華能國際電力股份有限公司
HUANENG POWER INTERNATIONAL, INC.

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

(Stock Code: 902)

ANNOUNCEMENT OF PROPOSED SPIN-OFF AND APPLICATION FOR PUBLICLY OFFERED INFRASTRUCTURE REIT AT SHANGHAI STOCK EXCHANGE AND CONNECTED TRANSACTIONS

Independent Financial Advisor

Gram Capital Limited
嘉林資本有限公司

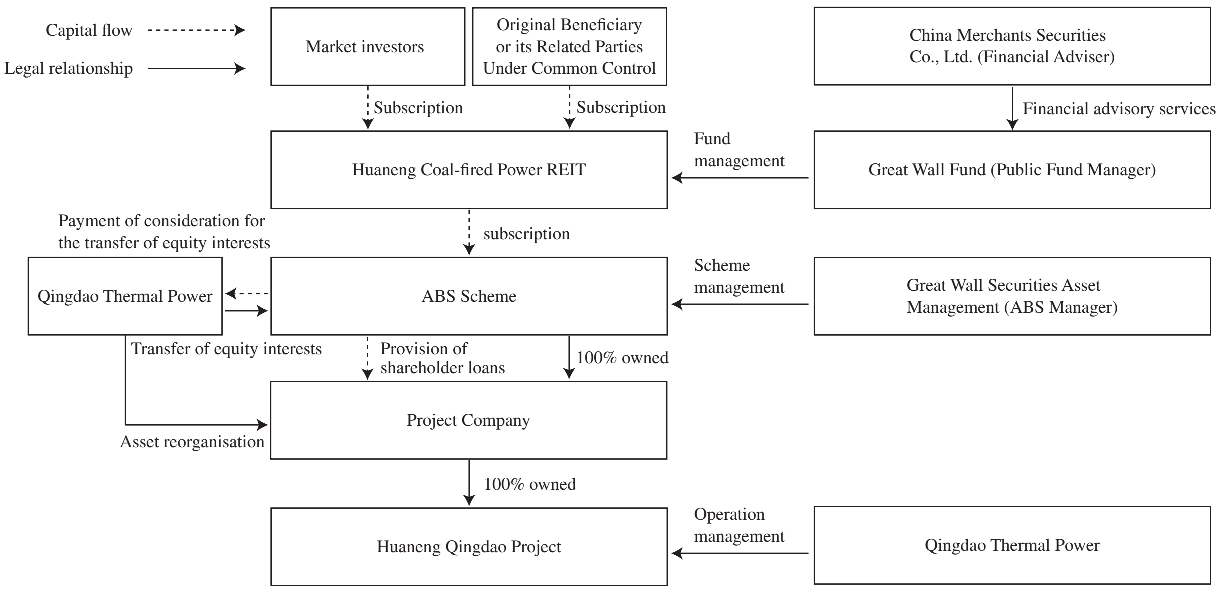
This announcement is made by Huaneng Power International, Inc. (the "**Company**"), on the proposed spin-off and application for a publicly offered infrastructure real estate investment trust dated May 29, 2025(the "**Announcement**"). Unless otherwise stated, terms used herein shall bear the same meanings as defined in the Announcement.

The board (the "**Board**") of directors (the "**Director(s)**") of the Company is pleased to announce that the nineteenth meeting of the eleventh session of the Board was held on 28 April 2026. During the nineteenth meeting, the Board reviewed the progress report on application for the public offering and listing of a real estate investment trust (the "**Huaneng Coal-fired Power REIT**") and approved the resolution on further consideration of the connected transactions in the Huaneng Coal-fired Power REIT (collectively, the "**Proposed Transaction**"). The Company will make further announcement(s) in connection with the review progress as and when appropriate or in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Plan of the Huaneng Coal-fired Power REIT

