THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should obtain independent professional advice.

If you have sold or transferred all your shares in Huaneng Power International, Inc., you should at once hand this circular and, where applicable, the form of proxy to the purchaser or transferee or to the bank, or a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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)

GRANT OF A GENERAL MANDATE TO ISSUE DOMESTIC AND/OR OVERSEAS DEBT FINANCING INSTRUMENTS; GRANT OF A GENERAL MANDATE TO THE BOARD OF DIRECTORS TO ISSUE ADDITIONAL SHARES OF THE COMPANY; CONTINUING CONNECTED TRANSACTIONS UNDER THE FRAMEWORK AGREEMENTS; DIRECTORS' REMUNERATION FOR 2025; DIRECTORS' REMUNERATION PLAN FOR 2026; FORMULATION OF THE REMUNERATION MANAGEMENT SYSTEM FOR THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY; AND NOTICE OF AGM

Independent Financial Adviser

to the Independent Board Committee and the Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

The Company will convene the AGM at 9:00 a.m. on 16 June 2026 at Conference Room A102, Huaneng Building, 6 Fuxingmennei Street, Xicheng District, Beijing, the PRC. A notice convening the AGM is set out on pages II-1 to II-4 of this circular. A letter from the Board of the Company is set out on pages 1 to 26 of this circular. A letter from the Independent Board Committee of the Company is set out on pages 27 to 28 of this circular. A letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders of the Company is set out on pages 29 to 43 of this circular.

Whether or not you are able to attend the AGM, you should complete and return the form of proxy in accordance with the instructions printed thereon and return it to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event by not later than 24 hours before the time appointed for holding such meeting or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting at the AGM should you so wish. If you attend and vote at the AGM in person, the authority of your proxy will be deemed to have been revoked.

22 May 2026

CONTENTS

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

"A Share(s)" or "Domestic Share(s)"	domestic tradable shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
"AGM" or "General Meeting"	the 2025 annual general meeting of the Company to be held at 9:00 a.m. on 16 June 2026 at Conference Room A102, Huaneng Building, 6 Fuxingmennei Street, Xicheng District, Beijing, the PRC to consider and approve the resolutions set out in the Notice of AGM
"associate(s)"	has the meaning ascribed to it in the Hong Kong Listing Rules
"Board" or "Board of Directors"	the board of Directors of the Company
"Chaohu Power"	Huaneng Chaohu Power Generation Co., Ltd.
"Company", "Huaneng International"	Huaneng Power International, Inc., a sino-foreign joint stock limited company incorporated in the PRC and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively, and its subsidiaries (as the case may be)
"connected person(s)"	has the meaning ascribed to it in the Hong Kong Listing Rules
"connected subsidiary(ies)"	has the meaning ascribed to it in the Hong Kong Listing Rules
"Director(s)"	the director(s) (including independent non-executive directors) of the Company
"Framework Agreements"	collectively, the Framework Agreements on Renewable Entrusted Loans signed by the Company with Shandong Company and Chaohu Power respectively on 11 February 2026
"Gram Capital" or "Independent Financial Adviser"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Transactions

"H Shares"	overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
"H Shareholder(s)"	holder(s) of H Shares
"HIPDC"	Huaneng International Power Development Corporation
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hua Neng HK"	China Hua Neng Group Hong Kong Limited
"Huaihe Energy"	Huaihe Energy Power Group Co., Ltd.
"Huaneng Group"	China Huaneng Group Co., Ltd.
"Independent Board Committee"	a committee of the Board established for the purpose of considering the terms of the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements, comprising independent non-executive Directors who are independent of these Transactions
"Independent Shareholders"	Shareholders other than Huaneng Group and its associates, and who are not involved in, or interested in the Transactions contemplated by the Framework Agreements
"Latest Practicable Date"	21 May 2026, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained herein
"Notice of AGM"	the notice for convening the AGM as set out in Appendix II to this circular

