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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)

DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS DISPOSAL OF TARGET ASSETS

THE DISPOSALS

The Board hereby announces that on 28 October 2021, the Company and certain of its subsidiaries and branches entered into the Equity Disposal Agreements, the Assets Disposal Agreements and the Preliminary Project Transfer Agreement with Fuxin Development and certain of its subsidiaries and branches respectively, pursuant to which Fuxin Development and certain of its subsidiaries and branches agreed to purchase, at a total consideration of approximately RMB5,288.6228 million, and the Company and certain of its subsidiaries and branches agreed to dispose of the Target Assets.

HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, China Huadian, a controlling Shareholder of the Company, directly and indirectly holds approximately 46.81% of the total issued share capital of the Company. Fuxin Development and certain of its subsidiaries and branches are subsidiaries of China Huadian. Therefore, Fuxin Development and certain of its subsidiaries and branches are connected persons of the Company. Therefore, the Disposals contemplated under the Transaction Agreements constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. As one or more of the percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) in respect of the Disposals exceed 5%, the Disposals are subject to the announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

In addition, the Disposals would be aggregated with the Previous Transactions, pursuant to Rules 14.22 and 14A.81 of the Hong Kong Listing Rules. As (i) one or more of the percentage ratios in respect of the Disposals exceed 5% but are less than 25%; (ii) the applicable percentage ratios of the Disposals, as

aggregated with the Previous Transactions, exceed 25% but are less than 75%; and (iii) the Previous Transactions constituted a major transaction of the Company and fully complied with the reporting, announcement and Shareholders' approval requirements, therefore, pursuant to Chapter 14 of the Hong Kong Listing Rules, the Disposals constitute a discloseable transaction of the Company, and are subject to the reporting and announcement requirements but are exempted from Shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established pursuant to the Hong Kong Listing Rules to advise the Independent Shareholders on the Transaction Agreements and the Disposals contemplated thereunder. The Company has appointed Trinity as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Transaction Agreements and the Disposals contemplated thereunder.

EGM

The Directors propose to put forward the Transaction Agreements and the Disposals contemplated thereunder for the Independent Shareholders' approval at the EGM. A circular containing, among others, (i) details of the Transaction Agreements and the Disposals contemplated thereunder; (ii) the recommendation from the Independent Board Committee in relation to the Disposals; (iii) the letter from the Independent Financial Adviser in relation to the Disposals; and (iv) the notice of EGM, will be despatched on or before 24 November 2021, in accordance with the relevant laws and rules that apply to the Company, as additional time is required for the Company to prepare the circular.

As the Disposals are subject to the satisfaction of conditions precedent of the Transaction Agreements, the Disposals may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

I. INTRODUCTION

The Board hereby announces that on 28 October 2021, the Company and certain of its subsidiaries and branches entered into the Equity Disposal Agreements, the Assets Disposal Agreements and the Preliminary Project Transfer Agreement with Fuxin Development and certain of its subsidiaries and branches respectively, pursuant to which Fuxin Development and certain of its subsidiaries and branches agreed to purchase, at a total consideration of RMB5,288.6228 million, and the Company and certain of its subsidiaries and branches agreed to dispose of the Target Assets.

II. TRANSACTION AGREEMENTS

The principal terms of the Equity Disposal Agreements, the Assets Disposal Agreements and the Preliminary Project Transfer Agreement are substantially the same. The principal terms of the Transaction Agreements are summarized as follows:

1. Date

28 October 2021

2. Transactions

(1) Equity Disposal

Pursuant to the Equity Disposal Agreements, Fuxin Development and its subsidiary agreed to purchase and the Company and certain of its subsidiaries agreed to dispose of the New Energy Equity at the consideration as set out below, which was determined by the parties after arm's length negotiations with reference to the appraised value of the New Energy Equity at the Valuation Benchmark Date as set out in the assets valuation report prepared by the Valuer. Chengwu Company, Liaocheng Company and Huashun Company are new subsidiaries established in 2021. As at the date of this announcement, the Company has not paid capital contributions to Chengwu Company and Liaocheng Company, and their appraised values reflect the actual capital contributions from their minority shareholders. The entire appraised value of Huashun Company reflects the actual capital contribution from the Company.

The details of the Equity Disposal Agreements are set out as follows:

S/N	Name of the Equity Disposal Agreement	Transferor	Transferee	New Energy Equity	Valuation Method	Appraised Value of the Target Companies	Consideration	Difference Between the Consideration and the Carrying Amount of Net Assets of the New Energy Equity ¹
						(RMB0'000)	(RMB0'000)	(RMB0'000)
1.	Equity Transfer Agreement of Certain	The Company	Fuxin Development	38.13% equity interest in Guyuan Company	Income approach	236,600.00	90,215.58	+29,199.11

¹ "+" means an excess of the consideration over the net carrying amount, while "-" means the deficit of the consideration under the net carrying amount.

2.	New Energy Companies			39.62% equity interest in Yuzhou Company	Income approach	65,200.00	25,832.24	+1,530.23
3.				100% equity interest in Mengdong Company	Income approach	235,360.00	235,360.00	+14,216.92
4.				36.07% equity interest in Ningxia Company	Income approach	443,200.00	159,862.24	+8,874.99
5.				60% equity interest in Chengwu Company	Asset-based approach	6,546.29	0	0
6.				60% equity interest in Liaocheng Company	Asset-based approach	19,601.40	0	0
7.	Equity Transfer Agreement of Mingchengyumeng Company	Hebei Hydropower	Fuxin Development	100% equity interest in Mingchengyumeng Company	Income approach	5,720.00	5,720.00	+17.99
8.	Equity Transfer Agreement of Huashun Company	Pingshi Plant B	Qianshan Company	70% equity interest in Huashun Company	Asset-based approach	4,806.73	4,806.73	0
						Total:	521,796.79	

(2) Assets Disposal

Pursuant to the Assets Disposal Agreements, certain subsidiaries and branches of Fuxin Development agreed to purchase and certain branches of the Company agreed to dispose of the New Energy Assets at the consideration as set out below, which was determined by the parties after arm's length negotiations with reference to the appraised value of the New Energy Assets at the Valuation Benchmark Date as set out in the assets valuation report prepared by the Valuer using the asset-based approach.

Details of each of the Assets Disposal Agreements are set out below:

S/N	Name of the Assets Disposal Agreement	Transferor	Transferee	New Energy Assets	Appraised Value (RMB0'000)	Consideration (RMB0'000)	Difference Between the Consideration and the Carrying Amount of Net Assets of the New Energy Assets ² (RMB0'000)
1	Assets and Liabilities Transfer Agreement	Zouxian Plant	Shandong Wenshang Company	Photovoltaic Project of Zouxian Plant in Yanglai, Zoucheng, Jining	4,048.96	4,048.96	+1.71
2	Assets and Liabilities Transfer Agreement	Shaoguan Nanxiong Company, Shaoguan Thermal Power Company	Qianshan Company	New Energy Project of Shaoguan Thermal Power Company	17.43	17.43	+0.05
3	Assets and Liabilities Transfer Agreement	Lechang Company	Lechang New Energy	New Energy Project of Pingshi Power Plant	6.55	6.55	+0.01
					Total:	4,072.94	

(3) Preliminary Project Transfer

Pursuant to the Preliminary Project Transfer Agreement, certain subsidiaries and branches of Fuxin Development agreed to purchase and certain subsidiaries and branches of the Company agreed to transfer relevant Preliminary New Energy Projects at the consideration set out below. Such considerations were determined by the parties after arm's length negotiations with reference to the appraised value of the Preliminary New Energy Projects at the Valuation Benchmark Date as set out in the assets valuation report prepared by the Valuer using the cost approach.

