THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any of the contents of this circular or as to what action to take in relation to this circular, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Huadian Power International Corporation Limited*** (the "**Company**"), you should at once hand this circular and the proxy form to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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華電國際電力股份有限公司

Huadian Power International Corporation Limited*

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

(Stock Code: 1071)

INTERIM CASH DIVIDEND DISTRIBUTION PLAN FOR 2026 AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

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

TC CAPITAL

A letter from the Board is set out on pages 5 to 34 of this circular. A letter from the Independent Board Committee in relation to the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and the proposed annual caps thereunder is set out on page 35 of this circular. A letter from TC Capital, containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and the proposed annual caps thereunder, is set out on pages 36 to 54 of this circular.

The EGM will be held at 2:30 p.m. on Wednesday, 16 December 2026 at Huabin International Hotel, No. 4 Xuanwumennei Street, Xicheng District, Beijing, the PRC. A notice convening the EGM is set out on pages 58 to 60 of this circular.

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the proxy form in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). The proxy form for the EGM must be deposited by hand or post to the Secretarial Office of the Board of the Company or the share registrar of the Company. Completion and return of the proxy form will not preclude you from attending the EGM and voting in person if you so wish.

20 November 2026

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In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"Board"	the board of directors of the Company;
"China Huadian"	China Huadian Corporation Ltd.*（中國華電集團有限公司）, a wholly PRC state-owned enterprise and the Controlling Shareholder of the Company, and where the context requires, means China Huadian and its subsidiaries as well as the companies whose 30% or more equity interests are directly or indirectly held by China Huadian;
"Company"	Huadian Power International Corporation Limited*（華電國際電力股份有限公司）, a Sino-foreign investment joint stock company limited by shares incorporated in the PRC, whose H shares and A shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively;
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules that apply to the Company;
"Controlling Shareholder"	has the meaning ascribed to it under the Hong Kong Listing Rules that apply to the Company;
"Directors"	the directors of the Company;
"EGM"	the extraordinary general meeting of the Company to be convened to consider and approve, among others, the continuing connected transactions and proposed annual caps under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and the Proposed Finance Lease Service Framework Agreement;
"Existing Finance Lease Service Framework Agreement"	the finance lease service framework agreement (from 1 January 2024 to 31 December 2026) entered into between Huadian Financial Leasing and the Company on 30 August 2023 in respect of the Finance Leases, supplemented by the supplemental agreement entered into on 22 August 2024, the principal terms of which have been disclosed in the announcements of the Company dated 30 August 2023 and 22 August 2024 and its circulars dated 14 November 2023 and 8 October 2024;

"Existing Purchase (Supply) of Fuel, Equipment and Services Framework Agreement"	the purchase (supply) of fuel, equipment and services framework agreement (from 1 January 2024 to 31 December 2026) entered into between China Huadian and the Company on 11 September 2023 in relation to the mutual supply of fuel and provision of products and services between China Huadian and the Group, the principal terms of which have been disclosed in the announcements of the Company dated 30 August 2023, 11 September 2023 and its circular dated 14 November 2023;
"Finance Leases"	the finance lease services provided by Huadian Financial Leasing to members of the Group pursuant to the Existing Finance Lease Service Framework Agreement and/or the Proposed Finance Lease Service Framework Agreement;
"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Huadian Financial Leasing"	Huadian Financial Leasing Company Limited*（華電融資租賃有限公司), a subsidiary of China Huadian as at the Latest Practicable Date;
"Huadian Tower"	China Huadian Tower*（中國華電大廈), an office building located at No. 2 Xuanwumennei Street, Xicheng District, Beijing, the PRC, which is wholly-owned by Beijing Huabin Investment Company Limited*（北京華濱投資有限公司);
"Independent Board Committee"	the independent committee of the Board, comprising all independent non-executive Directors, namely Mr. Wang Yuesheng, Ms. Shen Ling, Mr. Huang Kemeng and Ms. Su Min, appointed to advise the Independent Shareholders on the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and related matters pursuant to the requirements of the Hong Kong Listing Rules;

"Independent Financial Adviser" or "TC Capital"	TC Capital International Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement;
"Independent Shareholder(s)"	the Shareholders who are not required to abstain from voting for approving (i) the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and the proposed annual caps thereunder; and (ii) the Proposed Finance Lease Service Framework Agreement and the proposed annual caps thereunder pursuant to the Hong Kong Listing Rules;
"Latest Practicable Date"	20 November 2026, being the latest practicable date for ascertaining certain information contained in this circular;
"Miscellaneous and Relevant Services"	has the meaning ascribed to it under section III in the Letter from the Board of this circular;
"PRC"	the People's Republic of China;
"Proposed Finance Lease Service Framework Agreement"	the finance lease service framework agreement renewed and entered into between Huadian Financial Leasing and the Company on 29 October 2026 in respect of the Finance Leases;
"Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement"	the purchase (supply) of fuel, equipment and services framework agreement proposed to be renewed between China Huadian and the Company in relation to the mutual supply of fuel and provision of products and services between China Huadian and the Group;
"RMB"	Renminbi, the lawful currency of the PRC;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Share(s)"	share(s) with a par value of RMB1.00 each in the share capital of the Company;

"Shareholder(s)"	the shareholder(s) of the Company;
"SSE Listing Rules"	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange;
"subsidiary(ies)"	has the meaning ascribed to it under the Hong Kong Listing Rules that apply to the Company; and
"%"	per cent.

* *For identification purpose only*



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

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

(Stock Code: 1071)

Directors:
Liu Lei *(Chairman, Executive Director)*
Li Quancheng *(Vice Chairman, Executive Director)*
Zhu Peng *(Vice Chairman, Non-executive Director)*
Cao Min *(Non-executive Director)*
Zeng Qinghua *(Non-executive Director)*
Lin Lin *(Non-executive Director)*
Li Guoming *(Executive Director)*
Zhu Yueguang *(Executive Director)*
Wang Yuesheng *(Independent Non-executive Director)*
Shen Ling *(Independent Non-executive Director)*
Huang Kemeng *(Independent Non-executive Director)*
Su Min *(Independent Non-executive Director)*

Office address:
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31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

20 November 2026

To the Shareholders,

Dear Sir/Madam,

INTERIM CASH DIVIDEND DISTRIBUTION PLAN FOR 2026 AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

I. INTRODUCTION

Reference is made to the announcements of the Company dated 27 August 2026 and 29 October 2026 in relation to the interim cash dividend distribution plan for 2026 and the Continuing Connected Transactions.

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions regarding the following matters to be proposed at the EGM to enable the Shareholders to make their informed decisions as to how to vote on relevant resolutions at the EGM:

(i) the interim cash dividend distribution plan for 2026;

(ii) the continuing connected transactions under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and the proposed annual caps thereunder; and

(iii) the continuing connected transactions under the Proposed Finance Lease Service Framework Agreement and the proposed annual caps thereunder.

II. INTERIM CASH DIVIDEND DISTRIBUTION PLAN FOR 2026

The proposed interim cash dividend distribution plan for 2026 is set out below:

The third meeting of the eleventh session of the Board of the Company has proposed to declare an interim dividend of RMB0.09 per share (tax inclusive, based on the Company's total share capital of 11,611,774,184 shares) for 2026, amounting to approximately RMB1,045,059.68 thousand in aggregate (tax inclusive).

The 2026 interim dividend is expected to be distributed to eligible H Shareholders on or before 1 February 2027. Such dividend will be paid to holders of A Shares in RMB and to holders of H Shares in Hong Kong dollars. The actual amounts of dividend to be paid in HKD shall be converted at the average of the central parity rates of Hong Kong dollars against Renminbi to be announced by the People's Bank of China for the five business days prior to the date of the EGM.

If the interim dividend for 2026 is declared upon consideration and approval at the EGM, it is expected to be paid to those Shareholders who have been registered on the register of members of the Company on 24 December 2026. In order to ascertain the entitlements of the Shareholders to receive the interim dividend, the register of the members of H Shares of the Company will be closed from 22 December 2026 to 24 December 2026 (both days inclusive). In order to be entitled to the interim dividend, H Shareholders who have not registered their transfer documents are required to deposit the transfer documents together with the relevant share certificates with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 21 December 2026.

According to the Law on Enterprise Income Tax of the People's Republic of China which came into effect on 1 January 2008 and was amended on 24 February 2017 and 29 December 2018 and its implementation rules, and the Circular on the Issues Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》(國税函[2008]897號)) issued by the State Administration of Taxation on 6 November 2008, the Company is required to withhold enterprise income tax at the rate of 10% before distributing the dividend to non-resident enterprise Shareholders whose names appear on the H Share register of members. H Shares of the Company registered under the name of non-individual Shareholders, including HKSCC Nominees Limited, other nominees

or trustees, or other organizations and institutions, shall be deemed to be shares held by non-resident enterprise Shareholders. On the basis, the enterprise income tax shall be withheld from dividends payable to such Shareholders. The Company will distribute the dividend to such non-resident enterprise Shareholders after withholding the enterprise income tax at a rate of 10%.

Pursuant to provisions set out in the Circular on Issues Concerning Individual Income Tax Policies (Cai Shui Zi [1994] No. 20) (《關於個人所得税若干政策問題的通知》(財税字[1994]20號)) issued by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, individual foreigners are temporarily exempted from individual income tax on dividend distributed by foreign-invested enterprises. When the Company, as a foreign-invested enterprise, distributes the 2026 interim dividend to its individual foreign H Shareholders whose names appear on the Company's register of holders of H Shares on the relevant record date, the Company will distribute the 2026 interim dividend in full to such individual foreign H Shareholders.

Details in relation to profit distribution to investors who invest in the shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai Stock Exchange and the Shenzhen Stock Exchange or investors who invest in the shares of the Company listed on the Shanghai Stock Exchange through the Hong Kong Stock Exchange under the Shanghai-Hong Kong stock connect program and the Shenzhen-Hong Kong stock connect program will be disclosed in the EGM poll results announcement of the Company.

III. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

(I). PROPOSED PURCHASE (SUPPLY) OF FUEL, EQUIPMENT AND SERVICES FRAMEWORK AGREEMENT

1. Background

On 29 October 2026, the Board approved the Company's entering into the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement with China Huadian to renew the relevant continuing connected transactions with a term from 1 January 2027 to 31 December 2029. As disclosed in the announcement of the Company dated 29 October 2026, the transactions under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

2. Major Terms

The major terms of the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement are set out below:

Execution date: 3 November 2026

Parties: the Company; and China Huadian

Term: Three years commencing from 1 January 2027 to 31 December 2029

Transactions: ***Products and services provided by China Huadian to the Group***

(1) supply of fuel by China Huadian to the Group;

(2) provision of engineering equipment (including but not limited to transducers, recycled water and desulphurisation systems), systems, products, engineering and construction contracting projects and environmental protection system renovation projects by China Huadian to the Group;

(3) provision of supplies procurement services and the Miscellaneous and Relevant Services by China Huadian to the Group, mainly including:

(i) services in relation to the Group's production and operation of the generating units of power plants, mainly including overhauls and maintenance services, technological services such as testing of generating units and technology renovation and other services relating to production and operation;

(ii) financial agency service and property transaction agency service in the process of capital operations of the Group and other services;

(iii) the Group's carbon emission management and operation services;

(iv) relevant quota (such as the quota on power generation rights, the quota of "replacing small units with larger units" on shutting down small generating units) services for the operation and project development of the Group; and

(v) properties management services for the leasing of Huadian Tower, the office building of the headquarters of the Company (the above (i) to (v), collectively the "**Miscellaneous and Relevant Services**").

Products and services provided by the Group to China Huadian

(1) supply of fuel by the Group to China Huadian; and

(2) provision of products and services such as overhauls and maintenance of generating units of power plants and substitutive power generation and relevant quota services by the Group to China Huadian.

Price determination principles and internal procedures:

The consideration of the transactions under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement will be subject to mutual consent and confirmation by the parties to the agreement, as well as determinations after arm's length negotiation with reference to the then market price and prevailing market conditions. The Company has adopted appropriate internal procedures to ensure that (i) for transactions involving the provision of the products and services by China Huadian to the Group, the terms of such transactions will be fair and reasonable and no less favourable to the Group than those provided by independent third parties; and (ii) for transactions involving the provision of the products and services by the Group to China Huadian, the terms of such transactions will be fair and reasonable and no more favourable to China Huadian than those provided to independent third parties.