1. Structure of the Proposed Transaction

The structure of the Proposed Transaction for Huaneng Coal-fired Power REIT is: (i) Huaneng Qingdao Thermal Power Co., Ltd. (華能青島熱電有限公司) (the "**Qingdao Thermal Power**"), has established a wholly-owned project company (the "**Project Company**"), and will transfer the Project, owned by the Qingdao Thermal Power, to the Project Company; and (ii) Qingdao Thermal Power will then transfer 100% of its equity interests in the Project Company to an asset backed special scheme (the "**ABS Scheme**") wholly owned by a publicly offered infrastructure securities investment fund (the "**Public Fund**"). The final transaction structure is a "Public Fund + ABS Scheme + Project Company" arrangement. The structure of Huaneng Coal-fired Power REIT is as follows:



Qingdao Thermal Power or its related parties under common control will participate in the strategic placement to subscribe for 51% of the Huaneng Coal-fired Power REIT. Upon completion of the subscription, the Huaneng Coal-fired Power REIT will become a non-wholly owned subsidiary of the Company, and the Company will consolidate the Huaneng Coal-fired Power REIT into its financial statements. The cash flow of the Project will be paid or distributed to ABS Scheme by way of repaying interest of shareholder loans and shareholder dividends to ABS Scheme. After paying or distributing to ABS Scheme and Public Fund, the cash flow of the Project will be made to the investors (including the Company) of the Huaneng Coal-fired Power REIT.

2. ***Proposed Continuing Connected Transactions – Management Services Provided by the Public Fund Manager and ABS Manager***

Nature of the Proposed Transaction

The Public Fund and the ABS Scheme will be managed by Public Fund Manager and ABS Manager (collectively as the "**Huaneng Coal-fired Power REIT Managers**"). The Public Fund Manager will be Great Wall Fund Management Co., Ltd. (長城基金管理有限公司) (the "**Great Wall Fund**"), and the ABS Manager will be Great Wall Securities Asset Management Co., Ltd (長城證券資產管理有限公司) (the "**Great Wall Securities Asset Management**"), a wholly-owned subsidiary of China Great Wall Securities Co., Ltd. (長城證券股份有限公司) (the "**China Great Wall Securities**").

- Service scope: it is currently expected that the Public Fund Manager will bear the general management power over the assets of the Huaneng Coal-fired Power REIT, and its main responsibility is to manage the assets of the Huaneng Coal-fired Power REIT for the benefits of the fund unitholders of the Public Fund. It will set the strategic direction and risk management policy of the Huaneng Coal-fired Power REIT. It will also be responsible for ensuring compliance with applicable laws, rules and regulations and for regular communication with the fund unitholders of the Public Fund. The Public Fund Manager shall have the right to appoint new directors and other senior management for the Project Company. In addition, the ABS Manager will be responsible for establishing and managing the ABS Scheme, holding the equity interest in the Project Company (on behalf of ABS Scheme), acquiring the underlying assets, the day-to-day operation and management of the ABS Scheme, and arranging for distributions to the security holder of the ABS Scheme.

- Term of Service: period of 27 years commencing from the establishment of the ABS Scheme and the Public Fund, unless earlier terminated in accordance with the ABS Scheme and Huaneng Coal-fired Power REIT Management Agreement.

- Management Fee: In the first three years, it is anticipated that the annual fee cap will be as follows:

Year	Financial Year (ended on 31 December)	Annual Fee Cap (RMB million)
1	2026	7.58
2	2027	7.58
3	2028	7.58

The annual fee charged by the Public Fund Manager and ABS Manager amounts to approximately 0.2% of the net assets of the Huaneng Coal-fired Power REIT. Assuming the net assets of the Huaneng Coal-fired Power REIT for the first three years are equivalent to the maximum initial offering size of the Huaneng Coal-fired Power REIT of RMB3.788 billion, the fee cap of management fee is estimated to be RMB7.58 million.

The basis for determining the above management fee is a preliminary plan and is subject to revision in the future based on the communication with relevant regulators and the business needs of the parties. The Company confirms that the above fee levels are consistent with prevailing market levels and normal commercial terms.

As the term for the provision of management services is 27 years, the annual caps of the management fees payable for 2029 onwards will be determined by the net assets of the Huaneng Coal-fired Power REIT at that time. The Company shall comply with the requirements under Chapter 14A of the Listing Rules in respect of the renewal of annual caps for management fees.