² "+" means an excess of the consideration over the net carrying amount, while "-" means the deficit of the consideration under the net carrying amount.

The details of the Preliminary Project Transfer Agreement are set out as follows:

S/N	Preliminary Project Transfer Agreement	Transferor	Transferee	Preliminary New Energy Projects	Appraised Value of Preliminary Project	Consideration	Difference Between the Consideration and the Carrying Amount of Net Assets of the Preliminary Project ³
					(RMB0'000)	(RMB0'000)	(RMB0'000)
1	Framework Agreement for Transfer of Preliminary New Energy Project	The Company on behalf of its subsidiaries and branches	Fuxin Development on behalf of its subsidiaries and branches	A total of 81 Preliminary New Energy Projects	2,992.55	2,992.55	+125.80

The specific transferor and transferee in the Preliminary New Energy Projects will enter into a transfer agreement for specific Preliminary New Energy Projects in accordance with the Preliminary Project Transfer Agreement.

As certain Target Companies, the New Energy Assets and Preliminary New Energy Projects have not yet been put into production, the data in the feasibility study report to be adopted would be different from the actual future power generation capacity, electricity price and total investment, thus the valuation of the above-mentioned Target Assets would be of uncertainty if using income approach. Therefore, the appraised value by the asset-based approach or the cost approach is considered as the basis of consideration in respect of certain New Energy Equity, the New Energy Assets and Preliminary New Energy Projects that have not been put into production. The appraised value by income approach is considered as the basis of consideration in respect of the equity interest in the Target Companies that have been put into production.

The final considerations for the Equity Disposal, Assets disposal and Preliminary Project Transfer will be adjusted, if necessary, according to the filed valuation reports finally confirmed by competent authority(ies) for administration of State-owned assets. In case of any adjustments to the final considerations, a further announcement will be made by the Company accordingly.

³ "+" means an excess of the consideration over the net carrying amount, while "-" means the deficit of the consideration under the net carrying amount.

3. Payment

The considerations under the Equity Disposal Agreements and the Assets Disposal Agreements shall be paid in two instalments in cash as follows:

- (1) 70% of the considerations shall be paid by the transferees under the Equity Disposal Agreements and the Assets Disposal Agreements within five working days following the Completion Date; and
- (2) The second instalment shall be adjusted for the capital injection and dividend obtained by the Target Companies and other matters under the Equity Disposal Agreements during the transition period (from the Valuation Benchmark Date to the Completion Date). The capital injection, dividend and other matters of the Target Companies will be determined in writing by the parties to the Equity Disposal Agreements within 60 days following the Completion Date. 30% of the considerations of the Equity Disposal, together with the interest accrued to the payment date of the second instalment at the applicable one-year loan prime rate (LPR) published by PBOC, shall be paid by the transferees under the Equity Disposal Agreements within 120 days following the aforesaid written confirmation. 30% of the considerations of Assets Disposal, together with the interest accrued to the payment date of the second instalment at LPR, shall be paid by the transferees under the Assets Disposal Agreements within 180 days following the Completion Date.

The consideration under the Preliminary Project Transfer Agreement shall be paid by the transferee on a lump-sum basis within 5 working days from the effective date of the Preliminary Project Transfer Agreement.

4. Profit or Loss during the Transition Period

During the transition period, the profit or loss on the New Energy Equity and the New Energy Assets shall be owned or borne by the transferee.

With regard to the Target Assets (including the costs of the Preliminary New Energy Projects) which considerations are calculated and determined using the asset-based approach or the cost approach, the considerations as to the capital invested by the transferor during the transition period shall be increased based on the amount actually invested plus the costs of capital based on the one-year LPR, in order to promote the project construction during the transition period. Such payment will be made by the transferee to the transferor upon the payment of the second instalment consideration.

5. Conditions Precedent

The Equity Disposal Agreements, the Assets Disposal Agreements and the Preliminary Project Transfer

Agreement are conditional upon the satisfaction of the following conditions:

- (1) The Transaction Agreements are duly executed and sealed by each party;
- (2) The valuation reports are filed with the competent authority(ies) for administration of State-owned assets;
- (3) Transactions under the Transaction Agreements are approved by the competent authority(ies) for administration of State-owned assets; and
- (4) The resolutions on the Transaction Agreements and the transactions contemplated thereunder are approved by the Independent Shareholders at the EGM.

None of the conditions precedent above can be waived. As at the date of this announcement, none of the other conditions except for the condition precedent (1) has been fulfilled.

6. Completion

On the Completion Date, Fuxin Development will obtain the ownership of the Target Assets and have the corresponding shareholder rights and assume corresponding obligations specified by the company law and the Articles of Association of the Target Companies.

III. PROFIT FORECASTS IN RELATION TO THE VALUATION METHOD

As the assets valuation reports of certain New Energy Equity were prepared by the Valuer using the income approach, the calculations of the appraised value as set out in such assets valuation reports are deemed as profit forecasts under Rule 14.61 of the Hong Kong Listing Rules. As such, the details of valuation assumptions are provided by the Company in Appendix I to this announcement.

Baker Tilly Hong Kong, the reporting accountant of the Company, has reviewed the arithmetical accuracy of calculations of relevant forecasts by the income approach in the valuation, which does not involve reasonableness for the adoption of accounting policies and assumptions. The Board has confirmed that the profit forecast including assumptions, contained in the valuation reports has been made with due care and careful enquiry. Letters from Baker Tilly Hong Kong and the Board are enclosed herein as Appendix II and Appendix III to this announcement.

The qualifications of the experts who have given their opinions or advice in this announcement are as follows:

Name	Qualification	Date of Conclusion or Advice
China Alliance	Qualified Chinese appraiser	25 October 2021
Baker Tilly Hong Kong	Certified Public Accountants	28 October 2021

As at the date of this announcement, as far as the Directors are aware, none of the above experts had any beneficial interest in the share capital of any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate others to subscribe for any shares, convertible securities, warrants, share options or derivative securities with voting rights in any member of the Group.

Each of the experts has provided and has not withdrawn its written consent to the publication of this announcement with the inclusion herein of its report and/or references to its name in the context.