Mutual supply of fuel

In practice, the then market price of the purchase and sale of coal is generally determined by the local spot market price as at the time of the purchase or sales order. The local spot market price is usually determined with reference to the following principles:

(1) relevant quotations from two or more independent large-scale PRC coal enterprises. When selecting independent coal quotation providers, the Group will comprehensively consider the following criteria: The quotation provider (i) must be a third party independent of the Company and its connected persons; (ii) possesses a substantial scale of production or supply and a regional market position in the relevant coal production areas or coal sales areas; (iii) possesses a good business reputation, qualifications and a continuous and stable record of performance; and (iv) provides the types, qualities and delivery conditions of the coal which comply with the procurement requirements of the Group. When assessing whether quotations are comparable, the Group will select independent third-party quotations that are the same or similar to those of the coal to be purchased in terms of coal type, coal quality indicators, purchase quantity, supply period, delivery location and transportation mode, quotation time and validity period, payment and settlement conditions, etc. for comparison. If there are differences in the relevant quotations based on the above specific conditions, the business departments of the Group will, in accordance with industry practice, make quantitative adjustments to factors such as differences in coal quality like calorific value, transportation distance and logistics loading and unloading costs, credit period and payment terms, etc., to establish a unified price comparison standard. Meanwhile, the Group will also have regard to independent coal price indices for the same period, such as the National Coal Exchange Comprehensive Price Index (NCEI), the Bohai-Rim Steam-Coal Price Index (BSPI), the Qinhuangdao Steam Coal Composite Transaction Price (CCTD) and the Coastal Index of the China Electricity Coal Index of the China Electricity Council (CECI) to comprehensively assess whether the quoted price is within a reasonable market price range; and

(2) If there are no relevant quotations, the coal price shall be determined by reference to the above-mentioned certain independent coal price indices. These indices are compiled and published regularly by independent third-party institutions through the following channels: the National Coal Exchange Comprehensive Price Index (NCEI) is published on the official website of the National Coal Exchange; the Bohai-Rim Steam-Coal Price Index (BSPI) is published on designated platforms, including CQ Coal and the Shipping Coal websites; the Qinhuangdao Steam Coal Composite Transaction Price (CCTD) is published on the China Coal Market website; and the Coastal Index of the China Electricity Coal Index (CECI) is published on the official website of the China Electricity Council and through authorised media outlets. These indices reflect coal price levels and trends in their respective markets.

Regarding the internal procedure for the purchase of coal, the Group primarily conducts consolidated and large-scale coal procurement through Huadian Group Beijing Fuel Logistics Co., Ltd.*（華電集團北京燃料物流有限公司） ("**Beijing Fuel Logistics**"), a subsidiary it held as to 91%. Based on fuel demand, and with reference to market pricing such as coal price indices and the annual long-term contract prices for various coal purchases, Beijing Fuel Logistics determines the maximum purchase price limit with the Group's regional companies and power plants and obtains reference prices from market coal suppliers on the fuel bidding platform. In the case that there are insufficient suppliers[1], Beijing Fuel Logistics will adopt price negotiation to determine the purchase price of coal. The specific negotiation procedures and internal control guarantee measures are as follows:

[1] It refers to less than two independent suppliers that are capable and willing to provide coal that meets the specific technical and delivery requirements of the Group at specific procurement time and under specific procurement conditions. Such circumstances usually occur: (i) during peak seasons for market demand for coal and when the supply of regional coal markets is tight; and/or (ii) when the purchases are ad-hoc urgent, single-batch purchase volumes are larger or delivery window periods are shorter due to extreme weather, limited transportation capacity or sudden supply guarantee tasks.

(a) To conduct multi-dimensional price comparison and negotiation: Beijing Fuel Logistics will liaise and negotiate with suppliers who have the capacity to supply, comprehensively compare the latest bidding results for the same type of coal on the fuel bidding platform, the transaction conditions of the surrounding markets during the same period, and the composition of suppliers' quotations, and formulate a preliminary price negotiation proposal;

(b) Hierarchical review and countersignature for large-value contracts: The price negotiation proposal and procurement contracts shall be subject to the Group's hierarchical approval procedures implemented by Beijing Fuel Logistics. Where the value of a single procurement contract is or exceeds RMB36 million, the contract shall further be submitted to the relevant departments of the Company for joint countersignature, review and approval before signature; and

(c) Special supervision on connected transactions: If the relevant procurement constitutes a connected transaction, the securities management department of the Company will also be responsible for tracking and statistics of the transaction amount and performing independent supervisory functions, verifying whether the price negotiation process complies with the above pricing principles and internal control procedures, to ensure that the final purchase price is fair and the transaction terms are not less favourable to the Group than those provided by independent third parties, and the cumulative transaction amounts will not exceed the applicable annual caps.

In addition, the then market price of the sale of coal by the Group is also generally determined with reference to the local spot market price as at the time of the sales order. The local spot market price is usually determined with reference to the price for the sale of coal as set by the largest supplier of coal by production output in the relevant locality (such price is industry knowledge and a practice followed by other suppliers of coal, which the Company believes is reliable, and may be obtained through quotations for the purchase of coal as discussed above or through the network channels of the Company). The sales prices set by the above-mentioned largest coal supplier will be independently verified and cross-compared by the safety and operations management department of the Company through the following procedures:

(a) To compare the regional market price levels and trends reflected by authoritative and independent coal price indices of the same period (such as the NCEI, BSPI, CCTD and CECI);

(b) To verify the actual transaction prices and contract terms of the same or similar coal types sold by the Group to independent third-party customers during the corresponding period; and

(c) To collect and compare the publicly listed prices of other major coal production enterprises in the region, as well as the transaction prices of the same types of coal in the prevailing markets of the surrounding major coal mines and related transshipment ports.

After completion of the above independent verification, the safety and operations management department will determine the final sales price of coal, taking into account the specific coal quality indicators of the coal to be sold, the cost of the Group's production or purchase of such coal, and the market supply and demand situation at that time, to ensure that the prices and terms at which the Group sells coal to China Huadian are not less favorable to the Group than those at which it sells the same type of coal to independent third parties. In addition, if the relevant sale constitutes a connected transaction, the securities management department of the Company shall be responsible for counting transaction amounts and performing supervision functions. All relevant price comparison certificates, index records and approval documents will be properly filed and retained, subject to periodic spot checks by the compliance and supervision departments of the Company, as well as annual review by the independent non-executive directors and auditors.

In terms of purchasing natural gas, the price of natural gas is currently prescribed by the Chinese government uniformly. The gas-fired power generation enterprises under the Group purchase the natural gas required for power generation at the prices stipulated by the provincial Development and Reform Commission. If the Chinese government implements relevant policies, regulations or guidelines on changing such price, the price of natural gas purchased by the Group shall be adjusted accordingly from the implementation date of such policies, regulations or guidelines.

Other products and services provided by China Huadian to the Group

The consideration for the provision of products and main services by China Huadian to the Group as contemplated under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement will be determined by reference to the following pricing principles:

(1) pricing will mainly be determined through a bidding process. The bidding process will adhere to the relevant laws and regulations including the Law of the PRC on Tenders and Bids (《中華人民共和國招標投標法》). The Company will refer to the Management Measures for Bidding of Power Production Engineering of Huadian Power International Corporation Limited*. As set out in the Management Measures for Bidding, the Company will make bid initiations setting out, among other things, the specifications and requirements (including technicality, quality and pricing) of the relevant projects of provision of services, the criteria for assessing the contractors, and the requirements for the bid price. The entire bidding process will be controlled by the leading group for the production engineering bidding, which is led by the deputy general manager in charge of such matter of the Company and consists of the safety and operation management department, the finance and assets department and the securities management department. The leading group for the production engineering bidding is the decision-making body of the Company for production engineering bidding and is mainly responsible for (i) ensuring the adherence to the procedures as set out in the Law of the PRC on Tenders and Bids; (ii) establishing the guiding principles and policies of the Company's system production engineering bidding, and making decisions on major issues during the bidding; (iii) reviewing and determining the rules and regulations and normative documents of the Company's production engineering bidding; and (iv) reviewing and determining the bidding applications, bid evaluation results and the non-bidding applications for the projects that must be tendered for various reasons; and

(2) the bid price offered by the successful bidder under the abovementioned bidding process is subject to further arm's length negotiation between the Company and the successful bidder. Under such circumstances, the Company would make reference to the historical prices and pricing trends of the relevant services and products and ensure that the bid price offered by the successful bidder would be fair and reasonable to the Company and its Shareholders as a whole.

Services provided by the Group to China Huadian

The consideration for the provision of services by the Group to China Huadian as contemplated under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement will be determined with reference to (i) the costs incurred by the Group in providing such services; and (ii) the service fees charged by the Group to independent third parties in providing similar services. With reference to the range of historical profit margin for such services, the pricing process will typically involve an increase by 8% to 20% based on the cost price. The range of cost plus profit margin of 8% to 20% is determined by the Company after comprehensively considering the labor, material and technology investment costs for providing related services, the historical profit margin levels of the Group in providing same types of services to independent third parties in the past, the varying degrees of difficulty of bidding (chance of winning the bid), and referring to the publicly disclosed market levels of cost plus profit margin of peers and Hong Kong-listed companies for same types of or similar services[2]. The Group will determine applicable profit margin by taking into account the difficulty of bidding, mainly because the Group generally needs to participate in tendering or comparison selection procedures organised by China Huadian and compete with other market participants when providing overhaul, routine maintenance and technical services for power plant units to China Huadian. The specific impact of the difficulty of bidding on the applicable profit margin is set out below:

[2] Market comparable cases include: (a) Reference cases for the lower and mid limits of the profit margin range: In the circular on continuing connected transactions of IRICO Group New Energy Company Limited (Stock Code: 0438.HK) dated 29 November 2024, the cost plus profit margin range adopted for engineering equipment and installation technical services was 5% to 10%. In the circular on continuing connected transactions of CGN Power Co., Ltd.* (Stock Code: 1816.HK) dated 18 September 2025, it disclosed that its profit margins were generally at approximately 10% when adopting cost plus pricing for power technology and maintenance-related services; and (b) A reference case for the upper limit of the profit margin range: In the announcement on continuing connected transactions of Lonking Holdings Limited (Stock Code: 3339.HK) dated 31 December 2025, the upper limit of the cost plus profit margin for relevant industrial components and supporting transactions does not exceed 20% of the actual cost. Accordingly, the profit margin range of 8% to 20% is generally consistent with prevailing market pricing levels for connected transactions in the power and industrial equipment sectors.

(a) For projects with a high degree of regularity, standardization or relatively low technical threshold, there are a large number of suppliers with corresponding qualifications and participating in the bidding in the market, making it more difficult for the Group to successfully win the bid. Under such circumstances, in order to maintain the market competitiveness of the quotations and increase the winning rate, the Group will quote with a profit margin close to the lower limit of the range on the premise of ensuring cost coverage and obtaining reasonable returns;

(b) Conversely, for service projects with high technical complexity, stringent professional qualification requirements and high operational risks and difficulty, there are fewer potential bidders with valid qualifications in the market. Leveraging its own technical advantages, the Group has a relatively high certainty of winning the bid. Meanwhile, given that such high-difficulty projects require greater investment of technical resources and assume higher technical risks, the Group will quote at a profit margin close to the mid-to-upper limits of the range.

Regardless of the value adopted within the range of 8% to 20%, the relevant departments of the Company shall review the quotation proposal in advance and compare the fees and profit margin levels charged by the Group for same types of services provided to independent third parties during the same period, to ensure that the service fees and profit margin charged to China Huadian are not lower than those applicable to same services provided by the Group to independent third parties.

For the overhauls and maintenance services of generating units of power plants, the estimated bidding price will be provided based on historical experience, taking into account the size and the depreciation of the units; for substitutive power generation services, whether to participate in the bidding will be mainly based on the market price set by the local government and the abovementioned reference factors.