Relationship among the Company, Huaneng Group, Qingdao Thermal Power and Huaneng Coal-fired Power REIT Managers

The Company and its subsidiaries primarily develop, construct, operate, and manage large-scale power plants in China. The Company is one of the largest listed power suppliers in China. As of 31 March 2026, the Company's installed controllable power generation capacity was 156,961 MW.

China Huaneng Group Co., Ltd. (the "**Huaneng Group**"), the indirect controlling shareholder of the Company, is primarily engaged in enterprise investment, operation, and management; power plant development, investment, construction, operation, and management; power generation and sales (including heat); and the development, investment, construction, production, and sales of products related to energy, transportation, new energy, and environmental protection industries.

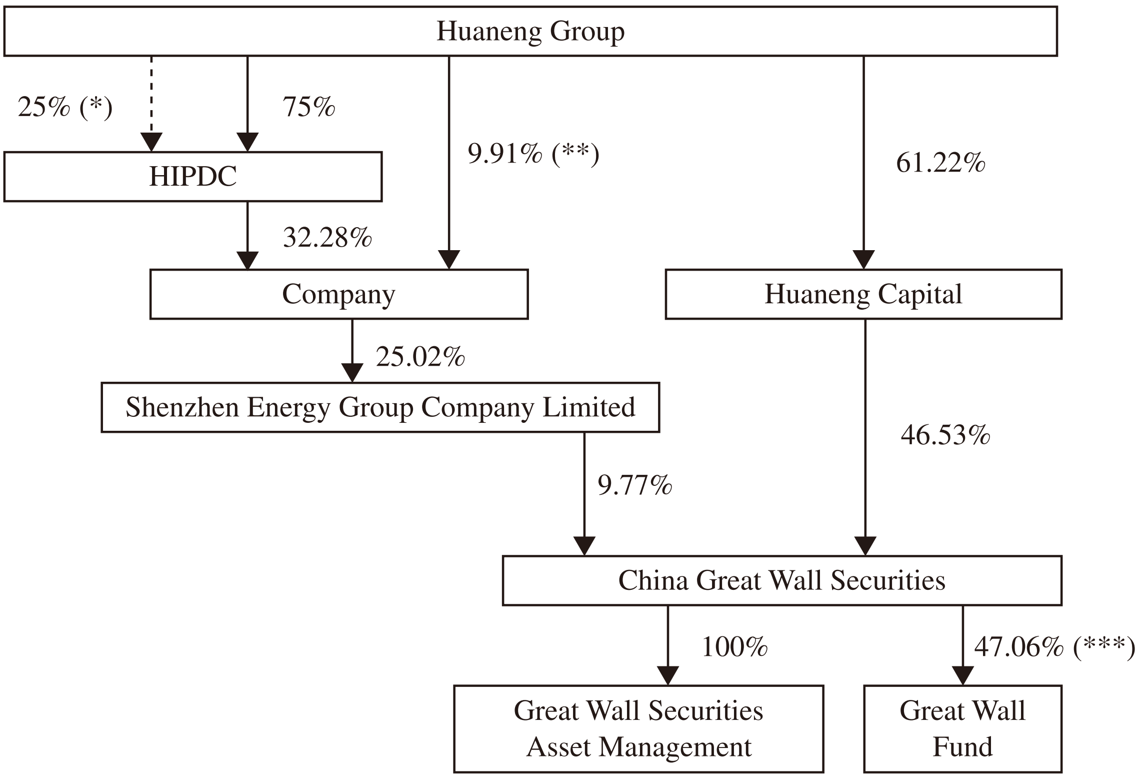
As of the date of this announcement, Huaneng Group holds a 75% direct interest and a 25% indirect interest in Huaneng International Power Development Corporation (the "**HIPDC**"), while HIPDC, being the direct controlling shareholder of the Company, holds a 32.28% interest in the Company. Huaneng Group is a state-controlled central enterprise primarily engaged in the power industry, and is under the supervision of the State-owned Assets Supervision and Administration Commission. Huaneng Group also holds a 9.91% direct interest in the Company and a 3.01% indirect interest in the Company through its wholly-owned subsidiary, China Hua Neng Group Hong Kong Limited (the "**Hua Neng HK**"), a 0.84% indirect interest in the Company through China Huaneng Group Treasury Management (Hong Kong) Limited (the "**Huaneng Treasury**"), its indirect wholly-owned subsidiary, and a 0.20% indirect interest in the Company through Huaneng Structural Adjustment No.1 Securities Investment Private Fund, its concerted party. Huaneng Group is the controlling shareholder of the Company. Therefore, Huaneng Group is a connected person of the Company under the Listing Rules.

