the Independent Shareholders' approval requirement. If the actual daily maximum outstanding balance during the year ending 31 December 2027 exceeds the Proposed Annual Cap (i.e. RMB3 billion), the Company will further comply with Rule 14A.54 of the Hong Kong Listing Rules.

III. TIANCHENG LEASING FRAMEWORK AGREEMENT

1. Introduction

The Company and Tiancheng Leasing entered into the 2026 to 2028 Tiancheng Leasing Framework Agreement on 28 October 2025, for a term from 1 January 2026 to 31 December 2028.

To implement the new energy security strategy, advance the “dual carbon” goals and support its development objectives, strategic plans and arrangements for the Fifteenth Five-Year Plan, the Company is accelerating its green and low-carbon transformation. The Company needs to broaden its financing channels and increase the transaction amount with Tiancheng Leasing to meet the funding needs of future projects and business development. Accordingly, the Company proposes to enter into a new framework agreement for 2027 to 2029 before the expiry of the existing agreement.

On 27 October 2026, the Company entered into the Tiancheng Leasing Framework Agreement with Tiancheng Leasing to govern the continuing connected transactions between them for 2027 to 2029. The agreement is effective from 1 January 2027 to 31 December 2029.

With effect from 1 January 2027, the Tiancheng Leasing Framework Agreement will replace the 2026 to 2028 Tiancheng Leasing Framework Agreement as the framework arrangement for finance leasing transactions in 2027 to 2029.

2. Particulars of Transactions

Under the 2026 to 2028 Tiancheng Leasing Framework Agreement, the estimated Lease Principal (the maximum daily balance of the finance lease principal in each year) between the Company and its subsidiaries and Tiancheng Leasing for 2026 to 2028 was RMB10 billion, and the annual cap for Lease Interest was RMB490 million.

In 2024, the maximum daily Lease Principal with Tiancheng Leasing was RMB1.865 billion (audited), and Lease Interest was RMB25 million (audited). In 2025, the maximum daily Lease Principal was RMB1.9 billion and Lease Interest was RMB42 million. For the period from 1 January to 30 September 2026, the maximum daily Lease Principal was RMB2.225 billion (unaudited) and Lease Interest was RMB44 million (unaudited).

Under the Tiancheng Leasing Framework Agreement, Tiancheng Leasing will principally provide finance leasing services to the Company and its subsidiaries. The cap on the maximum daily balance of the finance lease principal for each year from 2027 to 2029 is RMB20 billion, and the annual cap on Lease Interest (including interest expense and handling fees) is RMB700 million. These amounts have been estimated by reference to the Company's future investment needs in the power sector, including new energy, and the investment and financing needs for technical upgrades, including ultra-low emission retrofits of coal-fired generating units.

3. Direct Lease(s) and Sales and Leaseback

The finance leasing services provided by Tiancheng Leasing comprise direct leases (the “**Direct Lease(s)**”) and sales and leaseback (the “**Sales and Leaseback**”), both being types of finance leasing services with broadly similar features, usually as follows:

- (i) for a Direct Lease, the lessor (Tiancheng Leasing) purchases leased assets selected by the lessee (the Company or its subsidiaries) for the purpose of leasing them to the lessee. The lessor owns the leased assets. Under the relevant agreement, the lessee pays rent (including interest)

during the lease term. At the end of the lease term, the lessee may purchase the assets, renew the lease or return the assets. For a Sales and Leaseback, the lessor purchases leased assets from the lessee, as selected by the lessee, and leases them back to the lessee. The lessee pays rent and interest during the lease term and may purchase the assets, renew the lease or return the assets at the end of the term;

- (ii) the total rent is determined by reference to the total purchase price of the relevant equipment and the interest agreed between the parties. The lease interest rate takes account of market conditions, is based on the loan prime rate published by the PBOC from time to time and floats with that benchmark, and is determined by arm's length negotiation on terms no less favourable to the Company than those offered by independent domestic third parties for comparable services. Tiancheng Leasing may charge a handling fee (if any) when an individual finance lease agreement is entered into; its terms must be no less favourable than those available from independent third parties and its rate will be determined by reference to rates charged by other major domestic financial institutions for finance leases of similar assets or any applicable rate published by the PBOC, and set out in the relevant written agreement. The interest rate will be determined at the commencement of each finance lease agreement and adjusted if the PBOC adjusts the relevant loan prime rate during its term. Payments will be made quarterly, semi-annually or annually in arrears, or at such other intervals as the parties agree;
- (iii) for each finance leasing transaction, the Company and Tiancheng Leasing shall enter into a separate finance lease agreement pursuant to the Tiancheng Leasing Framework Agreement;
- (iv) during the lease term, Tiancheng Leasing will retain ownership of the leased equipment and the Company will have the right to use it. At expiry, subject to the Company fulfilling its obligations under the relevant finance lease agreement and exercising its option, ownership of the equipment will pass to the Company for nominal consideration; and