IV. INFORMATION ON THE TARGET ASSETS

(1) Equity Disposal

As at the date of this announcement, all of the Target Companies are companies incorporated in China, principally engaged in the wind and solar power generation. Mingchengyumeng Company, Mengdong Company, Chengwu Company, Liaocheng Company and Huashun Company are subsidiaries of the Company. The audited key financial data of the Target Companies prepared in accordance with the China Accounting Standards for Business Enterprises are set out below:

Target Company	As at 31 December 2020		As at the Valuation Benchmark Date	For the year ended 31 December 2019		For the year ended 31 December 2020		Installed Capacity in Operation	Installed Capacity Under Construction
	Total Assets	Net Assets	Carrying Amount of Net Assets	Net Profit Before Taxation	Net Profit After Taxation	Net Profit Before Taxation	Net Profit After Taxation		
	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(10,000 KW)	(10,000 KW)
Guyuan Company	2,730.23	1,520.71	1,600.22	136.45	108.60	134.96	103.83	49.05	-
Mingchengyumeng Company	120.29	8.74	57.02	16.87	16.87	8.74	8.74	2.0	-

Yuzhou Company	701.75	625.74	613.38	43.22	32.26	36.41	27.38	9.90	-
Mengdong Company	2,308.71	2,267.21	2,211.43	94.34	79.87	148.59	125.53	39.90	-
Ningxia Company	7,839.24	4,086.54	4,185.95	187.32	167.47	264.07	240.45	154.16	-
Chengwu Company	-	-	65.46	-	-	-	-	-	10.0
Liaocheng Company	-	-	196.01	-	-	-	-	-	-
Huashun Company	-	-	48.07	-	-	-	-	-	-

As Chengwu Company, Liaocheng Company and Huashun Company were newly established companies in 2021, there are no net profits (before or after taxation) for the financial years ended 31 December 2019 and 2020.

The relevant equity interests in Guyuan Company, Mingchengyumeng Company, Yuzhou Company and Ningxia Company are held by the Group for less than 12 months prior to the date of the Equity Disposal Agreements. The original acquisition cost of the equity interest in each of those companies by the Group are set out below:

	Company	Original Acquisition Cost <i>(RMB100 million)</i>
1.	38.13% equity interest in Guyuan Company	7.5
2.	100% equity interest in Mingchengyumeng Company	0
3.	39.62% equity interest in Yuzhou Company	2.5
4.	36.07% equity interest in Ningxia Company	15

(2) Assets Disposal

New Energy Assets	Type	Carrying Amount of Net Assets as at the Valuation Benchmark Date	Installed Capacity Under Construction
		<i>(RMB0'000)</i>	<i>(10,000 KW)</i>
Photovoltaic Project of Zouxian Plant in Yanglai, Zoucheng, Jining	The asset group of the photovoltaic project, which mainly includes equipment in relation to the solar power generation and its supporting and auxiliary equipment	4,047.25	6.50
New Energy Project of Shaoguan Thermal Power Company	The asset group of the photovoltaic project, which mainly includes equipment in relation to the solar power generation and its supporting and auxiliary equipment	17.38	11.00
New Energy Project of Pingshi Power Plant	The asset group of the photovoltaic project, which mainly includes equipment in relation to the solar power generation and its supporting and auxiliary equipment	6.54	5.00

The scope of New Energy Assets is subject to the list of assets and liabilities as set out in each of the assets valuation reports issued by the Valuer.

As at the date of this announcement, there is no net profit (before or after taxation) from the New Energy Assets for the financial years ended 31 December 2019 and 2020, as the New Energy Assets have not been put into operation.

(3) Preliminary Project Transfer

A total of 81 Preliminary New Energy Projects are proposed to be transferred, and the total carrying amount of net assets of such projects at the Valuation Benchmark Date is approximately RMB28.67 million. The provinces where the Preliminary New Energy Projects are located include Henan, Hubei, Sichuan, Shandong, Hebei and Guangdong. Details of the Preliminary New Energy Projects are set out in Appendix IV to this announcement.

As at the date of this announcement, there is no net profit (before or after taxation) from the Preliminary New Energy Projects for the financial years ended 31 December 2019 and 2020, as the Preliminary New Energy Projects have not been put into operation.

V. REASONS FOR AND BENEFITS OF THE DISPOSALS

The Group is the ultimate platform of China Huadian for the integration of its conventional energy-based power generation assets and is the core enterprise of China Huadian for developing conventional energy-based power generation business. As China Huadian's only platform for new energy's development and integration, with assets located in 29 provincial regions in China, Fuxin Development is carrying out regional asset integration and can realize large-scale development, intensive operation and professional management, and will further leverage the development and competitive advantages of new energy business to achieve economies of scale.

The Group carried out the integration of new energy assets with Fuxin Development in the first half of 2021, while the New Energy Equity, the New Energy Assets and the Preliminary New Energy Projects were not transferred to Fuxin Development in the previous transactions of asset integration since they were new energy projects that were newly acquired, approved or filed or etc. The Disposals represent a recovery of cash by the Group and are in line with the previous reorganization of new energy equity and assets, and conducive to increasing the Group's investment income.

VI. FINANCIAL EFFECTS OF THE DISPOSALS AND USE OF PROCEEDS

Upon completion of the disposal of Equity, Mingchengyumeng Company, Mengdong Company, Chengwu Company, Liao Cheng Company and Huashun Company will cease to be the subsidiaries of the Company. The financial statements of the above companies, the New Energy Assets and the Preliminary New Energy Projects will be de-consolidated from the consolidated financial statements of the Company.

The Company expects that the total gains derived from the Disposals (before deducting the taxation and other expenses payable by the Company) will be approximately RMB0.298 billion, which represents the difference between the consideration for the Disposals of approximately RMB5.289 billion and the carrying amount of net assets of the Target Assets of approximately RMB4.991 billion as at the Valuation Benchmark Date.

The Shareholders should be aware that the actual gains on the Disposals will be calculated based on the relevant audited figures on the Completion Date, and therefore it may be different from the above amount. The proceeds from the Disposals are intended to be used for project development and repayment of debt of the Group.

VII. 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 various renewable energy projects, and the development, construction and operation of coal mines.

Hebei Hydropower is a subsidiary of the Company incorporated in the PRC, which is principally engaged in hydropower generation.

Pingshi Plant B is a subsidiary of the Company incorporated in the PRC, which is principally engaged in thermal power generation.

Zouxian Plant is a branch of the Company incorporated in the PRC, which is principally engaged in thermal power generation.

Shaoguan Nanxiong Company is a branch of a subsidiary of the Company incorporated in the PRC, which is principally engaged in photovoltaic power generation.

Lechang Company is a branch of a subsidiary of the Company incorporated in the PRC, which is principally engaged in wind power generation.

Shaoguan Thermal Power Company is a subsidiary of the Company incorporated in the PRC, which is principally engaged in thermal power generation.

Information relating to Fuxin Development Group

Fuxin Development is a subsidiary of China Huadian as at the date of this announcement. It is principally engaged in the generation and sale of wind power, solar power and other clean energy power in the PRC.

Shandong Wenshang Company is a branch of Fuxin Development incorporated in the PRC, which is principally engaged in wind power generation, solar power generation and related technical services.

Qianshan Company is a subsidiary of Fuxin Development incorporated in the PRC, which is principally engaged in wind power generation projects.