Qingdao Thermal Power is a company incorporated in China in 2012 with a registered capital of RMB1,206,851,045. Qingdao Thermal Power is primarily engaged in the production and sales of electricity and heat; construction, operation, maintenance, and technical consulting services for heating supply, power supply and distribution, steam supply and related facilities; and sales of fly ash and gypsum. Qingdao Thermal Power is a direct wholly-owned subsidiary of the Company.

Great Wall Securities Asset Management is a company incorporated in China in 2023 with a registered capital of RMB1,000,000,000. It is primarily engaged in the securities asset management business. It is a wholly-owned subsidiary of China Great Wall Securities. China Great Wall Securities is a company incorporated in China in 1995 with a registered capital of RMB4,034,426,956. It is primarily engaged in the provision of securities investment and financing services to clients. As of the date of this announcement, China Great Wall Securities is owned by Huaneng Capital Services Limited (the "**Huaneng Capital**") as to 46.53% and is a subsidiary of Huaneng Capital. Huaneng Capital is a subsidiary of Huaneng Group. Therefore, each of China Great Wall Securities and Great Wall Securities Asset Management is an associate of Huaneng Group and a connected person of the Company.

Great Wall Fund is a company incorporated in China in 2001 with a registered capital of RMB150,000,000. It is primarily engaged in the fund raising, fund distribution, asset management, and other businesses approved by the China Securities Regulatory Commission. Great Wall Fund is directly owned by China Great Wall Securities as to 47.06% and it is a 30%-controlled company (as defined under Rule 14A.06(1) of the Listing Rules) of China Great Wall Securities. Therefore, Great Wall Fund is an associate of Huaneng Group and a connected person of the Company.

As of the date of this announcement, the relationship among the Company, Huaneng Group, Huaneng Coal-fired Power REIT Managers is illustrated as follows:



* Huaneng Group, through its wholly-owned subsidiary, Hua Neng HK, indirectly holds 100% of Pro-Power Investment Limited while Pro-Power Investment Limited holds a 25% interest in HIPDC. Therefore, Huaneng Group holds a 25% indirect interest in HIPDC.

** Huaneng Group holds a 9.91% direct interest in the Company, a 3.01% indirect interest in the Company through Hua Neng HK (a wholly-owned subsidiary of Huaneng Group), a 0.84% indirect interest in the Company through Huaneng Treasury (an indirect wholly-owned subsidiary of Huaneng Group), and a 0.20% indirect interest in the Company through Huaneng Structural Adjustment No.1 Securities Investment Private Fund.

*** The legal representative of China Great Wall Securities is the same person as the legal representative of Great Wall Fund.

Impact of the Listing Rules

As the ABS Manager (a non-wholly-owned subsidiary of Huaneng Group) and Public Fund Manager (with 47.06% of the shares held by the China Great Wall Securities) are connected persons of the Company under the Listing Rules, the management services provided by them to the Huaneng Coal-fired Power REIT will constitute continuing connected transactions under Chapter 14A of the Listing Rules. As the maximum applicable percentage ratios for the maximum recommended annual fee cap calculated pursuant to Rule 14.07 of the Listing Rules do not exceed 0.1%, such transactions will be fully exempt from announcement, circular and independent shareholders' approval requirements. Pursuant to Rule 14A.52 of the Listing Rules, since the duration of the provision of management services for the agreement exceeds three years, the Company has appointed Gram Capital Limited (a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**Gram Capital**") as the independent financial adviser to explain why the agreement requires a period in excess of three years, and to confirm that the period is normal business practice for agreements of this type to be of such duration.