Regarding the internal procedure for the provision of services by the Group to China Huadian, the relevant business department of the Company providing the relevant services shall propose service fees for the provision of such services with reference to the abovementioned factors, and the safety and operation management department of the Company shall comprehensively assess whether the quotations set for the projects are reasonable and do not prejudice the interests of the Company with reference to the various costs and expenses of the projects and the service quotations. As the transactions concerned constitute connected transactions of the Company, the securities management department of the Company shall be responsible for computing the transaction amounts and exercising supervision functions to ensure the fairness of the prices of the connected transactions. The finance and assets department of the Company shall also review and approve such service fees based on the same assessment criteria, with the final approval made by the deputy general manager of the Company responsible for the relevant services.

The Company's independent non-executive Directors will conduct annual reviews of the transactions under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement to ensure compliance with the Company's internal approval procedures, the terms of the relevant agreement and the relevant listing rules.

The Company's auditors will conduct annual reviews of the continuing connected transactions under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement.

Conditions precedent: The Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement is conditional upon independent Shareholders' approval at the general meeting.

3. Historical Amounts

The actual amounts and the annual caps of the historical transactions under the Existing Purchase (Supply) of Fuel, Equipment and Services Framework Agreement for the two years ended 31 December 2025 and for the six months ended 30 June 2026 are set out below:

Transactions	For the year ended 31 December 2024		For the year ended 31 December 2025		Actual amount for the six months ended 30 June 2026	Annual caps for the year ending 31 December 2026
	Actual amount *(RMB million)*	Annual caps *(RMB million)*	Actual amount *(RMB million)*	Annual caps *(RMB million)*	*(RMB million)*	*(RMB million)*
Expenditure						
(a) Purchase of fuel from China Huadian by the Group	15,723	18,000	10,957	18,000	4,830	18,000
(b) Provision of engineering equipment, systems, products and engineering and construction contracting projects, environmental protection system renovation projects and the Miscellaneous and Relevant Services by China Huadian to the Group[Note 1]	2,217	8,000	2,838	8,000	1,060	8,000
Revenue						
(c) Sale of fuel and relevant services to China Huadian by the Group[Note 2]	8,470	13,000	6,826	13,000	3,156	13,000

Note 1: The difference between the actual amount and annual caps for fees of provision of engineering equipment, systems, products and engineering and construction contracting projects, environmental protection system renovation projects and the Miscellaneous and Relevant Services by China Huadian to the Group is mainly due to longer engineering cycles of the Group's new projects such as pumped storage, and there was no large-scale procurement contracts entered into from 2024 to 2026.

Note 2: The difference between the actual amount and annual caps for fees of sale of fuel and relevant services to China Huadian by the Group is mainly due to a decline in the average price of domestic thermal coal from 2024 to 2025.

4. Proposed Annual Caps

The Board proposes the annual caps for the transactions contemplated under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement for the three years ending 31 December 2029 as follows:

Transactions	**Proposed annual caps for the year ending 31 December 2027** *(RMB million)*	**Proposed annual caps for the year ending 31 December 2028** *(RMB million)*	**Proposed annual caps for the year ending 31 December 2029** *(RMB million)*
Expenditure			
(a) Purchase of fuel from China Huadian by the Group	18,000	18,000	18,000
(b) Provision of engineering equipment, systems, products and engineering and construction contracting projects, environmental protection system renovation projects and the Miscellaneous and Relevant Services by China Huadian to the Group	8,000	8,000	8,000
Revenue			
(c) Sale of fuel and provision of relevant services to China Huadian by the Group	13,000	13,000	13,000

In the process of estimating the annual caps for the purchase of fuel from China Huadian for the three years ending 31 December 2029, the Company has considered the following factors:

(i) given the prudent approach taken by regulatory authorities towards the scale of connected transactions, the Group intends to keep the annual caps for the purchase of fuel from China Huadian unchanged so as to strictly control the volume of connected transactions;

(ii) the actual transaction amount of purchases of fuel under the Existing Purchase (Supply) of Fuel, Equipment and Services Framework Agreement for the half year ended 30 June 2026 is RMB4,830 million, and it is estimated that the actual transaction amount will climb close to the annual caps during the fourth quarter of 2026 due to the large amount of settlement, which is in line with the Group's previous practice that the majority of historical transaction amounts were recorded in the fourth quarter of the financial year. Based on preliminary statistics from the unaudited management accounts of the Group, the actual transaction amount for fuel purchased by the Group from China Huadian amounted to approximately RMB7 billion for the nine months ended 30 September 2026. Given that northern regions fully enter the winter heating season starting from the fourth quarter, the load and coal consumption of thermal power units will rise significantly. In accordance with industry and the Group's historical settlement practices, the fourth quarter at the end of the year represents the peak period for fuel purchase settlements. Coupled with the recent significant rebound in domestic steam coal market prices, the Company estimates that the total transaction amounts for fuel purchases from China Huadian for the full year of 2026 will range from approximately RMB15 billion to RMB16 billion (representing from approximately 83.3% to 88.9% of the annual cap of RMB18 billion for 2026);

(iii) the expected economic growth of China is expected to drive up the total electricity consumption of the whole society, and there is a possibility that the coal price will increase to a relatively high level and fluctuate at that high level; and

(iv) the historical average procurement volume of coal purchased by the Group from China Huadian in 2024 and 2025 was approximately 21.00 million tonnes. Using the Group's unit price of standard coal converted from coal-into-furnace in the third quarter of 2026 (i.e. RMB951.54 per tonne of standard 7,000 kcal coal) as the conversion basis, the estimated procurement price for 5,000 kcal thermal coal is approximately RMB680 per tonne. Based on the Caofeidian Index of the latest China Electricity Coal Index of the China Electricity Council (CECI) released on 12 November 2026, the price of 5,000 kcal thermal coal was RMB920 per tonne. The Group expects that the coal-fired prices will continue to fluctuate significantly in the future, and

therefore the Group shall fully reserve sufficient headroom for price fluctuations when setting the annual caps. The Group expects that its coal procurement volume from China Huadian for the three years ending 31 December 2029 will remain at the historical average annual procurement level, i.e., 21 million tonnes per year. Based on the above prices of RMB680 and RMB920 per tonne for 5,000 kcal thermal coal respectively, the annual transaction amount is estimated to range from approximately RMB14.28 billion to RMB19.32 billion. Therefore, taking into account the estimated annual procurement volume and the fluctuation situation of coal prices, the annual cap of RMB18 billion proposed to be maintained by the Group is basically consistent with the future demand. The Group will maintain monitoring of procurement volume and control over the fairness of procurement prices within the normal range of market fluctuations, ensuring that the amount of connected transactions remains within the caps and safeguarding the overall interests of all Shareholders of the Company.

In the process of estimating the annual caps for provision of engineering equipment, systems, products and engineering and construction contracting projects, environmental protection system renovation projects and the Miscellaneous and Relevant Services by China Huadian for the three years ending 31 December 2029, the Company has considered the following factors:

(i) the historical transaction amounts for the three years ending 31 December 2026 as well as the expected transaction amounts;

(ii) construction cycle of the Group's projects: The transaction amount for the Group's purchases of engineering equipment, projects and services from China Huadian is directly dependent on the timeline for the approval of the Group's various new power supply projects (in particular pumped storage projects and large-scale thermal power projects) and their progression into substantive main construction and equipment delivery phases:

(a) During 2024 to 2025, the scale of the Group's conventional power supply projects under construction was maintained at approximately 5,000 MW to 6,000 MW. However, as pumped storage power station projects involve complicated geological exploration, ecological and environmental impact assessments, approvals for forest land use, land acquisition and resettlement, as well as grid connection system approvals and other preliminary formalities, the overall administrative approval and tender preparation cycle have been longer than originally planned. As a result, none of the Group's pumped storage projects commenced construction in 2024. Only one small-scale pumped storage project with an installed capacity of 300 MW started construction in 2025. The commencement dates of other pumped storage projects

with a total installed capacity of approximately 5,400 MW originally scheduled to start construction during 2024 to 2025 were all later than initially anticipated.

(b) Pursuant to the latest project schedule, the aforesaid pumped storage projects with a total installed capacity of approximately 5,400 MW will commence formal construction successively in 2026 and 2027, with an overall construction cycle of 5 to 6 years. The peak period for the signature and settlement of contracts for core main equipment procurement, electromechanical installation and main works contracting will be deferred and concentrated in 2027 to 2029. Accordingly, the period from 2024 to the first half of 2026 has not yet entered the intensive signature and settlement period for large procurement contracts, resulting in relatively low actual transaction amounts in the past; and

(iii) pursuant to the latest project construction plan of the Group, the coal-fired power "replacing small units with large units" projects (shutting down small generating units and constructing new large, efficient and clean coal-fired power generating units) and the aforesaid pumped storage projects with a total installed capacity of approximately 5,400 MW will enter the main construction phase successively in the coming period of time. Based on the Group's past project construction experience, on a prudent basis, the Group intends to maintain the proposed annual cap at RMB8 billion for each year from 2027 to 2029. Such cap is in line with the Group's estimated annual capital expenditure on infrastructure and technical renovation for 2027 to 2029. It will cater to the procurement requirements of the aforesaid ongoing and new projects and is fully reasonable.

In the process of estimating the annual caps for the sale of fuel and related services to China Huadian for the three years ending 31 December 2029, the Company has considered the following factors:

(i) the historical transaction amounts for the three years ending 31 December 2026 as well as the expected transaction amounts; and

(ii) The Group expects that China Huadian's demand for fuel and related services will remain stable for the three years ending 31 December 2029. In 2024 and 2025, the Group's average annual sales volume of coal sold by the Group to China Huadian was approximately 14 million tonnes. Based on the prices of RMB680 or RMB920 per tonne for 5,000 kcal thermal coal, the annual transaction amount of coal sales for each of the three years ending 31 December 2029 is expected to be approximately RMB9.52 billion and RMB12.88 billion, respectively. Meanwhile, the average annual transaction amount for relevant services provided by the Group to China Huadian in 2024 and 2025 was approximately RMB500 million. Taking into account the estimated sales

amounts of the aforesaid fuel and related services, the Group's annual sales amount for the three years ending 31 December 2029 will range from approximately RMB10.02 billion to RMB13.38 billion.

5. Reasons for and Benefits of Extension of the Existing Continuing Connected Transactions

The coal mines of the Group and China Huadian are in different localities in which the mutual provision of coal may reduce the overall cost for the procurement of coal. In addition, a subsidiary of the Group is primarily engaged in coal trading services, through which the Group is able to enhance its bargaining power in the process of coal procurement by way of bulk procurement and sales, and reduce the overall cost for coal procurement of the Group accordingly. The mutual provision of relevant services between China Huadian and the Group provides more efficient allocation of labour (in that the timing for the needs of the relevant services which are generally of a maintenance nature may differ). Considering the long-term relationship between the Group and China Huadian, the Company considers that it is beneficial to enter into the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement with China Huadian as such transactions have facilitated the growth of the principal business and installed capacity of the Group.

6. Hong Kong Listing Rules Implications

China Huadian is the Controlling Shareholder of the Company (which directly and indirectly holds approximately 45.63% of the total issued share capital of the Company as at the Latest Practicable Date) and thus a connected person of the Company under the Hong Kong Listing Rules. The connected transactions under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement will be carried out on a continuing or recurring basis in the ordinary and usual course of business of the Group and accordingly will constitute continuing connected transactions of the Company under the Hong Kong Listing Rules upon entering into the agreement.

As one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Hong Kong Listing Rules) in respect of the transactions under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement exceeds 5%, the transactions contemplated thereunder are subject to the reporting, announcement and the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

(II). PROPOSED FINANCE LEASE SERVICE FRAMEWORK AGREEMENT

1. Background

On 29 October 2026, the Company entered into the Proposed Finance Lease Service Framework Agreement with Huadian Financial Leasing to renew the relevant continuing connected transactions with a term from 1 January 2027 to 31

December 2029. As disclosed in the announcement of the Company dated 29 October 2026, the transactions under the Proposed Finance Lease Service Framework Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Hong Kong Listing Rules) in respect of the transactions under the Proposed Finance Lease Service Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Although the Proposed Finance Lease Service Framework Agreement and the transactions contemplated thereunder are exempt from the Independent Shareholders' approval requirement under the Hong Kong Listing Rules, such transactions (as related party transactions) are subject to the approval by the Independent Shareholders at the general meeting of the Company pursuant to the SSE Listing Rules.