- (v) the lease term will depend on, among other things, the useful life of the equipment, the Company's financing needs and funds available to Tiancheng Leasing, and will generally not exceed the useful life of the equipment. The term of an individual finance lease agreement may exceed three years. If the end date of an individual lease falls after the expiry of the Tiancheng Leasing Framework Agreement:
 - (a) if the Tiancheng Leasing Framework Agreement is not renewed, on or before its expiry date, on terms covering the relevant lease and complying with the Hong Kong Listing Rules, that lease will terminate upon expiry of the framework agreement;
 - (b) if the Tiancheng Leasing Framework Agreement is renewed, on terms covering the relevant lease and complying with the Hong Kong Listing Rules, to a date on or after the scheduled expiry date of that lease, the lease will expire on its scheduled expiry date; and
 - (c) if the renewed Tiancheng Leasing Framework Agreement covers the relevant lease and complies with the Hong Kong Listing Rules but expires before that lease's scheduled expiry date, the lease will terminate when the renewed framework agreement expires, unless the framework agreement is further renewed to a date on or after the lease's scheduled expiry date. In that case, the relevant finance lease will expire on its originally scheduled expiry date.

4. Reasons for and Benefits of Entering into the Tiancheng Leasing Framework Agreement

The finance leasing transactions help the Company broaden its financing channels, raise funds at relatively low cost, manage financing risks and costs, and support its business development and operations.

With the industry background of Huaneng Group, Tiancheng Leasing is a specialised leasing company focusing on new energy and environmental protection. It provides the Company and its subsidiaries with normal commercial terms no less favourable than those available from independent third parties. As a member of Huaneng Group, it can tailor financing arrangements to project needs and offer more flexible repayment schedules that better match project cash flows. In addition, the Company is a shareholder of Tiancheng Leasing, and the income generated by Tiancheng Leasing's sound operations will bring its shareholders relatively substantial dividends.

Entering into the Tiancheng Leasing Framework Agreement will help the Company broaden its financing channels, raise funds at relatively low cost and support stable business development and operations.

5. Impact of IFRS 16 (Leases) on the Finance Leasing Arrangements Between the Company and Tiancheng Leasing

For Direct Lease(s) for which a right-of-use asset is required to be recognised under IFRS 16 (Leases), the Company recognises a right-of-use asset at the commencement date of the lease (the date on which the underlying asset is available for use). It measures the right-of-use asset at cost less accumulated depreciation and impairment losses and adjusts it for any remeasurement of the lease liability. At commencement, the Company recognises a lease liability measured at the present value of lease payments over the lease term. If the interest rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate at commencement to calculate that present value.

In relation to Sales and Leaseback, the transactions will be accounted for as financing arrangements between the Company and Tiancheng Leasing.

6. Implications under the Hong Kong Listing Rules

For the purposes of Chapter 14 of the Hong Kong Listing Rules, Direct Lease(s) under the Tiancheng Leasing Framework Agreement involve the acquisition of assets by the Company and its subsidiaries, while Sales and Leaseback involve the disposal of assets by the Company and its subsidiaries. As the highest applicable percentage ratios calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for the acquisition and disposal of assets, respectively, exceed 5% but are less than 25%, these transactions constitute discloseable transactions of the Company and are subject to the announcement requirement under Chapter 14 of the Hong Kong Listing Rules.