In assessing the reasons for the duration of the provision of management services to be longer than three years, Gram Capital has considered the following factors:

- Gram Capital discussed with the Public Fund Manager and the ABS Manager and understood that both the Public Fund Manager and the ABS Manager play important roles in the Huaneng Coal-fired Power REIT;

- The long-term arrangement for the provision of management services is consistent with the long-term nature of the Public Fund (which owns entire units of the ABS Scheme); and

- It would be unduly burdensome and impracticable, and would add unnecessary administration costs (i.e. relevant meeting is required to decide the re-appointment of Public Fund Manager or ABS Manager) for the relevant services with duration of three years or less as the Public Fund Manager services and ABS Manager services thereunder is a long-term arrangement.

In considering whether it is normal business practice for agreements of similar nature with the provision of management services to have a term of such duration (currently estimated to be 27 years, which aligns with the duration of Huaneng Coal-fired Power REIT), Gram Capital identified and reviewed fund contracts of over 10 PRC publicly traded real estate investment trust funds for infrastructure assets (the "**Comparable Real Estate REIT**"). According to the fund contracts, the duration of the management service arrangements align with the term of the respective Comparable Real Estate REIT (i.e. 24 to 68 years). Furthermore, Gram Capital searched through Wind Financial Terminal and noted that there were various fund managers of real estate funds or other type of funds with service tenure of more than three years. Gram Capital also identified transactions in respect of the provision of fund management services as published by the companies listed on the Hong Kong Stock Exchange and noted that the duration of aforesaid services ranged from 5 years to 9 years, being more than three years.

Taking into account of the above, Gram Capital confirms that the duration of the provision of management services, which is longer than three years, is required and it is normal business practice for agreements of this type to be of such duration.

The Board has reviewed and approved the provision of the management services (including the recommended annual fee caps and the basis therefor). Pursuant to Rule 14A.68 (8) of the Listing Rules, Wang Kui, Liu Ancang, Du Daming, Zhou Yi, Li Lailong, Li Jin and Wang Yu, Directors of the Board, are deemed to have a substantial interest in the transaction in which the management services are provided due to their management positions in Huaneng Group or its associate, abstained from voting on the relevant Board resolution. The Directors who are not connected to the transaction voted on the resolution. In the opinion of the Board (including the independent non-executive Directors), such transactions (including the recommended annual fee caps and the basis therefor) are: (1) in the ordinary and usual course of the Company's business; (2) on normal commercial terms (on an arm's length basis or terms no less favourable to the Company than those available from independent third parties); and (3) fair and reasonable and in the interests of the Company and its shareholders as a whole.

3. Proposed continuing Connected Transactions – Operation Agreement

The Public Fund Manager, the Project Company and Qingdao Thermal Power intend to enter into the Great Wall Huaneng Coal-fired Power Infrastructure Securities Investment Fund Operation and Management Services Agreement (《長城華能燃煤發電封閉式基礎設施證券投資基金運營管理服務協議》) (the "**Operation Agreement**"), pursuant to which Qingdao Thermal Power, as the operation and management service provider, will provide operation and management services, including administrative support, for the Project.

The principal terms of the Operation Agreement are currently expected to be as follows:

- *Scope of Services:* The operation and management services are expected to include the following:

  (a) To prepare annual business plan and financial budget plan for the Project;

  (b) To implement annual business plan and financial budget plan and prepare quarterly reports on budget implementation;

  (c) To provide daily operation services for the Project;

  (d) To assist the Project Company in applying for and renewing relevant certificates, licenses and permits;

  (e) To provide advisory services and administrative support in relation to asset acquisition, external financing and application for government grants; and

  (f) To outsource non-essential services to third-party service providers.

- *Term of service:* The initial term of service shall be three years from the establishment date of the Public Fund, unless earlier terminated in accordance with the Operation Agreement. Prior to the expiration of the term of service, if there is no objection from the Public Fund Manager and Qingdao Thermal Power, the term of service shall be automatically extended for three years upon the expiration thereof, with no limit on number of extensions, until the termination date of the fund contract of the Huaneng Coal-fired Power REIT.