"PRC" or "China"	The People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shandong Company"	Huaneng Shandong Power Generation Co., Ltd.
"Shareholder(s)"	A Shareholder(s) and H Shareholder(s)
"SSE Listing Rules"	The Rules Governing the Listing of Securities on the Shanghai Stock Exchange
"State Council"	the State Council of the PRC
"subsidiary(ies)"	has the meaning ascribed to it in the Hong Kong Listing Rules
"Transactions"	the proposed advancement by the Company of (i) a renewable entrusted loan in an amount of no more than RMB11.75 billion to its controlled subsidiary, Shandong Company; and (ii) a renewable entrusted loan in an amount of no more than RMB1 billion to its controlled subsidiary, Chaohu Power

华能国际电力股份有限公司
HUANENG POWER INTERNATIONAL, INC.

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

(Stock Code: 902)

Director:
Wang Kui
Liu Ancang

Non-executive Directors:
Du Daming
Zhou Yi
Li Lailong
Li Jin
Cao Xin
Gao Guoqin
Ding Xuchun
Wang Jianfeng
Kou Yaozhou

Independent non-executive Directors:
Xia Qing
He Qiang
Zhang Liying
Zhang Shouwen
Dang Ying
Zhang Xianchong

Employee Representative Director:
Wang Yu

Registered Address:
Huaneng Headquarters
Startup Zone
Xiong'an New Area
Hebei Province 071000
PRC

22 May 2026

To the Shareholders

Dear Sir or Madam,

**GRANT OF A GENERAL MANDATE TO ISSUE DOMESTIC AND/OR OVERSEAS DEBT FINANCING INSTRUMENTS;
GRANT OF A GENERAL MANDATE TO THE BOARD OF DIRECTORS TO ISSUE ADDITIONAL SHARES OF THE COMPANY;
CONTINUING CONNECTED TRANSACTIONS UNDER THE FRAMEWORK AGREEMENTS;
DIRECTORS' REMUNERATION FOR 2025;
DIRECTORS' REMUNERATION PLAN FOR 2026;
FORMULATION OF THE REMUNERATION MANAGEMENT SYSTEM FOR THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY;
AND
NOTICE OF AGM**

I. INTRODUCTION

The purpose of this circular is to provide you with information (among others) on the following resolutions: (1) the resolution in relation to the continuing connected transactions regarding the provision of renewable entrusted loans by the Company to its controlling subsidiaries; (2) the resolution in relation to the Directors' remuneration for the year 2025; (3) the resolution in relation to the Directors' remuneration plan for the year 2026; (4) the resolution in relation to the formulation of the remuneration management system for the Directors and senior management of the Company; (5) the resolution in relation to grant of a general mandate to issue domestic and/or overseas debt financing instruments; and (6) the resolution in relation to the grant of a general mandate to the Board of Directors to issue additional shares of the Company, so as to enable you to make an informed decision on the relevant resolutions at the AGM. This circular also sets out the notice of the AGM.

1. Grant of a General Mandate to Issue Domestic and/or Overseas Debt Financing Instruments

A special resolution will be proposed at the AGM to consider and approve the general mandate for the issuance of domestic and/or overseas debt financing instruments. Details of the proposal are set out below:

(1) It was resolved that from the date on which the approval is obtained at the 2025 annual general meeting to the conclusion of the 2026 annual general meeting, the Company shall be authorised to issue domestic and/or overseas debt financing instruments (in either one or multiple tranches on a rolling basis) with a principal amount of up to RMB170 billion or equivalent in or outside the PRC (i.e. the outstanding principal balance of the domestic and/or overseas debt financing instruments of the Company within the validity period shall not exceed RMB170 billion (or its equivalent) at any time within the mandate period as prescribed therein). Such debt financing instruments include but are not limited to domestic debt financing instruments such as corporate bonds, enterprise bonds, super short-term commercial papers, short-term commercial papers and medium-term notes issued in the inter-bank bond market in the PRC, as well as offshore debt financing instruments such as offshore RMB-denominated bonds, overseas USD-denominated bonds and bonds denominated in other foreign currencies in the overseas market (including domestic and overseas perpetual bonds, which include without limitation perpetual mid-term notes, renewable corporate bonds and renewable enterprise bonds in the domestic market, perpetual bonds in the overseas market or other perpetual bonds denominated in RMB or any other foreign currency that may be issued in or outside the PRC without a fixed maturity date, as permitted by applicable laws and regulations).