For the purposes of Chapter 14A of the Hong Kong Listing Rules, Tiancheng Leasing is a connected person of the Company and the transactions contemplated under the Tiancheng Leasing Framework Agreement constitute continuing connected transactions of the Company. As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules for those transactions exceeds 5%, the transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

IV. FAIRNESS OF THE CONNECTED TRANSACTIONS AND THEIR IMPACT ON THE INDEPENDENCE OF THE COMPANY

The Huaneng Group Framework Agreement and the Tiancheng Leasing Framework Agreement were entered into on normal commercial terms which are fair and reasonable. The prices/fees/interests involved in the relevant transactions shall be agreed and confirmed by both parties and negotiated and determined on an arm's length basis, taking into account the then prevailing market prices and conditions. The terms offered to the Company and its subsidiaries by Huaneng Group and its subsidiaries and associates and Tiancheng Leasing under the relevant agreements and the transactions contemplated thereunder are no less favourable than those available to the Company and its subsidiaries from independent third parties. The Company and its subsidiaries will, having regard to the actual circumstances and within the scope of the aforesaid framework agreements, enter into necessary written agreements with Huaneng Group and its subsidiaries and associates and Tiancheng Leasing in respect of specific transactions, and pay and/or receive the relevant prices/fees/interests in the manner agreed in the specific agreements.

The Company will, through the Huaneng Group Framework Agreement, the Tiancheng Leasing Framework Agreement and a series of management arrangements in accordance with regulatory requirements, maintain its independence in decision-making, the fairness of transaction prices and the Company's right to choose in connected transactions, thereby avoiding reliance on its controlling shareholder and other related parties. Such measures include, without limitation, the Company's right to make independent decisions on the prices and quantities of the relevant transactions and to obtain and understand market information through various means, with a view to obtaining transaction terms for the Company from Huaneng Group and its subsidiaries and associates and Tiancheng Leasing that are no less favourable than those available from independent third parties.

Based on the above, the Company is of the view that the Huaneng Group Framework Agreement and the Tiancheng Leasing Framework Agreement and the connected transactions contemplated thereunder are in the interests of the Company and its shareholders as a whole. At the same time, the Company has a complete business system and the ability to operate independently in the market. Therefore, the aforesaid framework agreements and the connected transactions contemplated thereunder will not affect the independence of the Company.

V. MEASURES TO SAFEGUARD THE INTERESTS OF THE INDEPENDENT SHAREHOLDERS

Directors and senior management of the Company will monitor closely and review regularly each continuing connected transaction of the Company, and will adopt a series of risk management arrangements, and endeavour to maintain, in relation to each continuing connected transaction, the independence of the Company, the fairness of the price of the transaction, the fairness of the terms of the transaction, and the right of choice of the Company to conduct transactions with independent third parties other than Huaneng Group and its subsidiaries and associates and Tiancheng Leasing. The relevant arrangements include:

(1) Continuing Connected Transactions under the Huaneng Group Framework Agreement

- the continuing connected transactions contemplated under the Huaneng Group Framework Agreement are conducted on a non-exclusive basis;
- for transactions relating to the purchase of ancillary equipment and parts, the Company will proceed in accordance with the Company's procurement policy, which mainly stipulates that the Company will, from time to time, obtain quotations from large scale suppliers (including Huaneng Group and its subsidiaries and associates) and/or invite tenders from multiple suppliers and/or in certain circumstances make price enquiries. According to the Company's procurement policy, in addition to the offer of same or more favourable terms by the counterparty in a transaction, the Company will also consider other factors, including the corporate background of the counterparty, its reputation and reliability, its ability to conduct the transaction in accordance with the terms of the contract, and its understanding of the Company's needs, in order to maximise the Company's overall interest in the transaction and at the same time minimize the Company's time and costs of transaction;
- for transactions in relation to the purchase of fuel and coal transportation services,
 - (a) the Company has established a dedicated mechanism for information exchange and weekly and monthly information analysis, which mainly consists of: (i) collection of price information, such as pithead prices, listed prices at major coal production localities, inland coal transaction price indices, port price indices, domestic futures indices, global coal prices, and price indices of imported coal; and in addition, information relating to the storage at harbours, the production, transportation and sale