Lechang New Energy is a subsidiary of Fuxin Development incorporated in the PRC, which is principally engaged in new energy power generation.

Information relating to China Huadian

China Huadian is the controlling Shareholder of the Company, directly and indirectly holding approximately 46.81% of the total issued share capital of the Company as at the date of this announcement. China Huadian is principally engaged in power generation, heat production and supply, energy development of coal and other resources related to the power generation and relevant professional technical services.

VIII. HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, China Huadian, a controlling Shareholder of the Company, directly and indirectly holds approximately 46.81% of the total issued share capital of the Company. Fuxin Development and its subsidiaries and branches are subsidiaries of China Huadian. Therefore, Fuxin Development and its subsidiaries and branches are connected persons of the Company. Therefore, the Disposals contemplated under the Transaction Agreements constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. As one or more of the percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) in respect of the Disposals exceed 5%, the Disposals are subject to the announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

In addition, the Disposals would be aggregated with the Previous Transactions, pursuant to Rules 14.22 and 14A.81 of the Hong Kong Listing Rules. As (i) one or more of the percentage ratios in respect of the Disposals exceed 5% but are less than 25%; (ii) the applicable percentage ratios of the Disposals, as aggregated with the Previous Transactions, exceed 25% but are less than 75%; and (iii) the Previous Transactions constituted a major transaction of the Company and fully complied with the reporting, announcement and Shareholders' approval requirements, therefore, pursuant to Chapter 14 of the Hong Kong Listing Rules, the Disposals constitute a discloseable transaction of the Company, and are subject to the reporting and announcement requirements but are exempted from Shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

IX. APPROVAL OF THE BOARD

Given that Mr. Ding Huande, Mr. Peng Xingyu, Mr. Zhang Zhiqiang and Mr. Li Pengyun, the Directors of the Company, hold positions in China Huadian, they have abstained from voting on the resolution regarding the Transaction Agreements and the Disposals contemplated thereunder at the 21st meeting of the ninth

session of the Board. Save as mentioned above, no other Directors have any material interest in the Disposals and therefore no other Directors have abstained from voting on such Board resolution.

The Directors (excluding the independent non-executive Directors, whose opinion on the Disposals will be set forth in the circular after considering the advice from the Independent Financial Adviser) are of the view that the terms of the Transaction Agreements are fair and reasonable and on normal commercial terms, and that the Disposals, although not conducted in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole.

X. EGM

The Directors propose to put forward the Transaction Agreements and the Disposals contemplated thereunder for the Independent Shareholders' approval at the EGM.

China Huadian, which holds 4,534,199,224 issued A shares of the Company, representing approximately 45.94% of the total issued share capital of the Company, and China Huadian Hong Kong Company Limited, its wholly-owned subsidiary, which holds 85,862,000 issued H shares of the Company, representing approximately 0.87% of the total issued share capital of the Company, will abstain from voting for approving the Transaction Agreements and the Disposals contemplated thereunder.

The Independent Board Committee has been established pursuant to the Hong Kong Listing Rules to advise the Independent Shareholders on the Transaction Agreements and the Disposals contemplated thereunder. The Company has appointed Trinity as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Transaction Agreements and the Disposals contemplated thereunder.

A circular containing, among others, (i) details of the Transaction Agreements and the Disposals contemplated thereunder; (ii) the recommendation from the Independent Board Committee in relation to the Disposals; (iii) the letter from the Independent Financial Adviser in relation to the Disposals; and (iv) the notice of EGM, will be despatched on or before 24 November 2021, in accordance with the relevant laws and rules that apply to the Company, as additional time is required for the Company to prepare the circular.

As the Disposals are subject to the satisfaction of conditions precedent of the Transaction Agreements, the Disposals may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

XI. DEFINITIONS

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

“Assets Disposal”	means the disposal of the New Energy Assets in accordance with the Assets Disposal Agreements;
“Assets Disposal Agreements”	means collectively, the three(3) assets and liabilities transfer agreements on the Assets Disposal entered into between certain branches of the Company and certain subsidiaries and branches of Fuxin Development on 28 October 2021;
“Baker Tilly Hong Kong”	means Baker Tilly Hong Kong Limited;
“Board”	means the board of directors of the Company;
“Chengwu Company”	means Huadian Chengwu New Energy Company Limited* (華電成武新能源有限公司);
“China Alliance” or “Valuer”	means China Alliance Appraisal Co., Ltd.* (北京中同華資產評估有限公司);
“China Huadian”	means China Huadian Corporation Limited* (中國華電集團有限公司), a wholly PRC State-owned enterprise, and the controlling Shareholder of the Company, and where the context requires, means China Huadian and its subsidiaries and companies whose 30% or more equity interests are directly or indirectly held by China Huadian;
“Company”	means 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;

“Completion Date”	means the date of the completion of the disposal of the Target Assets in accordance with the Transaction Agreements, being the date of signing the confirmation of completion by parties to the Equity Disposal Agreements and Assets Disposal Agreements; or being the effective date of the Preliminary Project Transfer Agreement;
“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”	means the directors of the Company;
“Disposals”	means collectively, the Assets Disposal, the Equity Disposal and the Preliminary Project Transfer;
“EGM”	means the extraordinary general meeting proposed to be convened by the Company to consider and approve, among other things, the Transaction Agreements and the Disposals contemplated thereunder;
“Equity Disposal”	means the disposal of the New Energy Equity in accordance with the Equity Disposal Agreements;
“Equity Disposal Agreements”	means collectively, the Equity Transfer Agreement between Huadian Power International Corporation Limited* (華電國際電力股份有限公司) and Huadian Fuxin Energy Development Company Limited* (華電福新能源發展有限公司) on the Transfer of the Equity Interests in Certain New Energy Companies, the Equity Transfer Agreement between Hebei Huadian Complex Pumping-storage Hydropower Company Limited* (河北華電混合蓄能水電有限公司) and Huadian Fuxin Energy Development Company Limited* (華電福新能源發展有限公司) on the Transfer of the Equity Interests in Zanhuang County Mingchengyumeng Energy Technology Company Limited * (贊皇縣明誠宇盟能源科技有限公司) and the Equity Transfer Agreement between Shaoguan City Pingshi Electric Power Plant Company Limited (Plant B)* (韶關市坪石發電廠有限公司(B廠)) and Guangdong Huadian Qianshan Wind Power Generation Company Limited* (廣東華電前山風力發電有限公司) on the Transfer of the Equity Interests

	in Shaoguan Huashun Energy Company Limited* (韶關華舜能源有限公司) entered into between the Company and its certain subsidiaries and Fuxin Development on 28 October 2021;
“Fuxin Development”	means Huadian Fuxin Energy Development Company Limited* (華電福新能源發展有限公司), a subsidiary of China Huadian;
“Group”	means the Company and its subsidiaries;
“Guyuan Company”	means Hebei Huadian Guyuan Wind Power Company Limited* (河北華電沽源風電有限公司);
“Hebei Hydropower”	means Hebei Huadian Complex Pumping-storage Hydropower Company Limited* (河北華電混合蓄能水電有限公司);
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Huashun Company”	means Shaoguan Huashun Energy Company Limited* (韶關華舜能源有限公司);
“Independent Board Committee”	means the independent committee of the Board, comprising independent non-executive Directors, namely Mr. Feng Zhenping, Mr. Li Xingchun, Mr. Li Menggang and Mr. Wang Yuesheng, appointed to advise the Independent Shareholders on the Disposals pursuant to the Hong Kong Listing Rules;
“Independent Financial Adviser” or “Trinity”	means Trinity Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, appointed as the independent financial adviser by the Company to advise the Independent Board Committee and the Independent Shareholders on the Disposals;