- *Management Fee:* The Huaneng Coal-fired Power REIT will pay the management fee to the operation and management service provider. The management fee will consist of basic operating management fee A, basic operating management fee B and the performance-based operating management fee (which will be further described below). The annual cap for the management fee is anticipated to be as follows in accordance with that Operation Agreement:

Year	Financial Year (ended on 31 December)	Annual Fee Cap (RMB million)
1	2026	360
2	2027	360
3	2028	360

  The annual cap for the management fee shall be calculated and determined based on the following:

  - Basic operating management fee A to cover all or part of the expenditure of the operation and management service provider;

  - Basic operating management fee B to be calculated at 6% of the net operating income of the Project's assets confirmed in the audit report of the Project Company in respect of the current period;

  - The performance-based operating management fee is an incentive arrangement on the operation and management service provider and shall be calculated based on the actual net operating income realised by the Project Company in the current year.

  The basis of the management fee in the Operation Agreement is a preliminary plan, and is subject to revision in the future based on communications with relevant regulators and the business needs of the parties. The Company confirms that the management fee levels in the Operation Agreement are consistent with prevailing market levels and on normal commercial terms.

Impact of the Listing Rules

As the Public Fund Manager is a connected person of the Company under the Listing Rules, the Project Company's Operation Agreement will constitute a continuing connected transaction under Chapter 14A of the Listing Rules. As the maximum applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules do exceed 0.1% but are less than 5%, the Company is only required to comply with the relevant report and announcement requirements pursuant to Rules 14A.71 and 14A.35 of the Listing Rules and is exempt from the independent shareholders' approval requirements.

The Board has reviewed and approved the provision of the Operation Agreement and the transactions contemplated thereunder (including the recommended annual fee caps and the basis therefor). Pursuant to Rule 14A.68 (8) of the Listing Rules, Wang Kui, Liu Ancang, Du Daming, Zhou Yi, Li Lailong, Li Jin and Wang Yu, Directors of the Board, are deemed to have a substantial interest in the transaction in the Operation Agreement due to their management positions in Huaneng Group or its associate, abstained from voting on the relevant Board resolution. The Directors who are not connected to the transaction voted on the resolution. In the opinion of the Board (including the independent non-executive Directors), the Operation Agreement and the transactions contemplated thereunder (including the recommended annual fee caps and the basis therefor) are: (1) in the ordinary and usual course of the Company's business; (2) on normal commercial terms (on an arm's length basis or terms no less favourable to the Company than those available from independent third parties); and (3) fair and reasonable and in the interests of the Company and its shareholders as a whole.

4. *Other transactions*

The issuance of the Huaneng Coal-fired Power REIT also involves: (i) The transfer of Qingdao Thermal Power's 100% equity interest in the Project Company to the ABS Scheme; and (ii) Qingdao Thermal Power or its related parties under common control will participate in the strategic placement to subscribe for 51% of the Huaneng Coal-fired Power REIT. As all of the applicable percentage ratios in these two transactions are below 5%, the transactions do not constitute notifiable transactions by the Company under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the Proposed Transaction is subject to, among other things, the prevailing market conditions and approvals from relevant regulatory authorities. Accordingly, shareholders and potential investors should be aware that the Proposed Transaction may or may not occur. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

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

Wang Kui *(Executive Director)*
Liu Ancang *(Executive Director)*
Du Daming *(Non-executive Director)*
Zhou Yi *(Non-executive Director)*
Li Lailong *(Non-executive Director)*
Li Jin *(Non-executive Director)*
Cao Xin *(Non-executive Director)*
Gao Guoqin *(Non-executive Director)*
Ding Xuchun *(Non-executive Director)*
Wang Jianfeng *(Non-executive Director)*
Kou Yaozhou *(Non-executive Director)*

Xia Qing *(Independent Non-executive Director)*
He Qiang *(Independent Non-executive Director)*
Zhang Liying *(Independent Non-executive Director)*
Zhang Shouwen *(Independent Non-executive Director)*
Dang Ying *(Independent Non-executive Director)*
Zhang Xianchong *(Independent Non-executive Director)*
Wang Yu *(Employee Representative Director)*

Beijing, the PRC
29 April, 2026