(2) It was proposed that approval be obtained at the general meeting for granting an unconditional general mandate to the Board or no less than two Directors of the Company to determine, based on the Company's funding needs, market conditions and in accordance with relevant regulatory requirements (if any), the terms and conditions for the issuance of the relevant debt financing instruments and other relevant matters (which include but are not limited to):

(a) determining the details regarding the issue of the relevant debt financing instruments, including but not limited to the type of the debt financing instruments to be issued, the issuer, whether to issue in tranches, the currency, amount and term of each tranche, the term for and method of repayment of the principal and accrued interest, the method of issue, the method of placement, the specific terms, the interest rate or ways to determine it, and the guarantee arrangements. Issue of corporate bonds in the domestic market must also meet the following requirements: the bonds under such issue shall have a maturity of no more than 30 years (except perpetual bonds) and could be bonds with a single maturity date or a portfolio of bonds with different maturity dates; the proceeds of the issue will be used to meet the Company's production and operational needs, adjust its debt structure, replenish its working capital and make project investments; subject to the provisions of applicable laws and regulatory requirements, the issue may be a public or non-public issue or a placement to the shareholders of the Company. Methods of issue and placement arrangements (including whether to place or not and the size of placement) shall be determined by the Board or no less than two Directors of the Company according to market conditions and details of the issue.

(b) representing the Company in engaging in all the negotiations, signing all the agreements and other necessary documents and making proper disclosures of information in connection with the issue of the relevant debt financing instruments.

(c) procuring the approval matters relating to the application for the issue of the relevant debt financing instruments to the relevant regulatory authority and making proper adjustments to the specific issue plan based on the comments and opinions, if any, of the regulatory authority.

(d) taking all the necessary actions to decide on and handle other particular matters relating to the issue of the relevant debt financing instruments.

(3) The resolution adopted at the Company's general meeting in relation to the issue of the relevant debt financing instruments shall be valid from the date on which approval is obtained at the 2025 annual general meeting to the conclusion of the 2026 annual general meeting. If the Board or no less than two Directors have determined the issue or partial issue of the relevant debt financing instruments within the validity term of the mandate and the Company has procured the approval, permit, filing or registration, as applicable, for the issue with relevant regulatory authority within the validity term of the mandate, the Company may complete the issue or partial issue of the relevant debt financing instruments within the term of validity of such approval, permit, filing or registration.

2. Grant of a General Mandate to the Board of Directors to Issue Additional Shares of the Company

A special resolution will be proposed at the AGM to consider and approve the grant of a general mandate to the Board of Directors to issue additional shares of the Company. Details of the resolution are set out below:

It was agreed that the Board be granted the general mandate to issue additional shares of the Company. Details of the mandate are set out below:

(1) Subject to the conditions set out in paragraphs (3) and (4) below, the Board (or the Directors authorised by the Board) be and is hereby granted an unconditional general mandate to exercise all the powers of the Company within the Relevant Period (as defined below) to determine to allot, issue and deal with shares of the Company (including securities convertible into such shares, option to subscribe for any shares or any other securities that are convertible into shares), and to determine the terms and conditions for allotting, issuing and dealing with such new shares.

(2) The approval in paragraph (1) shall authorise the Board (or the Directors authorised by the Board) of the Company within the Relevant Period, to make or grant any offers, agreements and options which require or may require the exercise of such rights after the expiry of the Relevant Period.

