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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
FURTHER INFORMATION ON THE CAPITAL INCREASE IN SHIDAOWAN NUCLEAR

Reference is made to the announcement of Huaneng Power International, Inc. (the "**Company**") dated 28 October 2026 in relation to the capital increase in Shidaowan Nuclear (the "**Announcement**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, 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 total amount of the Capital Increase is RMB1,400 million, of which the Company will contribute RMB315 million. Following completion of the Capital Increase, the registered capital of Shidaowan Nuclear will increase from RMB6,243 million to RMB7,643 million and the Company's shareholding interest will remain unchanged at 22.5%.

The Company's participation in the Capital Increase constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules. As disclosed in the Announcement, the highest applicable percentage ratio in relation to the Company's participation in the Capital Increase exceeds 0.1% but is less than 5%. Accordingly, it is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement. The Company would like to provide the following further information in relation to the Capital Increase.

STATE-OWNED OWNERSHIP BACKGROUND OF STATE NUCLEAR AND WEIHAI RECHENG

The Announcement identified State Nuclear and Weihai Recheng and their respective direct shareholders, described the principal business activities of these two enterprises and included the Directors' confirmation of their independence and that of their respective ultimate beneficial owners. The following further information on their state-owned ownership structures and ultimate control relationships is provided in addition to that information.

STATE NUCLEAR

State Power Investment Group Co., Ltd. ("**SPIC**") holds approximately 92.0545% of the equity interest in State Nuclear and is its controlling shareholder. The remaining equity interests are held by China National Nuclear Corporation and China General Nuclear Power Group Co., Ltd., each holding approximately 3.9727%. SPIC is principally engaged in project investment, power generation development, electricity and heat businesses and is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council ("**State Council SASAC**"). Based on the above ownership and ultimate control relationships, the ultimate beneficial owner of State Nuclear is the State Council SASAC. The State Council SASAC is a special institution directly under the State Council which, as authorised by the State Council, performs the duties of an investor in accordance with the law and supervises the state-owned assets of central enterprises.

WEIHAI RECHENG

As disclosed in the Announcement, the two direct shareholders of Weihai Recheng are Weihai Thermal Power Group Co., Ltd. and Weihai City Investment Group Co., Ltd. The State-owned Assets Supervision and Administration Commission of the Weihai Municipal People's Government ("**Weihai SASAC**") indirectly controls Weihai Thermal Power Group Co., Ltd. through Weihai Industrial Investment Group, which wholly owns Weihai Thermal Power Group Co., Ltd. Weihai Thermal Power Group Co., Ltd. is principally engaged in power generation, electricity sales, heat production and supply, and the construction of heat supply networks.

Weihai SASAC holds a 90% equity interest in Weihai City Investment Group Co., Ltd., which is principally engaged in urban construction and development, investment and the operation and management of related urban construction assets. The Shandong Provincial Department of Finance holds the remaining 10% equity interest through Shandong Caixin Asset Operation Co., Ltd.

Based on the above ownership and ultimate control relationships, Weihai Recheng is ultimately controlled by Weihai SASAC, which is its ultimate beneficial owner. Weihai SASAC, as authorised by the Weihai Municipal People's Government, performs the duties of an investor in the relevant municipal state-owned enterprises in accordance with the law and supervises their state-owned assets. The above further information is consistent with the confirmation in the Announcement that, 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 Weihai Recheng and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons under the Hong Kong Listing Rules.

PROJECT DEVELOPMENT PLANS AND FUNDING REQUIREMENTS

Shidaowan Nuclear is responsible for the investment in and construction of Phase I of the expansion project of the Huaneng Shandong Shidaowan Nuclear Power Station, and its subsequent production and operation. The approved project comprises two 1,200 MW "Hualong One" nuclear power units. Construction of Unit 1 commenced in July 2024 and it is scheduled to commence power generation in July 2029. Construction of Unit 2 commenced in May 2025 and it is scheduled to commence power generation in May 2030. Upon completion, the project will help stabilise electricity supply in Shandong Province and optimise the energy structure of Shandong Province and North China.

The total investment in Phase I of the expansion project is RMB45,172 million. As at the end of 2025, cumulative investment completed amounted to RMB19,059 million. Investment of RMB4,138 million was completed from January to October 2026, bringing cumulative investment completed to RMB23,197 million. As construction progresses, Shidaowan Nuclear needs to make payments for equipment procurement, construction and installation works, and design and technical services in accordance with the project's progress and the relevant contractual arrangements.