of coal, and price indices of freights is also collected as an aid in analysing the trend of the market price. The major information collection channels of the Company include: China Coal Market website 中國煤炭市場網(<http://www.cctd.com.cn>), China Coal Resources website 中國煤炭資源網(<http://www.sxcoal.com>), Qinhuangdao Coal website 秦皇島煤炭網(<http://www.cqcoal.com>) and Qinhuangdao Shipping Network 秦皇島海運網(<http://www.osc.org.cn>), etc.; (ii) the Company has also established the Qinhuangdao distribution centre, which is charged with the monitoring of the daily, weekly and monthly prices of coal based on port and water transportation and related developments; and (iii) the Company's branch companies and power plants are charged with collecting information on the market and pithead prices of their own location. In terms of pricing, the Company will issue periodically the guidance procurement price of coal for coastal power plants (based on the market information collected and generally lower than the then prevailing market price), the Company shall invite at least three suppliers including Huaneng Group and its subsidiaries and associates to jointly provide quotation on coal within the range of the procurement guidance price. The Company will independently choose and purchase from the best offer according to the market conditions relied upon in developing the Company's procurement strategies. The Company believes that such purchaser-oriented pricing process will lead to an open and transparent market mechanism for competition of coal based on market prices;

- (b) the "market conditions" relied upon in developing the Company's procurement strategies can principally be summarised in the following manner: (i) changes in the prices of coal; (ii) aspects on coal transportation, including status on ship transportation at port (e.g. in circumstances where the northern ports such as Qinhuangdao are stranded seriously, the Company will arrange certain coal to be imported), the status on railway transportation (e.g. maintenance of the Datong-Qinhuangdao railway), the status on road transportation (e.g. where the northern regions are affected by seasonal rain/snow); (iii) production condition (e.g. where major cooperation partners for coal supply or regional coal enterprises experience any safety incidents which may lead to a suspension in coal production or safety checks and hence the coal mine safety inspections may affect domestic coal production or supply of coal regionally, or where the import of coal from coal production areas like Indonesia, Australia, Colombia, South Africa, etc. are affected by incidents of natural disasters, storm, typhoon, etc.); (iv) status on level of inventory (including changes

in the inventory at major ports and where power enterprises and coal companies run low in stock); and (v) status on changes in policy. The State has promulgated a number of environmental protection policies and coal industry policies which may have an impact on the volume of thermal coal consumption, the types and quality of coal required by power enterprises. The Company will timely follow and collect latest information on market condition for assessing and formulating the Company's procurement strategies;

- for transactions in relation to leasing of facilities (power transmission and transformation assets), the lease by the Company and its subsidiaries of such facilities from Huaneng Group and its subsidiaries and associates is negotiated at arm's length terms. The leasing fee payable is principally to offset the outlay of the supplier's costs, interest payment, operational expenses in maintenance, etc. For transactions in relation to the leasing of land and office spaces, the Company will have regard to the then prevailing market rent for similar types of properties in the nearby locations (which is publicly available information), and/or consult reputable local real estate agents for benchmarks of assessment. Such transactions will be reviewed by the Company's legal department in the legal aspects and approved by the contract management department;
- for transactions in relation to accepting the technical services, engineering contracting services and other services, the Company, at times when there are needs for purchasing transactions, will conduct such transactions according to the relevant procurement management rules with reference to the types of energy transactions, technical indicators and engineering related raw materials required for each of the contracts, and will from time to time obtain at least two quotations from suppliers of scale (excluding Huaneng Group and its subsidiaries and associates), and/or invite tenders from multiple suppliers and/or in certain circumstances make price enquiries in conducting such procurements. According to the Company's procurement policy, in addition to the offer of same or more favourable terms by the counterparty in a transaction, the Company will also consider other factors, including the Company's specific requirements in a transaction, the comparable advantages of the technological expertise of counterparties and the ability of counterparties to perform the contract and to provide follow-up services consequential to completion of a transaction, in order to maximise the Company's interest. As regards the provision of operation/production and related port supportive services, the prices are basically market-driven according to the prevailing market conditions. Nonetheless, the Company will conduct

enquiry process by making reference to other comparable transactions with independent third parties for similar services to determine if the prices and terms offered by Huaneng Group and its subsidiaries and associates are fair and reasonable and comparable to those offered by independent third parties;