“Independent Shareholders”	means the Shareholders who are not required to abstain from voting for Transaction Agreements and the Disposals contemplated thereunder;
“Lechang Company”	means Lechang New Energy Branch of Shaoguan City Pingshi Electric Power Plant Company Limited (Plant B)* (韶關市坪石發電廠有限公司(B 廠)樂昌新能源分公司);
“Lechang New Energy”	means Guangdong Huadian Fuxin Lechang New Energy Company Limited* (廣東華電福新樂昌新能源有限公司);
“Liaocheng Company”	means Huadian Liaocheng New Energy Company Limited* (華電聊城新能源有限公司);
“Mengdong Company”	means Inner Mongolia Huadian Mengdong Energy Company Limited * (內蒙古華電蒙東能源有限公司);
“Mingchengyumeng Company”	means Zanhuang County Mingchengyumeng Energy Technology Company Limited* (贊皇縣明誠宇盟能源科技有限公司);
“New Energy Assets”	means collectively, the assets to be disposed of under the Assets Disposal Agreements;
“New Energy Equity”	means collectively, the equity interests in the Target Companies held by the Group to be disposed of under the Equity Disposal Agreements;
“Ningxia Company”	means Huadian Power International Ningxia New Energy Power Company Limited* (華電國際寧夏新能源發電有限公司);
“PBOC”	means People’s Bank of China;
“Pingshi Plant B”	means Shaoguan City Pingshi Electric Power Plant Company Limited (Plant B)* (韶關市坪石發電廠有限公司(B 廠));
“PRC”	means the People’s Republic of China;
“Preliminary New Energy Projects”	means collectively, the 81 Preliminary New Energy Projects of the Company as set out in the table on Appendix IV to this announcement;

“Preliminary Project Transfer”	means the transfer of the Preliminary New Energy Projects in accordance with the Preliminary Project Transfer Agreement;
“Preliminary Project Transfer Agreement”	means the Framework Agreement on the Transfer of Preliminary New Energy Projects between Huadian Power International Corporation Limited* (華電國際電力股份有限公司) and Huadian Fuxin Energy Development Company Limited* (華電福新能源發展有限公司) entered into between the Company and Fuxin Development on 28 October 2021;
“Previous Transactions”	means the transfer of 65% equity interests in Ningxia Lingwu, the dividend receivable arising from the 65% equity interests in Ningxia Lingwu, and 53% equity interests in Ningxia Heating from the Company to China Huadian as disclosed in the announcement of the Company dated 28 February 2021; and the transfer of the equity interests held by the Company in the New Energy Companies from the Company to Fuxin Development and the disposals of New Energy Assets and Equity as disclosed in the announcement of the Company dated 24 May 2021;
“Qianshan Company”	means Guangdong Huadian Qianshan Wind Power Generation Company Limited* (廣東華電前山風力發電有限公司);
“RMB”	means Renminbi, the lawful currency of the PRC;
“Shandong Wenshang Company”	means Wenshang Branch of Huadian Shandong New Energy Company Limited* (華電山東新能源有限公司汶上分公司);
“Shaoguan Nanxiong Company”	means Nanxiong New Energy Branch of Guangdong Huadian Shaoguan Thermal Power Company Limited* (廣東華電韶關熱電有限公司南雄新能源分公司);
“Shaoguan Thermal Power Company”	means Guangdong Huadian Shaoguan Thermal Power Company Limited;
“Shareholder(s)”	means the shareholder(s) of the Company;
“subsidiary(ies)”	has the meaning ascribed to it under the Hong Kong Listing Rules that apply to the Company; and

“Target Assets”	means collectively, the New Energy Equity, the New Energy Assets and the Preliminary New Energy Projects to be disposed of under the Transaction Agreements;
“Target Companies”	means collectively, the 8 holding companies to be transferred by the Company as set out in the table on page 12 to page 13 of this announcement;
“Transaction Agreements”	means collectively, the Assets Disposal Agreements, the Equity Disposal Agreements and the Preliminary Project Transfer Agreement;
“Valuation Benchmark Date”	means 31 August 2021, being the valuation benchmark date of the Target Assets except for Huashun Company, or 30 September 2021, being the valuation benchmark date of Huashun Company;
“Yuzhou Company”	means Hebei Huadian Yuzhou Wind Power Company Limited* (河北華電蔚州風電有限公司);
“Zouxian Plant”	means Zouxian Plant of Huadian Power International Corporation Limited* (華電國際電力股份有限公司鄒縣發電廠);
“%”	means per cent.

By order of the Board
Huadian Power International Corporation Limited
Zhang Gelin
Company Secretary

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

Ding Huande (Chairman, Executive Director), Ni Shoumin (Vice Chairman, Non-executive Director), Peng Xingyu (Non-executive Director), Luo Xiaoqian (Executive Director), Zhang Zhiqiang (Non-executive Director), Li Pengyun (Non-executive Director), Wang Xiaobo (Non-executive Director), Feng Rong (Executive Director), Feng Zhenping (Independent Non-executive Director), Li Xingchun (Independent Non-executive Director), Li Menggang (Independent Non-executive Director) and Wang Yuesheng (Independent Non-executive Director).

Beijing, the PRC

28 October 2021

** For identification purpose only*

APPENDIX I VALUATION ASSUMPTIONS CONTAINED IN THE VALUATION REPORTS

Details of the main assumptions in the valuation reports using the income approach are set out below.

(I) General Assumptions and Valuation Limitations for Each Valuation Report:

General assumptions

1. Transaction assumption: It is assumed that all assets to be valued are in the course of transaction, and the asset appraiser carries out the valuation with benchmark to simulated market based on the conditions for transaction of the assets to be valued.
2. Open market assumption: It is assumed that both parties to the transaction of the assets to be traded or proposed to be traded in the market are in equal positions, and have opportunities and time to acquire adequate market information so as to make rational judgments on the functions, purposes and transaction price of the assets.
3. Going concern assumption: It is assumed that the appraised entity is in full compliance with all relevant laws and regulations, and will operate continually in the foreseeable future.

Valuation limitations

1. This valuation conclusion estimates the market value of the valuation object on the basis of the purpose of this valuation and under the assumption of open market, without considering the impact on the appraised value caused by the potentially increased or decreased price resulted from the special transaction method, or the impact on the assets price caused by changes of the macroeconomic environment, the natural force and other force majeure.
2. The Valuation Benchmark Date adopted by the valuation reports has been stated above, and our estimate of the value is based on the purchasing power of the currency of the place where the enterprise is located as at the Valuation Benchmark Date.