2. Major Terms

The major terms of the Proposed Finance Lease Service Framework Agreement are set out below:

Execution date:	29 October 2026
Parties:	the Company; and Huadian Financial Leasing
Term:	Three years from 1 January 2027 to 31 December 2029.

Transactions:

(1) provision of direct lease services (the "**Direct Lease**") to the Group by Huadian Financial Leasing, among which Huadian Financial Leasing will acquire equipment from supplier(s) according to the choice and requirements of the Group and then lease the equipment as leased property to the Group; the Group shall purchase the relevant equipment under each Direct Lease at a nominal consideration of RMB1 upon the expiry of the lease period of each of the Direct Lease; and

(2) provision of sale and leaseback services (the "**Sale and Leaseback**") to the Group by Huadian Financial Leasing, among which Huadian Financial Leasing will acquire equipment from the Group and then lease the same equipment back to the Group; the Group shall purchase the relevant equipment under each of the Sale and Leaseback at a nominal consideration of RMB1 upon the expiry of the lease period of each of the Sale and Leaseback.

The maximum daily balance of financing that the Group may obtain from Huadian Financial Leasing during the period of the Proposed Finance Lease Service Framework Agreement is RMB6,000 million.

Price determination principles:

The finance costs of services to be provided by Huadian Financial Leasing under the Proposed Finance Lease Service Framework Agreement will be determined based on a cost that (i) is not higher than the finance costs for equivalent business for other financial leasing companies in the PRC during the same period and for the same term; and (ii) is not higher than the finance costs for same type of services offered by Huadian Financial Leasing to other member companies within China Huadian.

In respect of each specific agreement to be entered into between the relevant member(s) of the Group and Huadian Financial Leasing, the following factors will be considered in determining the principal and interest payable for the finance lease services:

(1) the value of the assets expected to be subject to finance leasing; and

(2) the prevailing interest costs in the market, including but not limited to the finance cost or borrowing cost of finance enterprises (i.e., the enterprises under the Company) within the Group.

In practice, the consideration is subject to mutual consent and confirmation by the parties to the agreement, as well as determination after arm's length negotiation with reference to the then market interest rate and prevailing market conditions, and on terms no less favourable than those with independent third parties.

In addition, the Company would make reference to the historical prices and price trends of the relevant finance lease services and ensure that such price would be fair and reasonable to the Company and its Shareholders as a whole.

Conditions precedent: The Proposed Finance Lease Service Framework Agreement is conditional upon approval of the Company's Independent Shareholders at the general meeting.

3. Internal Control Measures

Before entering into any specific agreements pursuant to the Proposed Finance Lease Service Framework Agreement, the Company will follow the following procedures to ensure that the terms offered by the relevant connected persons of the Company are no less favourable than those available to or from independent third parties (as the case may be):

(1) the relevant executives of the relevant department (such as the finance and assets department) of the Company will review contemporaneous prices and other relevant terms offered by at least two independent third parties before the commencement of the relevant transaction, and ensure that the terms offered by the relevant connected persons of the Company are fair and reasonable and compare the terms to those offered by independent third parties; and in case where the offers made by independent third parties are more favourable to the Company, the Company will take up those offers; and only upon the approval by relevant deputy general manager in charge of such matter, the specific agreements can be entered into;

(2) the supervision department of the Company will periodically review and inspect the process of the relevant continuing connected transactions for assessing whether the transactions under each specific agreement are conducted in accordance with the terms thereof;

(3) the Company's independent non-executive Directors will conduct annual reviews of the transactions under the Proposed Finance Lease Service Framework Agreement to ensure compliance with the Company's internal approval procedures, the terms of the relevant agreements and the relevant listing rules; and

(4) the Company's auditors will also conduct annual reviews of the continuing connected transactions under the Proposed Finance Lease Service Framework Agreement.

By implementing the above procedures, the Directors consider that the Company has established sufficient internal control measures to ensure the pricing basis of each specific agreement to be entered into pursuant to the Proposed Finance Lease Service Framework Agreement will be on normal commercial terms, fair and reasonable, in accordance with the pricing policy of the Company and in the interests of the Company and its Shareholders as a whole.

4. Historical Amounts

The actual amounts and the annual caps of the historical transactions under the agreements in respect of provision of finance lease services entered into between the Group and Huadian Financial Leasing for the two years ended 31 December 2025 and the six months ended 30 June 2026 are set out below:

	For the year ended 31 December 2024		**For the year ended 31 December 2025**		**For the six months ended 30 June 2026**	**For the year ending 31 December 2026**
Transactions[*Note*]	**Actual amount** *(RMB million)*	**Annual cap** *(RMB million)*	**Actual amount** *(RMB million)*	**Annual cap** *(RMB million)*	**Actual amount** *(RMB million)*	**Annual cap** *(RMB million)*
Direct Lease	5	1,500	0	2,000	679	2,000
Sale and Leaseback	120	500	0	2,000	0	2,000

Note: The difference between the actual amounts and annual caps for the Direct Lease and the Sale and Leaseback is mainly due to the relatively long approval cycle of the procedures for the new projects followed up by the Group, and the payment cycle for the equipment is not yet due.

5. Proposed Annual Caps

For the purpose of the Hong Kong Listing Rules, the Direct Lease involves "acquisition", while the Sale and Leaseback constitutes "disposal".

The Board proposes the annual caps for new transactions for each of the Direct Lease and the Sale and Leaseback under the Proposed Finance Lease Service Framework Agreement for the three years ending 31 December 2029 as follows:

Transactions	**Proposed annual cap for the year ending 31 December 2027** *(RMB million)*	**Proposed annual cap for the year ending 31 December 2028** *(RMB million)*	**Proposed annual cap for the year ending 31 December 2029** *(RMB million)*
Direct Lease	2,000	2,000	2,000
Sale and Leaseback	2,000	2,000	2,000

When estimating the abovementioned annual caps, the Company has principally considered the following factors:

(1) Estimated actual transaction amounts for 2026:

As stated above under "III. Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement – 4. Proposed Annual Caps – (ii) Construction Cycle of the Group's Projects", some new pumped storage and gas-fired power generation projects of the Group have a longer preliminary administrative approval and project tender preparation cycle, which has resulted in a corresponding deferral of the actual commencement of projects and payment timelines for equipment procurement, and consequently the amounts generated through the Direct Lease in 2025 and the first half of 2026 being lower than originally planned. Meanwhile, the Group's financing demand for Sale and Leaseback business in respect of its operating projects is subject to the window period for the replacement of existing loans and fluctuations in funding costs. No drawdowns were made in 2025 and the first half of 2026, while the relevant financing plan is scheduled to be implemented in a concentrated manner in the second half of 2026. The actual transaction amounts for the Direct Lease and the Sale and Leaseback for 2026 are estimated as set out below:

(i) Direct Lease: For the six months ended 30 June 2026, the Group's Chongqing gas turbine project has utilised RMB679 million under the Direct Lease. In addition, the Anhui Xixingchong Pumped Storage Project, the Group's newly built pumped storage project, has completed the preliminary approval stage, and it is estimated that approximately

RMB90 million under the Direct Lease will be utilised in the remaining period of 2026. Accordingly, the total actual utilisation amount under the Direct Lease for the full year of 2026 is estimated to be approximately RMB770 million.

(ii) Sale and Leaseback: With the advancement of financing and working capital replenishment requirements for existing in-operation thermal power projects in the second half of 2026, the Group is currently following up on the Sale and Leaseback financing with an estimated scale of approximately RMB1.5 billion to be implemented in the fourth quarter of 2026. The utilisation rate will be 75% of the annual cap for the Sale and Leaseback for 2026 (RMB2 billion).

The relatively low utilisation amounts in the past periods (in particular 2025 and the first half of 2026) were solely attributable to the progress of project approvals and the postponement of the occurrence time for the relevant transactions, and do not represent a reduction in the actual demand of the Group for financial leasing services.

(2) the Group's future development plans and its demand for the finance lease services by Huadian Financial Leasing arising from the Group's daily operation and development:

The Group's capital needs for the Direct Lease will be mainly for pumped storage projects under construction and gas-fired power generation projects. During the agreement period from 2027 to 2029, the Group's pumped storage projects and gas-fired power generation projects will enter a peak period of comprehensive construction, equipment installation and commissioning. The annual cap of RMB2 billion for the Direct Lease (calculated by reference to the total value of right-of-use assets) is reasonable and prudent to cater to the financing requirements under the Direct Lease for core equipment of new projects. The Group's capital needs for the Sale and Leaseback will be mainly for operating coal-fired projects. With reference to the scale of approximately RMB1.5 billion of the Sale and Leaseback business expected to be implemented in 2026, and taking into account the sustained financing requirements of numerous operating coal-fired power generation projects of the Group from 2027 to 2029 in respect of energy saving and transformation for carbon reduction, flexibility transformation, ongoing debt structure optimisation and other matters, maintaining an annual cap of RMB2 billion for the Sale and Leaseback (equivalent to a reasonable buffer of approximately 25% reserved on the basis of the estimated actual transaction amount of RMB1.5 billion in 2026) will enable the Group's operating and new projects to obtain stable and low-cost funding support. With overall consideration on the capital needs of those projects, the Company had calculated the total value of right-of-use assets of the Direct Lease and the estimated amount incurred under the Sale and Leaseback and set the annual caps at RMB2,000 million, respectively,

which will be able to ensure that the Proposed Finance Lease Service Framework Agreement will provide sufficient funds for the financing of the projects of the Group.

(3) the nature, value and expected use life of the equipment to be leased to the Group; and

(4) the capability and flexibility of Huadian Financial Leasing in providing finance lease services to the Group.

The two concepts of "maximum daily balance" and "total value of right-of-use assets" are generally irrelevant, as the "maximum daily balance" is calculated in terms of the accumulative balance of all ongoing financial leasing by the Group from Huadian Financial Leasing as required by, and for the purpose of complying with, the applicable regulatory requirements under the SSE Listing Rules, while the "total value of right-of-use assets" is calculated and set as the annual cap for the Direct Lease under the Proposed Finance Lease Service Framework Agreement pursuant to the Hong Kong Listing Rules.

In accordance with the requirements under the SSE Listing Rules, the Company's maximum daily balance has been set based on the latest financing balance and the expected capital needs for the agreement period, including: (i) the maximum daily balance of financing by the Group from Huadian Financial Leasing as at the end of 2024 and 2025 was RMB516 million and RMB206 million, respectively; (ii) the expected capital needs of the Group's major project companies for the agreement period are from the coal-fired power generation and gas-fired power generation projects under construction; and (iii) the Company needs to have some buffer for the financing for new Direct Lease and Sale and Leaseback projects that may emerge during the agreement period. Setting the maximum daily balance at RMB6,000 million will ensure that the Group's projects under construction and new projects will receive sufficient financing to meet the Group's needs for development.

Based on the data on the length of lease periods of the Group's finance leases, the Direct Leases have an average lease period of approximately 22.5 years, and the Sale and Leasebacks have an average lease period of approximately 6 years. The Group's operation is rather stable and its project construction is on an orderly and gradual pace, and as a result, there will not be significant fluctuation in the length of lease periods of our Direct Leases and Sale and Leasebacks.

6. Reasons for and Benefits of Renewing and Entering into the Proposed Finance Lease Service Framework Agreement

As the fiscal year in Mainland China starts from 1 January to 31 December of each year, considering the factors such as the convenience of cap control and the accuracy of statistics, it is to the benefit of the Company's operation management to align the agreement period of the Proposed Finance Lease Service Framework Agreement with the fiscal year in Mainland China.

The Finance Leases contemplated under the Proposed Finance Lease Service Framework Agreement are expected to reduce the Company's finance costs, improve its capital utilization rate and thereby promote its business development. Additionally, the Finance Leases can provide stable, reliable and low-cost financial support for the Group's power generation projects and lay a solid foundation for the Group's future daily operations.