- for transactions relating to the sale of products and related services, the Company and its subsidiaries will, in accordance with the relevant management policies and on the principles of fairness and impartiality, provide transportation capacity, repair and ancillary services, information technology services, port services and services related to electricity trading to Huaneng Group and its subsidiaries and associates. The Company will refer to market prices for similar products and services and consider the counterparties' actual needs, ability to perform and history of cooperation, to ensure fair and reasonable prices and terms and protect the interests of the Company and its shareholders as a whole. In principle, the fuel company, which is wholly owned by the Company, sells coal only to the Company's power plants, and the Company strictly controls coal sales by that fuel company to connected power plants. Only if a power plant faces a critical shortage of coal inventories will the Company consider temporarily allocating and selling some coal to a connected power plant, subject to ensuring supply to its own power plants and maintaining its own operations. The price will be determined on market principles. The Company will use the information channels described above for fuel and transportation purchases, have regard to market conditions and the fuel company's coal procurement costs, and determine the sale price on the basis of cost recovery and a modest profit in the spirit of mutual benefit;
- for the purchase of heat and related services and the sale of heat and related services, the transactions on sale and purchase of heat will be conducted in strict compliance with the management regulations of the Company and the internal control requirements. Meanwhile, the Company will closely monitor the changes in demand and supply in the heat market, collect and analyse the latest market information, and guide the Company to make timely adjustments to volume and price according to the operating scale of the Company and actual situation, so as to maximize the interests of the Company;
- for the purchase of carbon emission reduction resources and related services and the sale of carbon emission reduction resources and related services, the transaction cap for each of the above transactions is determined independently according to the carbon allowance surplus and carbon allowance demand of the subsidiaries of the Company in areas where they operate, as well as the overall demand for carbon

emission reduction resources in the national market. The prices will be determined according to the trend of the publicly listed prices for carbon emission allowances in the national market, and the Company shall strictly follow the relevant requirements of the State's "dual carbon targets", and conduct the relevant business according to the rules of carbon trading, CCER trading, green certificate trading, etc., so as to realise the reduction of the Company's carbon quota compliance cost, increase the income of emission reduction resources, and realise the maximum benefit of the Company;

- transactions involving the borrowing of trust loans and the acceptance of loans from Huaneng Group and its subsidiaries and associates will be considered in accordance with the Company's management regulations and internal control requirements, combined with the overall capital scale, actual business needs, changes in the capital market and funds available through financial institutions, so as to maximize the Company's interests;
- For the provision of factoring services by Huaneng Group and its subsidiaries and associates to the Company and its subsidiaries, subject to compliance with the relevant rules and regulations of relevant regulatory authorities and relevant requirements, the financing fee shall not be higher than that determined by an independent third-party factoring company for providing the same kind of services to the Company, and shall be determined on normal commercial terms;
- the contract management department will strictly review contracts, the contract enforcement department will timely monitor the amount of connected transactions, and the relevant functional departments will supervise the compliance monitoring in production and operation. In addition to the annual review of the performance of specific contracts by the independent non-executive Directors and the Company's auditors, the audit committee of the Company's Board will also monitor the working arrangements involved in the Company's continuing connected transactions, and review whether the Company's transactions are fair and conducted at reasonable transaction prices.

(2) Continuing Connected Transactions under the Tiancheng Leasing Framework Agreement

- finance leasing transactions under the Tiancheng Leasing Framework Agreement will be conducted on a non-exclusive basis;
- before entering into a finance leasing transaction, the Company will obtain finance leasing terms, including interest rates, from major domestic financial leasing companies independent of the Company and its connected persons and compare them with the loan prime rate published by the PBOC from time to time, with a view to obtaining the most favourable terms, maximising the Company's overall interest and reducing transaction costs and time;
- for finance lease agreements involving equipment newly purchased by Tiancheng Leasing, the transaction amount will be determined by the total purchase cost of the relevant equipment approved by the Company. The approval process ordinarily includes obtaining quotations from more than one supplier independent of the Company and its connected persons offering similar equipment on comparable terms; and
- the contract management department will review contracts, the department responsible for their performance will monitor connected transaction amounts, and the relevant business departments will oversee compliance in finance leasing transactions. In addition to annual reviews by the independent non-executive Directors and the auditors, the independent non-executive Directors will review and confirm whether the finance leasing transactions with Tiancheng Leasing are fair, whether transaction amounts and interest rates are reasonable and whether they are in the interests of the Shareholders as a whole. The audit committee of the Board will also monitor the arrangements for continuing connected transactions and review the fairness of the transactions and the reasonableness of their prices.