(II) Special Assumptions on which the Profit Forecasts of Guyuan Company and Yuzhou Company are Based:

1. This valuation takes the specific valuation purposes set out in this Assets Valuation Report as its basic assumption premises;
2. There is no material change in the relevant existing laws and regulations of the country, or in the macroeconomic conditions of the country, and there is no unforeseeable and material change in external economic environment such as interest rate, exchange rate, tax basis and tax rate, as well as policy-related levies;

3. This valuation assumes the appraised entity's operation and management team in the future will be accountable, and will maintain the existing operation and management mode. The scope and mode of operation will be consistent with the current direction;
4. This valuation assumes the appraised assets are in continuous use according to the current purposes and way of use, size, frequency and environment, without taking into account the respective optimal use of each asset;
5. It is assumed that there will be no material adverse impact on the enterprise arising from other force majeure and unforeseeable factors based on the current management methods and standards of the enterprise;
6. The relevant basic information and financial information provided by the appraised entity and the consignor are true, accurate and complete;
7. The financial report and transaction data of the comparable company relied by the appraiser are true and reliable;
8. The valuation scope is only based on the declaration form for valuation provided by the consignor and the appraised entity, without taking into account the possible contingent assets and contingent liabilities out of the list provided by the consignor and the appraised entity;
9. This valuation assumes the enterprise has balanced net cash flows in the year;
10. It is assumed that the deferred years and achievability of tariff subsidies are consistent with the forecasted cash flows.

(III) Special Assumptions on which the Profit Forecasts of Mingchengyumeng Company are Based:

1. This valuation takes the specific valuation purposes set out in this Assets Valuation Report as its basic assumption premises;
2. There is no material change in the relevant existing laws and regulations of the country, or in the macroeconomic conditions of the country, and there is no unforeseeable and material change in external economic environment such as interest rate, exchange rate, tax basis and tax rate, as well as policy-related levies;
3. This valuation assumes the appraised entity's operation and management team in the future will be accountable, and will maintain the existing operation and management mode. The scope and mode of operation will be consistent with the current direction;
4. This valuation assumes the appraised assets are in continuous use according to the current purposes and way of use, size, frequency and environment, without taking into account the respective optimal use of each asset;
5. It is assumed that there will be no material adverse impact on the enterprise arising from other force majeure and unforeseeable factors based on the current management methods and standards

of the enterprise;

6. The relevant basic information and financial information provided by the appraised entity and the consignor are true, accurate and complete;
7. The financial report and transaction data of the comparable company relied by the appraiser are true and reliable;
8. The valuation scope is only based on the declaration form for valuation provided by the consignor and the appraised entity, without taking into account the possible contingent assets and contingent liabilities out of the list provided by the consignor and the appraised entity;
9. It is assumed that the deferred years and achievability of tariff subsidies are consistent with the forecasted cash flows;
10. This valuation assumes the enterprise has balanced net cash flows in the year.

(IV) Special Assumptions on which the Profit Forecasts of Mengdong Company are Based:

1. This valuation takes the specific valuation purposes set out in this Assets Valuation Report as its basic assumption premises;
2. There is no material change in the relevant existing laws and regulations of the country, or in the macroeconomic conditions of the country, and there is no unforeseeable and material change in external economic environment such as interest rate, exchange rate, tax basis and tax rate, as well as policy-related levies;
3. This valuation assumes the appraised entity's operation and management team in the future will be accountable, and will maintain the existing operation and management mode. The scope and mode of operation will be consistent with the current direction;
4. This valuation assumes the appraised assets are in continuous use according to the current purposes and way of use, size, frequency and environment, without taking into account the respective optimal use of each asset;
5. It is assumed that there will be no material adverse impact on the enterprise arising from other force majeure and unforeseeable factors based on the current management methods and standards of the enterprise;
6. The relevant basic information and financial information provided by the appraised entity and the consignor are true, accurate and complete;
7. The financial report and transaction data of the comparable company relied by the appraiser are true and reliable;
8. The valuation scope is only based on the declaration form for valuation provided by the consignor and the appraised entity, without taking into account the possible contingent assets and contingent liabilities out of the list provided by the consignor and the appraised entity;

9. This valuation assumes the enterprise has balanced net cash flows in the year;
10. According to the Reply regarding the Approval of On-Grid Tariff for Certain Wind Power Projects in Tongliao City (《關於核定通遼市部分風力發電項目上網電價的批覆》) and the Reply regarding the Approval of On-Grid Tariff of Kailu Yihetala (West) Phase II 49.5 MW Wind Farm Project of Huadian Inner Mongolia Kailu Wind Power Company Limited (《關於核定華電內蒙古開魯風電有限公司開魯義和塔拉(西)風電場二期49.5MW風力發電項目上網電價的批覆》) issued by the Inner Mongolia Autonomous Region Development and Reform Commission (內蒙古自治區發展改革委員會), Yihetala Wind Farm Phase I and Phase II implements the on-grid tariff of RMB0.54/KWh (tax-inclusive), including the benchmark electricity price of RMB0.3035 and the new energy subsidy of RMB0.2365 and it is assumed that this electricity price remains the same during the operation period; according to relevant agreements under the Concession Agreement of the 300MW Wind Power Concession Project of Beiqinghe Wind Farm in Tongliao City, Inner Mongolia (《內蒙古通遼市北清河風電場300兆瓦風電特許權項目特許權協議》), Beiqinghe Wind Farm implements the on-grid tariff of RMB0.5216/KWh (tax-inclusive), including the benchmark electricity price of RMB0.3035 and the new energy subsidy of RMB0.2181, and the state subsidy will no longer suitable after operation for 30,000 hours. It is assumed that the electricity price will be subject to the above regulation during the forecast period.
11. This valuation assumes that the existing preferential tax policy will remain unchanged in the future: (1) the policy of 50% VAT refund upon collection will remain unchanged; (2) the preferential tax policy for the Western Development (西部大開發) (the corporate income tax rate will be 15% by the end of 2030) will remain unchanged;
12. This report assumes that the enterprise could resolve its interest-bearing debts which will fall due soon through renewing loans and repaying loans with its own funds according to its funding arrangements, without affecting its capabilities relating to continuous operation;
13. It is assumed that the deferred years and achievability of tariff subsidies are consistent with the forecasted cash flows.