(3) The total number of shares, whether conditionally or unconditionally, allotted, issued, and dealt with, either separately or concurrently (whether pursuant to an option or otherwise) by the Board (or the Directors authorised by the Board) of the Company within the Relevant Period pursuant to the approval in paragraph (1) shall not exceed 20% of the aggregate number of shares of the Company in issue (excluding treasury shares, if any) on the date when this resolution is passed at the general meeting. Such shares allotted, issued and dealt with do not include:

(a) right issue;

(b) an exercise of rights of subscription or conversion under terms of any existing securities, options, warrants or other securities issued by the Company which carry rights to subscribe for or are convertible into the shares of the Company;

(c) any share option scheme of the Company or similar arrangements for the time being adopted for the grant or issue to the employees or any other eligible persons of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company;

(d) any share issued in lieu of the whole or part of a dividend on shares in accordance with the Articles of Association in force from time to time;

(e) share issued by way of conversion of capital reserve of the Company pursuant to the Company Law and the Articles of Association.

If, after the passing of this proposal, the Company conducts a share consolidation or subdivision, the maximum number of shares that may be allotted, issued and dealt with pursuant to the mandate in paragraph (3) above shall be adjusted accordingly, so that such maximum number of shares shall represent the same proportion of the total number of issued shares of the Company (excluding treasury shares, if any) on the date immediately before and immediately after such consolidation or subdivision.

(4) In exercising the mandate granted in paragraph (1) above, the Board (or the Directors authorised by the Board) shall (a) comply with the Company Law and the relevant regulatory stipulations (as amended from time to time) of the places where the shares of the Company are listed; and (b) obtain approval from China Securities Regulatory Commission and other relevant PRC government departments. If according to the provisions of the relevant laws and regulations of the PRC and the Article of Association, even if the general mandate is obtained, it is still necessary to convene the general meeting of shareholders before issuing shares pursuant to the general mandate granted to the Board, then the approval of the general meeting of shareholders is still required.

(5) For the purpose of this resolution:

"Relevant Period" refers to the period from the date of passing this resolution until whichever is the earlier of:

(a) the conclusion of the next annual general meeting of Huaneng Power International; or

(b) the date on which the general mandate set out in this resolution is revoked or amended by a special resolution of the shareholders at a general meeting.

(6) Subject to the approval(s) of the relevant authorities of the PRC and in accordance with the relevant laws, administrative regulations, and the regulatory stipulations of the places where the shares of the Company are listed and the Articles of Association, the Board (or the Directors authorised by the Board) be and is hereby authorised to increase the registered capital of the Company in accordance with the exercise of the mandate pursuant to paragraph (1) above, and to make appropriate and necessary amendments to the Articles of Association after completion of the allotment and issue of new shares with reference to the method, type and number of new shares allotted and issued by the Company and the shareholding structure of the Company at the time of completion of the allotment and issue of new shares in order to reflect the alteration of the share capital structure and registered capital of the Company pursuant to the exercise of this general mandate.

(7) The Board (or the Directors authorised by the Board) be and is hereby authorised to sign any necessary documents, complete any necessary formalities and procedures and take other necessary steps to complete the allotment, issuance and listing of the new shares upon the exercise of the mandate pursuant to paragraph (1) above, provided the same do not violate the relevant laws, administrative regulations, the regulatory stipulations of the places where the shares of the Company are listed and the Articles of Association.

(8) For the purposes of this resolution, any allotment, issuance, or dealing with shares shall include the sale or transfer of treasury shares of the Company (if any), where permitted by applicable laws, administrative regulations and regulatory requirements of the places where the shares of the Company are listed.