VI. BOARD'S CONFIRMATION

The twenty-fourth meeting of the eleventh session of the Board of the Company held on 27 October 2026 considered and approved the Huaneng Group Framework Agreement and the Tiancheng Leasing Framework Agreement, the transactions contemplated thereunder and the estimates of the relevant transaction amounts. Pursuant to the SSE Listing Rules and Rule 14A.68(8) of the Hong Kong Listing Rules, the Directors Mr. Wang Kui, Mr. Liu Ancang, Mr. Du Daming, Mr. Zhou Yi, Mr. Li Lailong, Mr. Li Jin, Mr. Wang Yu, who were regarded as having a material interest in the Huaneng Group Framework Agreement and the Tiancheng Leasing Framework Agreement and the transactions contemplated thereunder by virtue of their management positions in Huaneng Group or its associates, abstained from voting on the relevant Board resolutions. The relevant resolutions were voted on by the non-connected Directors.

The Board is of the view that the Huaneng Group Framework Agreement, the Tiancheng Leasing Framework Agreement and the transactions contemplated thereunder were entered into: (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms (on an arm's length basis or on terms no less favourable to the Company than those available from independent third parties); and (iii) on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

VII. EXTRAORDINARY GENERAL MEETING

Under the Hong Kong Listing Rules, the purchase of fuel and transportation services by the Company from Huaneng Group and its subsidiaries and associates under the Huaneng Group Framework Agreement, together with the relevant Proposed Annual Cap, and the transactions contemplated under the Tiancheng Leasing Framework Agreement require the approval of the Independent Shareholders. Under the SSE Listing Rules, all transactions between the Company and Huaneng Group (including its subsidiaries and associates, which are treated as the same related party under the SSE Listing Rules) under the Huaneng Group Framework Agreement require the Independent Shareholders' approval.

The Company proposes to convene an extraordinary general meeting in December 2026 to seek approval from the Independent Shareholders for, among other things, the continuing connected transactions (including the relevant Proposed Annual Caps) contemplated under the Huaneng Group Framework Agreement and the transactions contemplated under the Tiancheng Leasing Framework Agreement. Huaneng Group and its associates (holding an aggregate of 7,257,376,866 ordinary shares of the Company, representing approximately 46.23% of the total issued shares of the Company as at the date of publication of this announcement) will abstain from voting at the extraordinary general meeting on the resolutions relating to, among other things, the continuing connected transactions (including

the relevant Proposed Annual Caps) contemplated under the Huaneng Group Framework Agreement and the transactions contemplated under the Tiancheng Leasing Framework Agreement. The proposed resolutions will be passed as ordinary resolutions and voting will be taken by poll in accordance with the requirements of the Hong Kong Listing Rules.

To comply with the Hong Kong Listing Rules, the Company has established an Independent Board Committee to advise the Independent Shareholders on the purchase of fuel and transportation services and the relevant Proposed Annual Cap under the Huaneng Group Framework Agreement, and the transactions contemplated under the Tiancheng Leasing Framework Agreement, and has appointed Gram Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As the Company requires more time to prepare and finalise the information for inclusion in the circular, the Company expects to despatch to Shareholders on or before 10 December 2026 a circular containing, among other things, further details of the purchase of fuel and transportation services and the relevant Proposed Annual Cap under the Huaneng Group Framework Agreement, and the transactions contemplated under the Tiancheng Leasing Framework Agreement, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and a notice of the extraordinary general meeting.

Under the Hong Kong Listing Rules, the Independent Financial Adviser is only required to advise on the purchase of fuel and transportation services and the relevant Proposed Annual Cap under the Huaneng Group Framework Agreement and the transactions contemplated under the Tiancheng Leasing Framework Agreement. It will therefore not provide an opinion on the other transactions contemplated under the Huaneng Group Framework Agreement (collectively, the “Other Transactions”). Nevertheless, the Company will include information on the Other Transactions in the circular so that Shareholders can obtain a full picture of the transactions under the Huaneng Group Framework Agreement and the transactions contemplated under the Tiancheng Leasing Framework Agreement. The Company believes that, on this basis, the Independent Shareholders will have sufficient information to make an informed voting decision on the relevant resolutions.