Shidaowan Nuclear's planned capital expenditure for infrastructure construction in 2026 is RMB7,000 million, comprising the following:

Item	
	RMB million
Construction and installation works	2,696
Equipment procurement	2,597
Other project costs	1,407
Interest during construction	300
Total	**7,000**

BASIS FOR DETERMINING THE AMOUNT OF THE CAPITAL INCREASE AND ITS REASONABLENESS

Pursuant to the articles of association of Shidaowan Nuclear, 20% of the project investment is to be funded by capital contributions and the remaining 80% by bank loans. Accordingly, the capital contributions required for 2026 are RMB1,400 million, calculated as 20% of the planned investment of RMB7,000 million for that year. The amount of the Capital Increase was determined by reference to this annual investment plan and the capital contribution arrangement.

As disclosed in the Announcement, all shareholders of Shidaowan Nuclear will subscribe for the additional registered capital in cash pro rata to their respective existing equity holdings, at a subscription price of RMB1 for each RMB1 of additional registered capital, as follows:

Shareholder	**Cash contribution** *(RMB million)*
The Company	315
Huaneng Nuclear	420
State Nuclear	350
HIPDC	35
Weihai Recheng	280
Total	**1,400**

The subscription price of RMB1 for each RMB1 of additional registered capital was determined having regard to the purpose of the Capital Increase, namely for all existing shareholders to provide capital funding for the construction of the project through cash contributions pro rata to their respective existing shareholdings. All shareholders are subject to the same subscription price and capital contribution terms, and their respective shareholding percentages will remain unchanged following completion of the Capital Increase, with the Company's shareholding interest in Shidaowan Nuclear remaining at 22.5%.

PURPOSE AND USE OF THE CAPITAL CONTRIBUTIONS

Under Shidaowan Nuclear's monthly funding budget, the proceeds of the Capital Increase, together with bank loans, are intended to fund construction-related expenditure for Phase I of the expansion project, principally comprising: (i) RMB996 million for natural uranium procurement and progress payments under equipment procurement contracts, including those for distributed control systems (DCS), full-scope simulators, heat exchangers and switchgear; (ii) RMB289 million for progress payments for nuclear island civil works, conventional island construction and installation works, marine works and switchyard works; and (iii) RMB481 million for other project costs, including payments under design and technical service contracts. The above expenditure totals RMB1,766 million, of which RMB1,400 million will be funded by the proceeds of the Capital Increase and the remaining RMB366 million will be financed by Shidaowan Nuclear through bank loans. The Capital Increase will provide capital funding for such project construction expenditure in line with the annual investment plan and construction schedule, thereby meeting the project's funding needs and supporting its implementation as planned.

REASONS FOR THE COMPANY'S PARTICIPATION IN THE CAPITAL INCREASE AND THE BOARD'S VIEWS

For the Company, the Capital Increase will provide the capital funding required for the construction of the nuclear power project in which it has already invested, supporting the project's completion and commencement of operations as planned. Following its participation in the Capital Increase pro rata to its existing shareholding and concurrently with the other shareholders, the Company's shareholding interest in Shidaowan Nuclear will remain at 22.5%, enabling it to continue to participate, through that equity investment, in the project's business development after it commences operations and to seek long-term investment returns. Accordingly, the Capital Increase meets the Company's needs to advance its existing nuclear power project investment and optimise its asset portfolio.

The Company's contribution has been included in its established investment plans and funding budget, and the Company will fund its contribution of RMB315 million from its internal resources. Having considered the Company's current funding position and the funding requirements for its ordinary operations, other established investment plans and debt repayment arrangements, the Board considers that the Company has the financial capacity to fulfil its capital contribution obligation and expects that the contribution will not have a material adverse effect on those operational, investment and debt repayment arrangements.

Taking into account Shidaowan Nuclear's funding requirements for project construction, the alignment of the size of the Capital Increase with the project's annual investment plan and capital funding requirements, the arrangement for all shareholders to contribute pro rata on the same terms, and the Company's funding position and capital contribution arrangements, the Board considers that the Capital Increase will help meet the funding requirements for project construction and support the implementation of the project as planned, and is commercially necessary. Accordingly, as stated in the Announcement, the Board considers that the Capital Increase Agreement and the transactions contemplated thereunder were entered into on normal commercial terms and that their terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Save as disclosed in this announcement, all other information in the Announcement remains unchanged.

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
12 November 2026