As at the Latest Practicable Date, (1) the Company had issued a total of 15,698,093,359 Shares, comprising 10,997,709,919 A Shares and 4,700,383,440 H Shares; and (2) the Company did not hold any treasury shares. Subject to the approval of this resolution granting the general mandate, and in accordance with its terms, the Company may allot, issue, and deal with (including the sale or transfer of any treasury shares) up to a maximum of 3,139,618,671 shares of the Company (based on the assumption that no further shares will be allotted, issued, repurchased, cancelled, or held as treasury shares prior to the AGM).

3. Continuing Connected Transactions Under the Framework Agreements

3.1 Background

On 12 February 2026, the Company published an announcement regarding the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements.

Under the Hong Kong Listing Rules, the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements shall require Independent Shareholders' approval. Accordingly, the Company will submit the resolution regarding the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements (being resolution no. 5 of the Notice of AGM) for approval by Independent Shareholders at the AGM.

To comply with the requirements of the Hong Kong Listing Rules, the Independent Board Committee will advise the Independent Shareholders in connection with the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements. The letter from the Independent Board Committee to the Independent Shareholders is included in this circular. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements and whether such Transactions under the Framework Agreements are in the interests of the Company and its Shareholders as a whole. The letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders is also included in this circular.

3.2 *RELATIONSHIP BETWEEN THE COMPANY, HUANENG GROUP, SHANDONG COMPANY AND CHAOHU POWER*

The Company and its subsidiaries mainly develop, construct, operate and manage power plants in China nationwide. It is one of the largest listed power producers in PRC.

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

Shandong Company is a controlled subsidiary of the Company, in which the Company holds 80% equity interest, while the remaining 20% is held by Huaneng Group. Shandong Company is principally engaged in the development, investment, construction, operation and management of power (heat) projects, and the production and supply of electricity (heat) (for projects that are required by law to obtain permits, operations may only be conducted with the relevant permits); the investment, construction, operation and management of heating pipeline networks; the purchase and sale of steam, heat and cooling; the investment, construction, operation and maintenance of distribution networks; the development and utilization of clean energy; the purchase and sale of electricity; electricity retail business; technical consulting services for thermal power generation; energy performance contracting; the recycling, processing and sale of waste resources; and the investment in coal, transportation and related industries (for projects that are required by law to obtain approvals, operations may only be carried out after obtaining the relevant regulatory approvals).

Chaohu Power is a controlled subsidiary of the Company, in which the Company holds 60% equity interest, Hua Neng HK holds 10%, and Huaihe Energy holds the remaining 30%. Huaihe Energy and its ultimate beneficial owners are persons independent of the Company and its connected persons. Chaohu Power is mainly engaged in the production and supply of electricity; the construction, operation and management of power projects; the development and utilization of clean energy; electricity sales; contract energy management; recycling, processing and sales of waste resources (excluding hazardous waste); construction, operation and management of industrial heating pipe network; purchase and sale of steam, heat and cold; construction, operation and maintenance of power distribution network; production and supply of heat (for projects that are required by law to obtain approvals, operations may only be carried out after obtaining the relevant regulatory approvals).

Shandong Company and Chaohu Power are connected subsidiaries of the Company. As at the Latest Practicable Date, Huaneng Group holds a 75% direct interest and a 25% indirect interest in HIPDC, while HIPDC, being the direct controlling shareholder of the Company, holds a 32.28% interest in the Company. Huaneng Group is a stated-owned central enterprise with power generation as its main business, which is under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council. Huaneng Group also holds a 9.91% direct interest in the Company and holds a 3.01% indirect interest in the Company through its wholly-owned subsidiary Hua Neng HK, a 0.84% indirect interest in the Company through Huaneng Treasury, its 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 ultimate controlling shareholder of the Company.

Under Chapter 14A of the Hong Kong Listing Rules, Huaneng Group is a connected person of the Company while the transactions between the Company and Huaneng Group (including its subsidiaries and associates, and the connected subsidiaries of the Company) constitute connected transactions of the Company, and are subject to the relevant disclosure and/or Independent Shareholders' approval requirements as stipulated in the Hong Kong Listing Rules.