VIII. DEFINITIONS

“2026 Huaneng Group Framework Agreement”	means the framework agreement on the continuing connected transactions for 2026 between Huaneng Power International, Inc. and China Huaneng Group Co., Ltd. entered into between the Company and Huaneng Group on 28 October 2025
“2026 to 2028 Tiancheng Leasing Framework Agreement”	means the framework agreement on the continuing connected transactions (for 2026 to 2028) between Huaneng Power International, Inc. and Huaneng Tiancheng Financial Leasing Co., Ltd. entered into between the Company and Tiancheng Leasing on 28 October 2025
“associate(s)”	has the meaning ascribed to it in the Hong Kong Listing Rules
“Board”	means the board of Directors of the Company
“Company”	means Huaneng Power International, Inc.
“connected person(s)”	has the meaning ascribed to it in the Hong Kong Listing Rules
“Director(s)”	means the director(s) of the Company
“HIPDC”	means Huaneng International Power Development Corporation
“Hong Kong Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hua Neng HK”	means China Hua Neng Group Hong Kong Limited
“Huaneng Group”	means China Huaneng Group Co., Ltd.
“Huaneng Group Framework Agreement”	means the framework agreement on the continuing connected transactions for 2027 between Huaneng Power International, Inc. and China Huaneng Group Co., Ltd. entered into between the Company and Huaneng Group on 27 October 2026
“Huaneng Treasury”	means China Huaneng Group Treasury Management (Hong Kong) Limited

“IFRS”	means International Financial Reporting Standards
“Independent Board Committee”	means a committee of the Board established to consider the purchase of fuel and transportation services and the relevant Proposed Annual Cap under the Huaneng Group Framework Agreement and the transactions contemplated under the Tiancheng Leasing Framework Agreement, comprising independent non-executive Directors who are independent of such transactions
“Independent Financial Adviser”	means the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the purchase of fuel and transportation services and the relevant Proposed Annual Cap under the Huaneng Group Framework Agreement and the transactions contemplated under the Tiancheng Leasing Framework Agreement
“Independent Shareholders”	means shareholders of the Company other than Huaneng Group and its associates
“Lease Interest”	means the interest, together with handling fees, if any, under the Tiancheng Leasing Framework Agreement
“Lease Principal”	means the maximum daily balance of the principal of the finance leases under the Tiancheng Leasing Framework Agreement
“PBOC”	means the People’s Bank of China
“PRC” or “China”	means the People’s Republic of China
“Proposed Annual Cap”	means, in relation to each relevant category of transactions under the Huaneng Group Framework Agreement, the proposed annual cap for that category for the year ending 31 December 2027 as set out in this announcement
“RMB”	means Renminbi, the lawful currency of the PRC
“SSE Listing Rules”	means the Rules Governing the Listing of Securities on the Shanghai Stock Exchange

“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Hong Kong Listing Rules
“Tiancheng Leasing”	means Huaneng Tiancheng Financial Leasing Co., Ltd.
“Tiancheng Leasing Framework Agreement”	means the framework agreement on the continuing connected transactions (for 2027 to 2029) between Huaneng Power International, Inc. and Huaneng Tiancheng Financial Leasing Co., Ltd. entered into between the Company and Tiancheng Leasing on 27 October 2026

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 (<i>Executive Director</i>)	He Qiang (<i>Independent Non-executive Director</i>)
Liu Ancang (<i>Executive Director</i>)	Zhang Liying (<i>Independent Non-executive Director</i>)
Du Daming (<i>Non-executive Director</i>)	Zhang Shouwen (<i>Independent Non-executive Director</i>)
Zhou Yi (<i>Non-executive Director</i>)	Dang Ying (<i>Independent Non-executive Director</i>)
Li Lailong (<i>Non-executive Director</i>)	Zhang Xianchong (<i>Independent Non-executive Director</i>)
Li Jin (<i>Non-executive Director</i>)	Mei Shengwei (<i>Independent Non-executive Director</i>)
Cao Xin (<i>Non-executive Director</i>)	Wang Yu (<i>Employee Representative Director</i>)
Gao Guoqin (<i>Non-executive Director</i>)	
Ding Xuchun (<i>Non-executive Director</i>)	
Wang Jianfeng (<i>Non-executive Director</i>)	
Kou Yaozhou (<i>Non-executive Director</i>)	

Beijing, the PRC
28 October 2026