(V) Special Assumptions on which the Profit Forecasts of Ningxia Company are Based:

1. This valuation takes the specific valuation purposes set out in this Assets Valuation Report as its basic assumption premises;
2. There is no material change in the relevant existing laws and regulations of the country, or in the macroeconomic conditions of the country, and there is no unforeseeable and material change in external economic environment such as interest rate, tax basis and tax rate, as well as policy-related levies;

3. This valuation assumes the appraised entity's operation and management team in the future will be accountable, and will maintain the existing operation and management mode. The scope and mode of operation will be consistent with the current direction;
4. This valuation assumes the appraised assets are in continuous use according to the current purposes and way of use, size, frequency and environment, without taking into account the respective optimal use of each asset;
5. It is assumed that there will be no material adverse impact on the enterprise arising from other force majeure and unforeseeable factors based on the current management methods and standards of the enterprise;
6. The relevant basic information and financial information provided by the appraised entity and the consignor are true, accurate and complete;
7. The financial report and transaction data of the comparable company relied by the appraiser are true and reliable;
8. The valuation scope is only based on the declaration form for valuation provided by the consignor and the appraised entity, without taking into account the possible contingent assets and contingent liabilities out of the list provided by the consignor and the appraised entity;
9. This valuation assumes that the existing preferential tax policy will remain unchanged in the future: (1) the policy of 50% VAT refund upon collection will remain unchanged; (2) the preferential tax policy for the Western Development (西部大開發) (the corporate income tax rate will be 15% by the end of 2030) will remain unchanged; (3) the preferential policy of 3-year exemption and 3-year half payment on corporate income tax will remain unchanged;
10. This valuation assumes the settlement tariff and the subsidized tariff will remain unchanged during the forecast period;
11. It is assumed that the achievability of the light and wind power curtailment rate during the forecast period is consistent with the forecast;
12. It is assumed that the appraised entity can operate based on the design life of photovoltaic modules and wind turbines;
13. It is assumed that the deferred years and achievability of tariff subsidies are consistent with the forecasted cash flows;
14. This valuation assumes the enterprise has balanced net cash flows in the year.

APPENDIX II LETTER FROM THE REPORTING ACCOUNTANT ON THE PROFIT FORECASTS FOR THE DISPOSALS

Independent assurance report on the calculations of discounted future cash flows in connection with the business valuations of five subsidiaries

To the Board of Directors of Huadian Power International Corporation Limited (the “Company”)

We refer to the discounted future cash flows on which the business valuations (the “Valuations”) dated 25 October 2021 prepared by China Alliance Appraisal Co., Ltd.* (北京中同華資產評估有限公司) in respect of the appraisal of the fair values of the entire equity interests of five subsidiaries listed below as at 31 August 2021 is based.

No.	Name of the subsidiary
1	Hebei Huadian Guyuan Wind Power Company Limited* (河北華電沽源風電有限公司)
2	Hebei Huadian Yuzhou Wind Power Company Limited* (河北華電蔚州風電有限公司)
3	Inner Mongolia Huadian Mengdong Energy Company Limited* (內蒙古華電蒙東能源有限公司)
4	Huadian Power International Ningxia New Energy Power Company Limited* (華電國際寧夏新源發電有限公司)
5	Zanhuang County Mingchengyumeng Energy Technology Company Limited* (贊皇縣明誠宇盟能源科技有限公司)

The Valuations are prepared based in part on the discounted future cash flows and are regarded as profit forecasts under Rules 14A.06 and 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Directors’ Responsibilities

The directors of the Company (the “Directors”) are responsible for the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuations. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Valuations and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**For identification purpose only*

Reporting Accountants' Responsibilities

Our responsibility is to report, as required by Rules 14A.68(7) and 14.62(2) of the Listing Rules, on the calculations of the discounted future cash flows used in the Valuations. The discounted future cash flows do not involve the adoption of accounting policies.

Basis of Opinion

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Directors have properly compiled the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors as set out in the Valuations. We performed procedures on the arithmetical calculations and the compilations of the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuations.

Other Matters

Without qualifying our opinion, we draw to your attention that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of the five subsidiaries or an expression of an audit or review opinion on the Valuations.

The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Further, since the discounted future cash flows relates to the future, actual results are likely to be different from the discounted future cash flows because events and circumstances frequently do not occur as expected, and the differences may be material. Our work has been undertaken for the purpose of reporting solely to you under Rules 14A.68(7) and 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Yours faithfully,

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 28 October 2021

Chan Sai Ho

Practising Certificate Number P07705

APPENDIX III LETTER FROM THE BOARD ON THE PROFIT FORECASTS FOR THE DISPOSALS

The Stock Exchange of Hong Kong Limited
12/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

28 October 2021

Dear Sir/Madam,

Company: Huadian Power International Corporation Limited* (the “Company”)

Re: Profit forecasts – Confirmation letter under the requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”)

Reference is made to the announcement of the Company dated 28 October 2021 (the “**Announcement**”) in relation to, among other things, the asset valuation reports (the “**Valuation Reports**”) on certain New Energy Equity (including Guyuan Company, Yuzhou Company, Mengdong Company, Ningxia Company and Mingchengyumeng) prepared by China Alliance Appraisal Co., Ltd.* (the “**Valuer**”) using the income approach. Unless the context otherwise requires, terms used in this confirmation letter shall have the same meanings as defined in the Announcement.

The board of directors (the “**Board**”) of the Company has reviewed the basis and assumptions of the valuation and discussed with the Valuer. The Board has also considered the report issued by Baker Tilly Hong Kong Limited, the reporting accountant of the Company, on the arithmetical accuracy of the calculations of the profit forecasts contained in the Valuation Reports.

Pursuant to the requirements of the Hong Kong Listing Rules, the Board has confirmed that the profit forecasts used in the Valuation Reports have been made after due and careful enquiry.

The Board of Huadian Power International Corporation Limited*

28 October 2021

** For identification purpose only*

APPENDIX IV DETAILS OF PRELIMINARY NEW ENERGY PROJECTS

S/N	Province	Project Name	Project Type	Book Value of Net Assets as at the Valuation Benchmark Date <i>(RMB0'000)</i>
1	Henan	Henan Xinxiang Yanjin Wind Power (Phase II)	Wind power	27.47
2	Hubei	Expansion Cost-Huadian Distributed Wind Power Research Project	Wind power	28.30
3		Expansion Cost-Planning and Research Project of Clean Energy Base in Hubei	Photovoltaic	26.42
4		Expansion Cost-Research Project of Wuxue Base in Huanggang, Hubei		50.38
5		Expansion Cost-Research Project of Honghu Base in Jingzhou, Hubei		82.55
6		200MW Photovoltaic Power Generation Project of Hubei Huadian in Huangji, Xiangzhou, Xiangyang	Photovoltaic	39.63
7		100MW Photovoltaic Power Generation Project of Hubei Huadian in Oumiao, Xiangcheng, Xiangyang	Photovoltaic	42.11
8		Expansion Cost-Yunxi Base Project	Photovoltaic	25.41
9		Expansion Cost-Jingmen Base Project	Photovoltaic	2.65
10		30MWP Distributed Photovoltaic Power Generation Project for Ash Yard	Photovoltaic	95.62
11		98MW Fishery-Solar Hybrid Photovoltaic Power Generation Project in Taizi Town, Huangshi	Photovoltaic	159.84
12		Expansion Cost	Photovoltaic	1.10
13		45MW Distributed Wind Power Project of Hubei Huadian in Majiazhai, Jiangling	Wind power	32.95
14		300MW Photovoltaic Power Generation Project (Phase I) of Hubei Huadian in Shakou Town, Honghu	Photovoltaic	39.82
15		50MW Fishery-Solar Hybrid Photovoltaic Power Generation Project of Hubei Huadian in Fengkou, Honghu, Jingzhou	Photovoltaic	39.07
16		150MW Fishery-Solar Hybrid Photovoltaic Power Generation Project of Hubei Huadian in Baimasi, Jiangling, Jingzhou	Photovoltaic	20.90
17		50MW Fishery-Solar Hybrid Photovoltaic Power Generation Project in Jiangbei Farm	Photovoltaic	0.28