Huadian Financial Leasing has a good reputation and strong financial resources. Compared to external financial institutions, it is more familiar with the actual operations and risk profiles of the Company's power plants. The management team is familiar with the power generation industry, and has certain competitive advantages in business. From the perspective of risk control, it can also give priority to ensuring stable availability of finance to subsidiaries under the Company and further expand its financing channels.

7. Hong Kong Listing Rules Implications

Huadian Financial Leasing is a subsidiary of China Huadian, the Controlling Shareholder of the Company, and thus a connected person of the Company under the Hong Kong Listing Rules. The connected transactions under the Proposed Finance Lease Service Framework Agreement will be carried out on a continuing or recurring basis in the ordinary and usual course of business of the Group and accordingly constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios in respect of the transactions under the Proposed Finance Lease Service Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules. Although the abovementioned agreement and the transactions contemplated thereunder are exempt from the Independent Shareholders' approval requirement under the Hong Kong Listing Rules, such transactions are subject to the approval by the Independent Shareholders at the general meeting of the Company pursuant to the SSE Listing Rules.

(III). INFORMATION ON THE PARTIES

Information relating to the Group

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

Information relating to China Huadian

As at the Latest Practicable Date, China Huadian, the Controlling Shareholder of the Company, directly and indirectly holds approximately 45.63% of the total issued share capital of the Company. China Huadian is primarily engaged in power generation, heat production and supply, energy development of coal and other resources related to power generation and relevant professional technical services. Its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council.

Information relating to Huadian Financial Leasing

Huadian Financial Leasing is a financial leasing company established with the approval by Tianjin Commission of Commerce in the PRC. Huadian Financial Leasing may provide direct lease, sublease, sale and leaseback, leveraged lease, trust lease, joint lease and different types of finance lease services to China Huadian and its member companies. Huadian Financial Leasing is a subsidiary of China Huadian, and its equity interest is indirectly owned as to 84.685% by China Huadian as at the Latest Practicable Date.

IV. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to the Hong Kong Listing Rules, the Independent Board Committee has been established to advise Independent Shareholders on the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and the proposed annual caps thereunder. The Company has appointed TC Capital as its Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders on the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and the proposed annual caps thereunder. For details, please refer to the Letter from the Independent Board Committee and the Letter from TC Capital of this circular.

V. EGM

The Company will hold an EGM to consider and, if thought fit, approve (i) the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and the proposed annual caps thereunder; (ii) the Proposed Finance Lease Service Framework Agreement and the proposed annual caps thereunder; and (iii) the interim cash dividend distribution plan for 2026.

China Huadian, which holds 5,213,062,481 issued A shares of the Company, representing approximately 44.89% of total issued share capital of the Company, and China Huadian Hong Kong Company Limited, a wholly-owned subsidiary of China Huadian, which holds 85,862,000 issued H shares of the Company, representing approximately 0.74% of total issued share capital of the Company, will abstain from voting in relation to the approval for (i) the continuing connected transactions and proposed annual caps contemplated under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement; and (ii) the continuing connected transactions and the proposed annual caps under the Proposed Finance Lease Service Framework Agreement.

VI. RECOMMENDATIONS

Since Mr. Liu Lei, Ms. Cao Min and Mr. Zeng Qinghua, the Directors, hold positions in China Huadian, they have abstained from voting on the resolutions in relation to the continuing connected transactions under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and the Proposed Finance Lease Service Framework Agreement, and the proposed annual caps thereunder (collectively the "**Transactions**") at the fourth meeting of the eleventh session of the Board. Save as disclosed above, no other Director has any material interest in the Transactions and hence no other Director has abstained from voting on such Board resolutions.

The Board (including the independent non-executive Directors) are of the view that the Transactions are entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Accordingly, the Directors recommend the Shareholders or the Independent Shareholders (as the case may be) to vote in favour of the resolutions to be proposed at the EGM.

VII. FURTHER INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee, the letter from TC Capital and the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Huadian Power International Corporation Limited*
Liu Lei
Chairman

* *For identification purpose only*



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

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

(Stock Code: 1071)

20 November 2026

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We have been appointed to form the Independent Board Committee to consider and advise whether the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and the proposed annual caps thereunder are (i) fair and reasonable; (ii) on normal commercial terms and in the ordinary and usual course of business of the Group; and (iii) in the interests of the Company and the Shareholders as a whole. TC Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and the proposed annual caps thereunder. Terms used herein shall have the same meanings as those defined in this circular unless the context otherwise requires.

We wish to draw the attention of the Independent Shareholders to the letter from the Board, the letter from the Independent Board Committee and the letter of advice from TC Capital, set out on pages 5 to 34, page 35 and pages 36 to 54 of this circular, respectively.

Having considered the information contained in the letter from the Board and taking into account the advice and recommendation given by TC Capital, we are of the view that the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and the proposed annual caps thereunder are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the aforementioned agreement, the transactions contemplated thereunder and the related proposed annual caps at the EGM.

Yours faithfully,
Independent Board Committee of
Huadian Power International Corporation Limited*
Wang Yuesheng, Shen Ling, Huang Kemeng, Su Min
Independent Non-executive Directors

* *For identification purpose only*

Set out below is the text of a letter received from TC Capital International Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement for the purpose of inclusion in this circular.



20 November 2026

The Independent Board Committee and the Independent Shareholders
Huadian Power International Corporation Limited*

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the purchase of fuel by the Group from China Huadian (the "**Fuel Purchase**"); (ii) the purchase of engineering equipment, systems, products, engineering and construction contracting projects, environmental protection system renovation projects and Miscellaneous and Relevant Services by the Group from China Huadian (the "**Product and Service Purchase**"); and (iii) the sales of fuel, products and services by the Group to China Huadian (the "**Product and Service Sales**") contemplated under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 20 November 2026 issued to the Shareholders (the "**Circular**"). Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 29 October 2026, the Board approved the Company's entering into the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement with China Huadian to renew the relevant continuing connected transactions under the Existing Purchase (Supply) of Fuel, Equipment and Services Framework Agreement with a term of three years from 1 January 2027 to 31 December 2029. The Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement was executed on 3 November 2026.

China Huadian is a Controlling Shareholder of the Company and thus a connected person of the Company under the Hong Kong Listing Rules. The transactions contemplated under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement constitute continuing connected transactions of the Company and are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Independent Board Committee comprising Wang Yuesheng, Shen Ling, Huang Kemeng and Su Min (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement (including the proposed annual caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Fuel Purchase, the Product and Service Purchase and the Product and Service Sales are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution to approve the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement at the EGM. We, TC Capital International Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

OUR INDEPENDENCE

We have not provided any other services to the Company in the last two years. As at the Latest Practicable Date, we did not have any relationships with or interests in the Company or any other parties that could reasonably be regarded as relevant to the independence of us.

BASIS OF OUR OPINION

In putting forth our recommendation, we have relied on the information, opinions, facts and representations supplied to us by the Directors and/or the representatives of the Company. We have reviewed, among other things, (i) the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement; (ii) the annual reports of the Company for the years ended 31 December 2024 and 2025 (the "**2024 Annual Report**" and the "**2025 Annual Report**" respectively) and the interim report of the Company for the six months ended 30 June 2026 (the "**2026 Interim Report**"); (iii) other information as set out in the Circular; and (iv) relevant market data and information available from public sources.

We have assumed that all such information, opinions, facts and representations provided to us by the Directors and/or the representatives of the Company, for which they are fully responsible, are true, accurate and complete in all respects. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the representatives of the Company. The Company has also confirmed to us that no material facts have been omitted from the information supplied and we have no reason to suspect that any material information has been withheld or is misleading.

We consider that we have sufficient information currently available to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided by the Directors and/or the representatives of the Company, nor have we conducted any independent investigation into the business, affairs, operations, financial position or future prospects of each of the Group, China Huadian and any of their respective subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement, we have taken into account the following principal factors and reasons:

A. BACKGROUND INFORMATION OF THE PARTIES

1. Information on the Group

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

Set out below is certain financial information of the Group for the three years ended 31 December 2025 ("**FY2023**", "**FY2024**" and "**FY2025**" respectively) and the six months ended 30 June 2025 and 2026 ("**1H2025**" and "**1H2026**" respectively) as extracted from the 2024 Annual Report, the 2025 Annual Report and the 2026 Interim Report:

	For the six months ended 30 June		**For the year ended 31 December**			
	2026	**2025**	**2025**	**2024**	**2024**	**2023**
	RMB million (Unaudited)	*RMB million (Unaudited)*	*RMB million (Audited)*	*RMB million (Audited) (Restated)*	*RMB million (Audited)*	*RMB million (Audited)*
Operating revenue	54,264	59,953	126,013	141,502	112,392	116,376
Operating profit	4,851	5,871	10,163	9,120	6,622	4,101
Net profit attributable to owners of the parent company	3,105	3,904	6,070	5,987	5,670	4,601

	As at 30 June	As at 31 December			
	2026	2025	2024	2024	2023
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*
	(Unaudited)	*(Audited)*	*(Audited) (Restated)*	*(Audited)*	*(Audited)*
Total assets	261,272	264,231	265,402	227,139	226,476
Total liabilities	158,533	162,142	166,017	138,622	140,574
Total shareholders' equity attributable to the parent company	70,760	69,162	70,999	69,171	71,639

Financial results of the Group

As shown in the above table, the operating revenue of the Group for FY2024 decreased by approximately 3.4% as compared to that for FY2023. As disclosed in the 2024 Annual Report, such decrease was primarily attributable to the impact of the decrease in power generation, coal trading volume and on-grid tariff. The operating profit of the Group and the net profit attributable to owners of the parent company for FY2024 increased by approximately 61.5% and 23.2% respectively as compared to those for FY2023, mainly due to the decrease in fuel prices.

The operating revenue of the Group for FY2025 decreased by approximately 10.9% as compared to the corresponding restated figure for FY2024. As disclosed in the 2025 Annual Report, such decrease was primarily attributable to the decrease in power generation and tariff, and the optimisation in coal trading business models. The operating profit of the Group and the net profit attributable to owners of the parent company for FY2025 increased by approximately 11.4% and 1.4% respectively as compared to the corresponding restated figures for FY2024, mainly due to the combined effects of declines in coal prices, tariff, and a reduction in power generation.

The operating revenue of the Group for 1H2026 decreased by approximately 9.5% as compared to that for 1H2025. As disclosed in the 2026 Interim Report, such decrease was primarily attributable to the decrease in power generation. The operating profit of the Group and the net profit attributable to owners of the parent company for 1H2026 decreased by approximately 17.4% and 20.5% respectively as compared to those for 1H2025. As disclosed in the 2026 Interim Report, thermal power enterprises face the pressure of a declining share of power generation volume, as well as the challenge of downward shift in market power prices. The dual pressure jointly squeezes the overall profit margins of thermal power enterprises.

Financial position of the Group

The total shareholders' equity attributable to the parent company showed a decreasing trend during FY2024 and FY2025. As disclosed in the 2024 Annual Report and the 2025 Annual Report, such decrease was mainly attributable to the profit-making position of the Group being offset by the redemption of perpetual capital securities and the profit distribution to shareholders during the same period. The total shareholders' equity attributable to the parent company as at 30 June 2026 recorded an increase as compared with that as at 31 December 2025. As disclosed in the 2026 Interim Report, this increase was mainly attributable to the profit-making position of the Group being partially offset by the profit distribution to shareholders during the same period.

2. Information on China Huadian

As stated in the Letter from the Board, China Huadian is primarily engaged in power generation, heat production and supply, energy development of coal and other resources related to power generation and relevant professional technical services. Its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council. As at the Latest Practicable Date, China Huadian was a Controlling Shareholder of the Company.

B. THE PROPOSED PURCHASE (SUPPLY) OF FUEL, EQUIPMENT AND SERVICES FRAMEWORK AGREEMENT

1. Reasons for and benefits of the entering into of the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement

As stated in the Letter from the Board, the coal mines of the Group and China Huadian are in different localities in which the mutual provision of coal may reduce the overall cost for the procurement of coal. In addition, a subsidiary of the Group is primarily engaged in coal trading services, through which the Group is able to enhance its bargaining power in the process of coal procurement by way of bulk procurement and sales, and reduce the overall cost for coal procurement of the Group accordingly. The mutual provision of relevant services between China Huadian and the Group provides more efficient allocation of labour (in that the timing for the needs of the relevant services which are generally of a maintenance nature may differ). Considering the long-term relationship between the Group and China Huadian, the Company considers that it is beneficial to enter into the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement with China Huadian as such transactions have facilitated the growth of the principal business and installed capacity of the Group.

As noted from the Letter from the Board, the Group is principally engaged in the construction and operation of power plants, including large-scale efficient coal or gas-fired generating units and hydropower projects, and the development, construction

and operation of coal mines. The stability and reliability of the supply of products and services is important for the construction and operation of power plants, and China Huadian is one of the suppliers who provide such stability and reliability.

With reference to the 2026 Interim Report, as at 27 August 2026, the Group had a total of 57 controlled power generation enterprises which had commenced operations involving a total of 78,645.598 MW controlled installed capacity, primarily including 53,980 MW attributable to coal-fired generating units, 22,173.048 MW attributable to gas-fired generating units, 2,459 MW attributable to hydropower generating units, and 33.55 MW attributable to photovoltaic generating units (including photovoltaic generating units for own use). Coal is the major raw material for coal-fired power generation and we have reviewed the Company's historical circulars and noted that China Huadian and the Group have mutually supplied fuel (excluding natural gas) to each other for over 10 years.

For the growth of the Group's installed capacity, reliable service providers for general contracting, operation and maintenance services, and equipment supply to power plant construction are also important. Given that (i) China Huadian has built up extensive experience and kept reputable track records in the market of project contracting, operation and maintenance services; (ii) China Huadian has been providing project contracting services and power generation equipment to the Group. Compared with other independent third party service providers, China Huadian has established the service network and long-term cooperation with the Group and China Huadian has better understanding of the Group's needs, which could provide better services to the Group; and (iii) China Huadian has been providing customised project contracting, operation and maintenance services and power generation equipment to the Group at competitive prices, which helped the Group reduce its costs, the Directors consider that the Product and Service Purchase is beneficial to the Group.

According to the website of China Huadian (www.chd.com.cn), China Huadian is a super-large energy enterprise group primarily engaged in electric power, with business segments covering electricity and heat, coal, technological engineering, and industrial finance. Its assets and operations are spread across 32 provinces (autonomous regions and municipalities) in China, as well as countries along the Belt and Road Initiative, including Russia, Indonesia, Cambodia, Vietnam, and Kazakhstan. As at the end of 2025, China Huadian had 51 directly affiliated units and 417 grassroots enterprises, and held controlling stakes in 7 listed companies. It employed approximately 100,000 staff and had total assets of RMB1.3 trillion. Given China Huadian's large operational scale, the Product and Service Sales is likely to provide the Group with a reliable customer base and stable income. Accordingly, the Directors consider that the Product and Service Sales is beneficial to the Group.

Having considered that (i) the Fuel Purchase and the Product and Service Purchase provide the stability and reliability of the supply of products and services to the Group; (ii) the Product and Service Sales provides the Group with a reliable customer base and stable income; and (iii) the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement does not restrict the Group to sell/procure the goods/services to/from the corresponding contractual parties only and

therefore offers an additional option to the Group, we concur with the Directors that the Fuel Purchase, the Product and Service Purchase and the Product and Service Sales are in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement

On 29 October 2026, the Board approved the Company's entering into the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement with China Huadian in relation to the Fuel Purchase, the Product and Service Purchase and the Product and Service Sales with a term of three years from 1 January 2027 to 31 December 2029. The Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement was executed on 3 November 2026. Further details of the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement are set out in the Letter from the Board.

Fuel Purchase

As advised by the representatives of the Company, the Fuel Purchase mainly involves coal and natural gas.

As stated in the Letter from the Board, in practice, the then market price for the purchase and sale of coal is generally determined by the local spot market price as at the time of the purchase or sales order. The local spot market price is usually determined with reference to the following principles:

(1) relevant quotations from two or more independent large-scale PRC coal enterprises; and

(2) if there are no relevant quotations, the coal price shall be determined by reference to certain independent coal price indices. These indices are compiled and published regularly by independent third-party institutions.

In terms of purchasing natural gas, the price of natural gas is currently prescribed by the Chinese government uniformly. The gas-fired power generation enterprises under the Group purchase the natural gas required for power generation at the prices stipulated by the provincial Development and Reform Commission. If the Chinese government implements relevant policies, regulations or guidelines on changing such price, the price of natural gas purchased by the Group shall be adjusted accordingly from the implementation date of such policies, regulations or guidelines.

For our due diligence purpose, we have obtained three contracts and the relevant invoices for the Fuel Purchase for the year ended 31 December 2025 and the nine months ended 30 September 2026 (the "**Relevant Period**") on a random basis which mainly involved the provision of coal and natural gas by China Huadian to the Group. For coal, we have reviewed the pricing terms of the

selected contracts, the relevant invoices of the selected contracts, the calculation of the coal prices, the reference of the base coal price and the then prevailing independent coal price indices, and noted that the prices of coal offered to the Group were determined based on (a) the base price stated in the Work Plan for Signing and Performance of Medium- and Long-term Contracts for Thermal Coal in 2023*（《2023年電煤中長期合同簽訂履約工作方案》）issued by the General Office of the National Development and Reform Commission on 31 October 2022; and (b) the prevailing independent coal price indices released by the National Coal Exchange, the CQ Coal and the Shipping Coal, the China Coal Market and the China Electricity Council. For natural gas, we have reviewed the pricing terms of the selected contract, the relevant invoices of the selected contract and the invoices for the purchase of natural gas by the Group from independent third parties, and noted that the prices of natural gas offered by China Huadian were not less favourable than those offered by the independent third parties.

Given that the selected contracts covered each fuel type of the Fuel Purchase and were selected by us on a random basis, we consider the selected contracts to be fair and representative for the purpose of assessing the fairness and reasonableness of the pricing policies of the Fuel Purchase.

Product and Service Purchase

As advised by the representatives of the Company, the Product and Service Purchase mainly involves the engineering and construction contracting projects, the environmental protection system renovation projects and the trading of electricity indicators.

As stated in the Letter from the Board, the consideration for the provision of products and main services by China Huadian to the Group under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement will be determined by reference to the following pricing principles:

(1) pricing will mainly be determined through a bidding process; and

(2) the bid price offered by the successful bidder under the abovementioned bidding process is subject to further arm's length negotiation between the Company and the successful bidder. Under such circumstances, the Company would make reference to the historical prices and pricing trends of the relevant services and products and ensure that the bid price offered by the successful bidder would be fair and reasonable to the Company and its Shareholders as a whole.

For our due diligence purpose, we have obtained three contracts and the relevant invoices for the Relevant Period on a random basis which mainly involved the engineering and construction contracting projects, the environmental protection system renovation projects, and the trading of electricity indicators. For the engineering and construction contracting projects and the environmental protection system renovation projects, we have reviewed the pricing terms of the

selected contracts and the bidding documents and the bidding reports in respect of the selected contracts, and noted that (i) the major pricing terms of the contracts are in line with those of the respective bidding documents; and (ii) the prices offered by China Huadian were not less favourable than those offered by independent third parties. For the trading of electricity indicators, we have reviewed the pricing terms of the selected contract and the invoices for the purchase of electricity indicators by the Group from independent third parties, and noted that the prices offered by China Huadian were not less favourable than those offered by the independent third parties.

Although the selected contracts did not cover each specific type of products and services under the Product and Service Purchase, the selected contracts covered the major types of products and services provided by China Huadian to the Group and were selected by us on a random basis. Accordingly, we consider the selected contracts to be fair and representative for the purpose of assessing the fairness and reasonableness of the pricing policies of the Product and Service Purchase.

Product and Service Sales

As advised by the representatives of the Company, the Product and Service Sales mainly involve coal, overhauls and maintenance services, construction management service and technical consulting service.

The price determination principles of the fuels for the Product and Service Sales are the same as those of the fuels for the Fuel Purchase.

As stated in the Letter from the Board, the consideration for the provision of services by the Group to China Huadian under the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement will be determined with reference to:

(i) the costs incurred by the Group in providing such services; and

(ii) the service fees charged by the Group to independent third parties in providing similar services. With reference to the range of historical profit margin for such services, the pricing process will typically involve an increase by 8% to 20% based on the cost price, and the Company will make corresponding adjustments within the range of profit margin of 8% to 20% based on the type of services and the chance of bidding success. For the overhauls and maintenance services of generating units of power plants, the estimated bidding price will be provided based on historical experience, taking into account the size and the depreciation of the units; for substitutive power generation services, whether to participate in the bidding will be mainly based on the market price set by the local government and the abovementioned reference factors.

For our due diligence purpose, we have obtained three contracts and the relevant invoices for each of the coal sales and the sales of other products and services under the Product and Service Sales for the Relevant Period on a random basis. The selected contracts in respect of the coal sales mainly involved the provision of coal and the selected contracts in respect of the sales of other products and services mainly involved the construction management service for pumped storage power stations, the equipment and the overhauls and maintenance services for gas turbines and the technical consulting service.

Regarding the coal sales, we have reviewed the pricing terms of the selected contracts, the relevant invoices of the selected contracts, the calculation of the coal prices, the reference of the base coal price and the then prevailing independent coal price indices, and noted that the prices of coal offered to China Huadian were determined based on (a) the base price stated in the Work Plan for Signing and Performance of Medium- and Long-term Contracts for Thermal Coal in 2023*(《2023年電煤中長期合同簽訂履約工作方案》) issued by the General Office of the National Development and Reform Commission on 31 October 2022; and (b) the prevailing independent coal price indices released by the National Coal Exchange, the CQ Coal and the Shipping Coal, the China Coal Market and the China Electricity Council.

Regarding the construction management service for pumped storage power stations, the representatives of the Company advised us that the power generation enterprises generally have their own in-house engineering construction and management teams which are well acquainted with their technical requirements and construction characteristics. Therefore, the power generation enterprises typically do not engage external construction management teams. As a result, the Group has not provided the construction management service for pumped storage power stations to any other independent third party and China Huadian has not procured such service from any other independent third party during the Relevant Period. We have reviewed the pricing terms of the selected contract, the calculation of the contract price, cost of service, the gross profit of the construction management service for pumped storage power stations and the gross profit margins of the engineering construction segment of two comparable PRC listed companies which involve in the construction management and the construction of water conservancy, hydropower and clean energy infrastructure. We noted that the gross profit margin of the construction management service for pumped storage power stations under the selected contract was higher than the gross profit margins of the engineering construction segment of the comparable PRC listed companies. Moreover, the profit margin of the construction management service for pumped storage power stations was higher than the minimum required profit margin of 8% generally set by the Group for the sales transactions under the Product and Service Sales.

Regarding the equipment and the overhauls and maintenance services for gas turbines, we have reviewed the pricing terms of the selected contract, the calculation of the contract price, cost of service, the fee rates offered by the Company to China Huadian and the fee rates offered by the Company to

independent third parties, and noted that the fee rates offered by the Company to China Huadian were not lower than those offered by the Company to independent third parties. The profit margins of the equipment and the overhauls and maintenance services for gas turbines were higher than the minimum required profit margin of 8% generally set by the Group for the sales transactions under the Product and Service Sales.

Regarding the technical consulting service, we have reviewed the pricing terms of the selected contract, the calculation of the contract price, the unit labour prices offered by the Company to China Huadian and the unit labour prices quoted by the Company from independent third parties, and noted that the unit labour prices offered by the Company to China Huadian were not less favourable than those quoted by the Company from the independent third parties. The profit margins of the technical consulting service were higher than the minimum required profit margin of 8% generally set by the Group for the sales transactions under the Product and Service Sales.

Although the selected contracts did not cover each specific type of products and services under the Product and Service Sales, the selected contracts covered the major types of products and services provided by the Group to China Huadian and were selected by us on a random basis. Accordingly, we consider the selected contracts to be fair and representative for the purpose of assessing the fairness and reasonableness of the pricing policies of the Product and Service Sales.