S/N	Province	Project Name	Project Type	Book Value of Net Assets as at the Valuation Benchmark Date (RMB0'000)
18		150MW Fishery-Solar Hybrid Photovoltaic Power Generation Project in Zhemu Town, Jianli City	Photovoltaic	1.17
19		Distributed Wind Power Project in Xishui County, Huanggang City	Wind power	11.21
20		Expansion-Xiaogan Project	Photovoltaic	0.77
21		Expansion-Huanggang Project	Photovoltaic	0.58
22		Expansion-Wuhan Project	Photovoltaic	0.38
23		Expansion-Jingzhou Project	Photovoltaic	0.23
24		Expansion-Shiyan Project	Photovoltaic	0.35
25		Expansion-Huanggang Project	Photovoltaic	30.52
26		Expansion-Huangmei Project	Photovoltaic	3.19
27		Expansion-Jingmen Project	Photovoltaic	0.71
28		Expansion-Qianjiang Project	Photovoltaic	0.27
29		Expansion-Wuhan Project	Photovoltaic	0.49
30		Expansion-Shiyan Project	Photovoltaic	1.02
31		Expansion-Wuxue Project	Photovoltaic	0.97
32		Expansion-Xianning Project	Photovoltaic	0.94
33		Expansion-Xiaogan Project	Photovoltaic	1.50
34		Expansion-Yichang Project	Photovoltaic	0.13
35		Expansion-Jingzhou Project	Photovoltaic	0.01
36		Expansion-Huangshi Project	Photovoltaic	0.18
37		Sichuan	Photovoltaic Project in Ganzi Prefecture	Photovoltaic
38	Photovoltaic Project in Chali, Aba County, Aba Prefecture		Photovoltaic	26.76
39	Photovoltaic Project in Anqu, Hongyuan		Photovoltaic	187.03
40	Photovoltaic Project (Phase I) in Longsa		Photovoltaic	72.77
41	Hydroelectric-Wind-Solar Hybrid Project for Muli River, Shuiluo River and Xixi River in Sichuan		Photovoltaic	58.49
42	Shandong	Photovoltaic Project in Houtun, Zouxian County	Photovoltaic	2.57
43		Zhonglian Photovoltaic Project in Jiehe, Tengzhou	Photovoltaic	1.27
44		Photovoltaic Project in Hutouya, Laizhou, Shandong	Photovoltaic	167.57
45		Photovoltaic Project in Zhacun, Laizhou, Shandong	Photovoltaic	1.20
46		Photovoltaic Project in Tushan, Laizhou, Shandong	Photovoltaic	1.58
47		Photovoltaic Project in Sujadian, Qixia	Photovoltaic	8.74
48		Wind Power Project in Binzhou, Shandong	Wind power	13.32

S/N	Province	Project Name	Project Type	Book Value of Net Assets as at the Valuation Benchmark Date (RMB0'000)
49		Photovoltaic Project in Fenghuang, Juancheng, Heze	Photovoltaic	101.80
50		100MWP Photovoltaic Power Generation Project in Yinshan, Zaozhuang	Photovoltaic	13.79
51		150MW Photovoltaic Project in Binhu, Tengzhou	Photovoltaic	153.26
52		120MW Photovoltaic Project in Yutai, Jining	Photovoltaic	6.80
53		30MW Photovoltaic Power Generation Project of Huadian in Jiushan, Linqu, Weifang	Photovoltaic	236.14
54		250MW Photovoltaic Project of Shandong Huadian in Shao Zhuang, Qingzhou, Weifang	Photovoltaic	9.73
55		Energy Expansion Project	Photovoltaic	3.26
56		200MW Wind Power Project (Expansion Project) of Shandong Huadian in Chiping, Liaocheng	Wind power	108.17
57		Photovoltaic Project in Xujiashuang, Yiyuan, Zibo, Shandong	Photovoltaic	54.43
58		Preliminary Project in Chengwu	Wind power	175.22
59		New Energy Resources Expansion in Tengzhou	Wind power	2.91
60		200MW Agricultural- Solar Hybrid Photovoltaic Power Generation Project of Shandong Huadian in Xigang, Tengzhou	Photovoltaic	5.93
61		Photovoltaic Project in Shuiquan Town, Shanting District	Photovoltaic	1.77
62		Photovoltaic Project in Jinkou Town, Jimo, Qingdao	Photovoltaic	17.85
63		Photovoltaic Project in Xingcun, Haiyang, Yantai	Photovoltaic	10.83
64		Wind-Photovoltaic Power Project in Dongying	Wind power and photovoltaic	4.97
65		Photovoltaic Project in Yidao, Laizhou	Photovoltaic	7.95
66		Photovoltaic Project in Baoshan, Qingdao	Photovoltaic	9.65
67		Wind Power Project in Caoxian	Wind power	16.81
68		Photovoltaic Project in Gaoqing, Zibo	Photovoltaic	9.19
69	Hebei	126MW Wind Farm Project in Nanwangzhuang, Jingxing	Wind power	109.59
70		100MW Photovoltaic Power Generation Project of Hebei Huadian in Yixian, Baoding	Photovoltaic	6.82

S/N	Province	Project Name	Project Type	Book Value of Net Assets as at the Valuation Benchmark Date (RMB0'000)
71		Photovoltaic Project in Huanglangqu, Zhongjie, Cangzhou	Photovoltaic	21.58
72		Photovoltaic Base Project in Shenzhou, Hengshui	Photovoltaic	2.65
73		Photovoltaic Power Generation Project in Baijiagou, Lingshou, Shijiazhuang	Photovoltaic	1.32
74		Photovoltaic Power Generation Project in Xingtang, Shijiazhuang	Photovoltaic	3.21
75		Distributed County-wide Promotion in Luancheng District, Shijiazhuang	Photovoltaic	3.34
76	Guangdong	“Agricultural- Solar Hybrid” Photovoltaic Power Generation Project of Guangdong Huadian in Xianqiao, Yinghong, Yingde, Qingyuan	Photovoltaic	369.88
77		“Agricultural- Solar Hybrid” Photovoltaic Power Generation Project of Guangdong Huadian in Diaowu, Yinghong, Yingde, Qingyuan	Photovoltaic	2.53
78		“Fishery-Solar Hybrid” Photovoltaic Power Generation Project of Guangdong Huadian in Qianshuiku, Wangbusi, Yingde, Qingyuan	Photovoltaic	2.78
79		Pilot Project for Rooftop Distributed Photovoltaic Power in Huiyang District	Photovoltaic	0.10
80		Centralized Photovoltaic Project in Huiyang District	Photovoltaic	7.35
81		Photovoltaic Expansion	Photovoltaic	50.91
			Total book value	2,866.74