Given that the prices of the Fuel Purchase, the Product and Service Purchase and the Product and Service Sales shall be determined with reference to the government guided-prices, market prices or those arrived at by the parties after arm's length negotiation according to the pricing policies, we are of the view that the pricing policies of the Fuel Purchase, the Product and Service Purchase and the Product and Service Sales are fair and reasonable so far as the Independent Shareholders are concerned.

3. Proposed annual caps

The following table sets out the historical transaction amounts of the Fuel Purchase, the Product and Service Purchase and the Product and Service Sales for the two years ended 31 December 2025 and the six months ended 30 June 2026, and the proposed annual caps for the three years ending 31 December 2029:

	Historical transaction amounts			Proposed annual caps		
	For the year ended 31 December 2024	For the year ended 31 December 2025	For the six months ended 30 June 2026	For the year ending 31 December 2027	For the year ending 31 December 2028	For the year ending 31 December 2029
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
The Fuel Purchase	15,723	10,957	4,830	18,000	18,000	18,000
The Product and Service Purchase	2,217	2,838	1,060	8,000	8,000	8,000
The Product and Service Sales	8,470	6,826	3,156	13,000	13,000	13,000

When determining the proposed annual caps for the Fuel Purchase, the Product and Service Purchase and the Product and Service Sales for the three years ending 31 December 2029, the Directors took into account of certain factors, details of which are set out in the Letter from the Board.

Fuel Purchase

As advised by the representatives of the Company, in determining the proposed annual cap for the Fuel Purchase for each of the three years ending 31 December 2029, the Company considered the historical transaction amounts of the Fuel Purchase for FY2025 and FY2024 respectively and the expected increase in transaction amount of the Fuel Purchase for each of the three years ending 31 December 2029. Specifically, the proposed annual cap for the Fuel Purchase for each of the three years ending 31 December 2029 was formulated based on (i) the historical transaction amount of the Fuel Purchase for FY2025 of approximately RMB10,957 million; (ii) the expected increase in transaction amount of coal of approximately RMB3,707 million for each of the three years ending 31 December 2029, calculated as the expected increase in demand for coal of approximately 4.4 million tonnes multiplied by the expected coal price of RMB841 per tonne (i.e., 4.4 million tonnes × RMB841 per tonne); (iii) the expected increase in transaction amount of natural gas of approximately RMB1,220 million for each of the three years ending 31 December 2029, calculated as the expected increase in demand for natural gas of approximately 400 million cubic meters multiplied by the expected natural gas price of RMB3.05 per cubic meter (i.e., 400 million cubic meters × RMB3.05 per cubic meter); and (iv) a top-up buffer of approximately RMB2,116 million, calculated as the proposed annual cap for the Fuel Purchase of RMB18,000 million multiplied by the top-up buffer rate of approximately 11.8% (i.e., RMB18,000 million × 11.8%).

According to the 2026 Interim Report, (i) from 1 January 2026 to 27 August 2026, the installed capacity of newly-added gas-fired generating units of the Group was approximately 1,100 MW; and (ii) as at 30 June 2026, the aggregated planned installed capacity of the Group's coal-fired generating units which have been approved and are under construction was approximately 4,020 MW. As for the newly-added gas-fired generating units of the Group, we were advised by the

representatives of the Company that the newly-added gas-fired generating units would result in a corresponding demand for natural gas of approximately 400 million cubic meters for each of the three years ending 31 December 2029. As for the Group's coal-fired generating units which have been approved and are under construction, based on the utilisation hours of coal-fired generating units of 3,874 hours for FY2025 and the coal consumption for power supply of 283.05 g/kWh as set out in the 2025 Annual Report, these units are expected to generate an additional demand for coal of approximately 4.4 million tonnes for each of the three years ending 31 December 2029.

To assess the fairness and reasonableness of the expected coal price and the expected natural gas price adopted in formulating the proposed annual caps for the Fuel Purchase, we have searched via the Choice Financial Terminal for the weekly Bohai-Rim Steam-Coal Price Index for 5,500 kcal/kg (the "**BSPI**"). The Choice Financial Terminal is developed by a subsidiary of East Money Information Co., Ltd. (stock code: 300059), which is one of the financial data service providers in China. We noted that the BSPI showed an increasing trend from RMB660 per tonne on 9 July 2025 to RMB745 per tonne on 21 October 2026, representing an increase of approximately 12.9% over such period. Given this upward trend, the coal price for the three years ending 31 December 2029 is expected to reach RMB841 per tonne, which is projected based on the BSPI on 21 October 2026 of RMB745 per tonne and the aforesaid growth rate of approximately 12.9%. For the expected natural gas price, we noted that, based on the CEC Electricity-Gas Index, the national natural gas price for the month ended 31 October 2026 was RMB3.05 per cubic meter. The CEC Electricity-Gas Index is released by the China Electricity Council, a joint organisation of enterprises and institutions in the national electric power industry.

As mentioned above, the Company included a top-up buffer of approximately 11.8% for each of the three years ending 31 December 2029 to the proposed annual caps for the Fuel Purchase to cover the Group's possible demand for fuel under unexpected circumstances, such as (i) the unexpected increase in the demand for fuel (in volume); and (ii) the substantial increase in the price of fuel.

In light of the above, we are of the view that the proposed annual caps for the Fuel Purchase are fair and reasonable so far as the Independent Shareholders are concerned.

Product and Service Purchase

As advised by the representatives of the Company, the proposed annual cap for the Product and Service Purchase for each of the three years ending 31 December 2029 was formulated based on the possible demand of the Group for the engineering and construction contracting services to be provided by China Huadian.

We noted from the Company's annual reports the following information, which the Directors advised us that they had considered the same in formulating the proposed annual caps for the Product and Service Purchase for the three years ending 31 December 2029:

	2021	2022	2023	2024
Historical transaction amounts of the Product and Service Purchase (I) (RMB million)	3,273	3,284	2,185	2,217
Additions to the Group's construction in progress (II) (RMB million)	9,418	11,633	8,395	7,937
Percentage of (I) over (II)	34.8%	28.2%	26.0%	27.9%
Average percentage		29.2%		

Note: According to the 2025 Annual Report, the Group has decided to uniformly adopt the China Accounting Standards for Business Enterprises in preparing financial reports and disclosing relevant financial information, starting with the 2025 semi-annual financial report. As such, the data of additions to the Group's construction in progress for FY2025 is not available.

As illustrated in the above table, the historical transaction amounts of the Product and Service Purchase for the four years ended 31 December 2024 ranged from approximately RMB2.2 billion to RMB3.3 billion, representing approximately 26.0% to 34.8% of the additions to the Group's construction in progress for the respective year, with an average of approximately 29.2%.

According to the 2025 Annual Report, the Company plans to invest approximately RMB19 billion in 2026, which will be used for the construction of power source projects, environmental protection and energy-saving technology transformation, and equity investments, etc. Based on the investment plan of approximately RMB19 billion in 2026 and the aforesaid average percentage of approximately 29.2%, the expected annual demand for the Product and Service Purchase for the year ending 31 December 2026 would be approximately RMB5,555 million (i.e., RMB19,000 million × 29.2%). We have obtained the list of proposed infrastructure investment and technical transformation investment of the Group for the three years ending 31 December 2029 and noted that the aggregate investment amounts for each of the three years ending 31 December 2029 are at least 1.8 times the investment amount under the investment plan for 2026. Considering such increase, the transaction amount of the Product and Service Purchase is expected to increase. Based on the prudent estimation of the Company, the transaction amount of the Product and Service Purchase is expected to increase correspondingly by approximately 44%. Therefore, the expected annual demand for the Product and Service Purchase for each of the three years ending 31 December 2029 is approximately RMB8,000 million, calculated as the ratio of approximately 1.44 multiplied by the expected annual demand for the Product and Service Purchase for the year ending 31 December 2026 of approximately RMB5,555 million (i.e., 1.44 × RMB5,555 million).

In light of the above factors, we are of the view that the proposed annual caps for the Product and Service Purchase are fair and reasonable so far as the Independent Shareholders are concerned.

Product and Service Sales

As advised by the representatives of the Company, in determining the proposed annual cap for the Product and Service Sales for each of the three years ending 31 December 2029, the Company considered the historical transaction amounts of the Product and Service Sales for FY2025 and FY2024 respectively and the expected increase in transaction amount of the Product and Service Sales for each of the three years ending 31 December 2029. Specifically, the proposed annual cap for the Product and Service Sales for each of the three years ending 31 December 2029 was formulated based on (i) the expected transaction amount of coal of approximately RMB10,637 million for each of the three years ending 31 December 2029, calculated as the expected volume of the coal sold to China Huadian of approximately 12.6 million tonnes multiplied by the expected coal price of RMB841 per tonne (i.e., 12.6 million tonnes × RMB841 per tonne); (ii) the expected amount of the sales of products and services (other than fuel) by the Group to China Huadian of approximately RMB1,018 million for each of the three years ending 31 December 2029; and (iii) a top-up buffer of approximately RMB1,345 million, calculated as the proposed annual cap for the Product and Service Sales of RMB13,000 million multiplied by the top-up buffer rate of approximately 10.3% (i.e., RMB13,000 million × 10.3%).

As advised by the representatives of the Company, the transaction amount of the Product and Service Sales comprises the sales of fuel and the sales of engineering equipment and services. The expected volume of the coal sold to China Huadian of approximately 12.6 million tonnes for each of the three years ending 31 December 2029 was determined based on the historical volumes of the coal sold to China Huadian for FY2024 and FY2025 of approximately 15.1 million tonnes and 12.3 million tonnes respectively. The expected coal price adopted when determining the proposed annual caps for the Product and Service Sales of RMB841 per tonne is the same as that used in formulating the proposed annual caps for the Fuel Purchase for the three years ending 31 December 2029.

The expected amount of the sales of engineering equipment and services for each of the three years ending 31 December 2029 was approximately RMB1,018 million, which included technical consulting service and others of approximately RMB434 million, the equipment and the overhauls and maintenance services for gas turbines of approximately RMB551 million, and the construction management service and other services for pumped storage power stations of approximately RMB33 million.

The expected transaction amount of the technical consulting service and others for each of the three years ending 31 December 2029 of approximately RMB434 million was determined based on (i) the historical transaction amount of the technical consulting service and others for FY2025 of approximately RMB381

million; and (ii) the expected annual growth rate of approximately 6.7%, considering that the amount of the technical consulting service and others provided by the Group to China Huadian for FY2025 was approximately 6.7% higher than that for FY2024. The amount of RMB434 million was calculated by applying the expected annual growth rate of approximately 6.7% for two consecutive years to the historical transaction amount of the technical consulting service and others for FY2025 (i.e., RMB381 million × $(1 + 6.7\%)^2$).

The expected transaction amount of the equipment and the overhauls and maintenance services for gas turbines for each of the three years ending 31 December 2029 of approximately RMB551 million was determined based on (i) the expected transaction amount of the equipment and the overhauls and maintenance services for gas turbines for the year ending 31 December 2026 of approximately RMB491 million and the expected annual growth rate of approximately 6.7%. This is calculated based on the historical transaction amount for the second half of FY2025 of approximately RMB230 million, which was annualised and further adjusted by the expected annual growth rate of approximately 6.7% (i.e., RMB230 million × 2 × (1 + 6.7%)). The representatives of the Company advised us that after the completion of the acquisition of two gas turbines-related services companies, the Group started to provide the equipment and the overhauls and maintenance services for gas turbines to China Huadian in the second half of FY2025. FY2025 is expected to reflect only six months of transactions with China Huadian, whereas FY2026 is expected to cover a full twelve months; and (ii) the expected increase in the transaction amount of the equipment and the overhauls and maintenance services for gas turbines for the year ending 31 December 2027 of approximately RMB60 million, which was determined based on the new gas turbines overhauls and maintenance technical support services projects proposed to be signed with a subsidiary of China Huadian. We have obtained the list of the new gas turbines overhauls and maintenance technical support services projects and noted that the aggregate amount of the projects is equivalent to the expected increase in transaction amount of the equipment and the overhauls and maintenance services for gas turbines for the year ending 31 December 2027.

The aggregate expected transaction amount of the construction management service and other services for pumped storage power stations for each of the three years ending 31 December 2029 of approximately RMB33 million was determined based on the signed contracts and the proposed contract under negotiation. We have obtained the contract list showing the signed contracts and the proposed contract under negotiation, and the signed contracts. We noted that the aggregate expected transaction amount of the signed contracts is in line with the contracts and the expected progress of the projects. The expected transaction amount of the proposed contract under negotiation was determined based on the fee rate of similar projects with China Huadian and the expected workload provided by a subsidiary of China Huadian.

As mentioned above, the Company included a top-up buffer of approximately 10.3% for each of the three years ending 31 December 2029 to the proposed annual caps for the Product and Service Sales to cover the possible demand of China Huadian for the fuel and services of the Group under unexpected circumstances, such as (i) the unexpected increase in the demand for fuel (in volume); (ii) the substantial increase in fuel price; and (iii) the unexpected demand for relevant services to be provided by the Group.

In light of the above factors, we are of the view that the proposed annual caps for the Product and Service Sales are fair and reasonable so far as the Independent Shareholders are concerned.

C. INTERNAL CONTROL MEASURES

The Company has adopted the Management Measures for Connected Transactions of Huadian Power International Corporation Limited* (the "**Measures**") to monitor the Fuel Purchase, the Product and Service Purchase and the Product and Service Sales. According to the Measures, the securities management department of the Company is responsible for the routine administration of connected transactions, and monitors the utilisation of the annual caps on a monthly basis to prevent the risk of exceeding the limit for continuing connected transactions. We have obtained and reviewed the monthly connected transaction information summary for the year ended 31 December 2025 and the nine months ended 30 September 2026 and noted that both transaction amounts and annual caps for the continuing connected transactions for the corresponding year were recorded in the connected transaction information summary.

According to the Letter from the Board, various departments of the Group will be involved before the entering into of the Fuel Purchase, the Product and Service Purchase and the Product and Service Sales. To assess the effectiveness of the implementation of the internal control measures for the pricing policy and the annual caps, we have obtained and reviewed the approval records for the selected transactions related to each of the Fuel Purchase, the Product and Service Purchase and the Product and Service Sales for the Relevant Period (the "**Samples**"). We noted that the names and opinions of the approving officers of the responsible operating division were recorded in the approval records of the Samples, indicating that the approving officers of the responsible operating division have reviewed the Samples under the internal control measures (including monitoring the pricing and the transaction amounts of the Samples as advised by the representatives of the Company).

Further details of the internal control measures of the Group are set out in the Letter from the Board.

Moreover, as stated in the 2025 Annual Report, the independent non-executive Directors have reviewed the continuing connected transactions disclosed in the 2025 Annual Report and confirmed that (1) these transactions were entered into in the ordinary and usual course of the business of the Group; (2) these transactions were under normal commercial

terms or more favourable terms; and (3) these transactions were conducted under agreed terms of relevant transactions which are fair and reasonable and in the interests of the Group and its shareholders as a whole.

As stated in the 2025 Annual Report, the Company has engaged external auditors to report on the Group's continuing connected transactions disclosed in the 2025 Annual Report in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditors' Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have submitted an unqualified letter containing their conclusions in respect of the continuing connected transactions disclosed in the 2025 Annual Report in accordance with Rule 14A.56 of the Hong Kong Listing Rules. The auditors of the Company confirmed that the continuing connected transactions disclosed in the 2025 Annual Report (1) had been approved by the Board of the Company and/or at general meetings; (2) were carried out in accordance with the pricing policies of the Company, if the transactions involve the provision of goods or services by the Company; (3) were entered into in accordance with the relevant agreements governing these transactions; and (4) did not exceed the caps as disclosed in previous announcements.

Taking into account of (i) the internal control measures as stated above; (ii) the monthly connected transaction information summary of the Group; (iii) the approval records of the Samples; and (iv) our assessment on the pricing of the Samples stated in the section headed "2. Principal terms of the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement" above, we do not doubt the effectiveness of implementation of the internal control measures for the pricing policy and the annual caps of the continuing connected transactions, and we are of the view that there are appropriate measures in place to govern the Fuel Purchase, the Product and Service Purchase and the Product and Service Sales and hence the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the terms of the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement (including the proposed annual caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Fuel Purchase, the Product and Service Purchase and the Product and Service Sales are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders, to vote in favour of the relevant resolution to be proposed at the EGM to approve the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement.

Yours faithfully,
For and on behalf of
TC Capital International Limited

Edward Wu	**Edith Lee**
Chairman	*Managing Director*

Note: Mr. Edward Wu has been a responsible officer of type 6 (advising on corporate finance) regulated activities under the SFO since 2005. Ms. Edith Lee has been a responsible officer of type 6 (advising on corporate finance) regulated activities under the SFO since 2015. Both Mr. Wu and Ms. Lee have participated in and completed various advisory transactions in respect of connected transactions of listed companies in Hong Kong.

* *For identification purpose only*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS OF DIRECTORS, CHIEF EXECUTIVE AND SENIOR MANAGEMENT

As at the Latest Practicable Date, so far as the Company is aware, none of the Directors, chief executive or members of the senior management of the Company and their respective associates had any interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director, chief executive or member of senior management was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules to be notified to the Company and the Hong Kong Stock Exchange.

Mr. Liu Lei, Ms. Cao Min and Mr. Zeng Qinghua, the Directors of the Company, hold positions in China Huadian; Mr. Zhu Peng and Ms. Lin Lin, the Directors of the Company, hold positions in Shandong Development & Investment Holding Group Co., Ltd. Save as disclosed above, as at the Latest Practicable Date, none of the other Directors of the Company was also a director or employee of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. CONSENT AND QUALIFICATION OF EXPERT

TC Capital has given and has not withdrawn its written consent to the issue of this circular with its letter of advice included in the form and context in which it appears.

The following sets out the qualification of TC Capital:

Name	Qualification	Date on which the opinion or advice is expressed
TC Capital International Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO	20 November 2026

As at the Latest Practicable Date, TC Capital did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, TC Capital did not have any direct or indirect interest in any assets which had been, since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors of the Company had entered into or was proposing to enter into any service contract with any member of the Group (excluding contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation)).

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined under the Hong Kong Listing Rules) had any interest in other business which competes or is likely to compete with the business of the Group as if each of them was treated as a Controlling Shareholder of the Company under Rule 8.10 of the Hong Kong Listing Rules.

7. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors or proposed Directors of the Company had any direct or indirect interest in any assets which had been since 31 December 2025 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors of the Company was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

8. MISCELLANEOUS

(a) The registered office of the Company is situated at No. 14800, Jingshi Road, Jinan City, Shandong Province, the PRC.

(b) The business office of the Company is situated at No. 2 Xuanwumennei Street, Xicheng District, Beijing, the PRC.

(c) The Hong Kong H share registrar and H share transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(d) None of the websites appearing in or referred to in this circular or any of the information contained on any such websites forms part of this circular. Neither the Company nor any Director takes any responsibility for any information contained on such websites or its accuracy.

(e) The English text of this circular shall prevail over its Chinese text in the case of inconsistency.

9. DOCUMENTS ON DISPLAY

Copies of the Proposed Purchase (Supply) of Fuel, Equipment and Services Framework Agreement and the Proposed Finance Lease Service Framework Agreement are published on the Hong Kong Stock Exchange's website and the Company's own website for a period of 14 days from the date of this circular.

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

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

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

(Stock Code: 1071)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the "**EGM**") of Huadian Power International Corporation Limited* (the "**Company**") will be held at 2:30 p.m. on Wednesday, 16 December 2026 at Huabin International Hotel, No. 4 Xuanwumennei Street, Xicheng District, Beijing, the PRC for the purpose of considering and, if appropriate, by way of polls, approving the following resolutions. For details of each resolution, please refer to the circular of the Company dated 20 November 2026 (the "**Circular**"). Unless otherwise stated, terms used in this notice shall have the same meanings as those defined in the Circular.

ORDINARY RESOLUTIONS

1. Resolution on the Interim Cash Dividend Distribution Plan of the Company for 2026

2. Resolution on the Continuing Connected Transactions in respect of the Purchase (Supply) of Fuel, Equipment and Services Framework Agreement entered into between the Company and China Huadian Corporation Ltd.*（中國華電集團有限公司）

   2.01 To approve the annual cap of RMB18 billion of the continuing connected transactions for the purchase of fuel by the Company from China Huadian

   2.02 To approve the annual cap of RMB8 billion of the continuing connected transactions for the purchase of engineering equipment, products and services by the Company from China Huadian

   2.03 To approve the annual cap of RMB13 billion of the continuing connected transactions for the provision of coal and services by the Company to China Huadian

3. Resolution on the Continuing Connected Transactions in respect of the Finance Lease Service Framework Agreement entered into between the Company and Huadian Financial Leasing Company Limited*（華電融資租賃有限公司）

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

As at the date of this notice, the board of directors of the Company comprises:

Liu Lei (Chairman, Executive Director), Li Quancheng (Vice Chairman, Executive Director), Zhu Peng (Vice Chairman, Non-executive Director), Cao Min (Non-executive Director), Zeng Qinghua (Non-executive Director), Lin Lin (Non-executive Director), Li Guoming (Executive Director), Zhu Yueguang (Executive Director), Wang Yuesheng (Independent Non-executive Director), Shen Ling (Independent Non-executive Director), Huang Kemeng (Independent Non-executive Director) and Su Min (Independent Non-executive Director).

Beijing, the PRC
20 November 2026

* *For identification purpose only*

Notes:

1. ELIGIBILITY OF ATTENDING THE EGM AND CLOSURE OF THE H SHARE REGISTER OF MEMBERS

H Shareholders of the Company whose names appear on the Company's register of members at the close of business on Thursday, 10 December 2026 (the "**Registered Shareholder(s)**") are entitled to attend the EGM conditional upon completion of the necessary registration procedures. The register of members of H shares will be closed by the Company from Thursday, 10 December 2026 to Wednesday, 16 December 2026, both days inclusive, for the purpose of determining H Shareholders' entitlement to attend the EGM, during which period no transfer of the H shares will be registered.

In order to be entitled to attend the EGM, H Shareholders of the Company are required to deposit their respective instrument(s) of transfer and the relevant share certificate(s) with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 9 December 2026.

2. REGISTRATION PROCEDURES FOR ATTENDING THE EGM

Registered Shareholders may deliver the necessary registration documents to the Company in person, by post or by facsimile. Upon receipt of the above documents, the Company shall complete the registration procedures in respect of attending the EGM.

3. PROXIES

Registered Shareholder is entitled to appoint one or more proxies to attend and vote at the EGM on his/her behalf by completing the "Proxy Form For Use at the Extraordinary General Meeting" (the "**Proxy Form**") or by completing a duplicate copy thereof. A proxy need not be a Shareholder of the Company. Should more than one proxy be appointed, such proxies shall only exercise his/her voting rights on a poll. The Proxy Form shall be signed by a Registered Shareholder or his/her attorney duly authorized in writing. If the Proxy Form is signed by the attorney of a Registered Shareholder, the power of attorney or other

documents of authorization authorizing the attorney to appoint the proxy shall be notarized. If the Registered Shareholder is a corporation, the Proxy Form shall be executed under seal or shall be executed by its director or a duly authorized person.

The notarized power of attorney or other authorization documents and the completed Proxy Form shall be delivered to the Secretarial Office of the Board of the Company or Computershare Hong Kong Investor Services Limited not less than 24 hours before the time designated for convening the EGM (being by 2:30 p.m. on Tuesday, 15 December 2026).

4. MISCELLANEOUS

(1) Each of the Shareholders (or his/her proxy) shall exercise his/her voting rights according to the number of shares with voting rights represented by him/her and shall be entitled to one vote for each share held.

(2) The EGM is expected to take less than half a day. Shareholders who attend the EGM shall be responsible for their own travel and accommodation expenses.

(3) The office address of the Company and the contact details of the Secretarial Office of the Board are as follows:

No. 2 Xuanwumennei Street, Xicheng District, Beijing, the People's Republic of China
Tel No.: (86)10 8356 7909
Fax No.: (86)10 8356 7963

(4) The address and contact details of Computershare Hong Kong Investor Services Limited are as follows:

Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Tel No.: (852) 2862 8555
Fax No.: (852) 2865 0990