3.3 FRAMEWORK AGREEMENTS

3.3.1 Background of the Transactions

According to the proposal of the Standing Committee of the State Council, it is proposed to issue "RMB200 billion of special bonds for ensuring energy supply in the interbank bond market, mainly to be used to inject capital into thermal power enterprises, effectively improve their asset-liability structures, restore financing capabilities, and ensure the security of energy and power supply". Funds need to be allocated to subordinated power generation companies, and the funds are recorded as equity, so as to optimize the asset-liability ratio of power generation companies and ensure the safety of power supply.

The Company proposes to issue special bonds for ensuring energy supply in the inter-bank market in the second quarter of 2026. The bonds will be structured as renewable medium-term notes and will be included in the equity account. Some of the raised funds will be used to provide renewable entrusted loans to Shandong Company and Chaohu Power, thereby optimizing the Company's asset-liability ratio of subordinated power generation companies. At present, Huaneng Group, China Datang Corporation Ltd., Datang International Power Generation Co., Ltd., Huadian Power International Corporation Limited, and State Power Investment Corporation have issued special bonds for ensuring energy supply in the inter-bank market.

Regarding the term, the initial tenor of the special bonds for ensuring energy supply is expected not to exceed 2 years, and the specific initial tenor will be determined based on the issuance window. Upon maturity of the initial tenor, the Company will decide whether to exercise its redemption rights. The term of the renewable entrusted loans provided by the Company to Shandong Company and Chaohu Power will be aligned with that of the special bonds for ensuring energy supply.

In terms of interest rates, since the special bonds for ensuring energy supply are publicly issued in the inter-bank market, the issuance cost will be determined through book-building. The interest rate of the renewable entrusted loans provided by the Company to Shandong Company and Chaohu Power will be set based on the issuance cost of the bonds, taking into account the applicable taxes. The interest rate of the renewable entrusted loans is fair and reasonable.

In terms of accounting treatment, the Company shall make reference to the accounting standard: "Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments" (Cai Kuai [2017] No. 14), "Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments" Application Guide (2018) and the "Provisions on the Accounting Treatment of Perpetual Bonds" (Cai Kuai [2019] No. 2). The Company's issuance of the special bonds for ensuring energy supply will be accounted as "other equity instruments". The Company shall provide renewable entrusted loans to Shandong Company and Chaohu Power, and will record the same as the "long-term equity investments". Shandong Company and Chaohu Power will record the same in the equity account as "other equity instruments".

3.3.2 Description of the Transactions

In order to implement the requirements of the Executive Meeting of the State Council and to achieve the goals of reducing losses of thermal power units, ensuring energy supply and security, and reducing the overall asset-liability ratio, the Company proposes to advance renewable entrusted loans to Shandong Company and Chaohu Power. On 11 February 2026, the Company entered into Framework Agreements with Shandong Company and Chaohu Power respectively, pursuant to which the Company will provide renewable entrusted loans of up to RMB11.75 billion to Shandong Company and up to RMB1 billion to Chaohu Power. The aforementioned renewable entrusted loans have no fixed maturity, and the specifics will be determined under the specific renewable entrusted loan agreements to be signed, with the initial borrowing period commencing from the date of disbursement. The renewable entrusted loans are intended to support the energy supply operations of thermal power subsidiaries. The interest rates of the renewable entrusted loans will be determined based on the total of the upstream funding costs and applicable taxes and fees, etc. When the renewable entrusted loans are disbursed, the Company will enter into specific renewable entrusted loan agreements with Shandong Company and Chaohu Power, respectively, within the scope set out in the Framework Agreements.

The renewable entrusted loans have the following features:

(i) The purpose of the renewable entrusted loans is to implement the requirements of the Executive Meeting of the State Council and to achieve the goals of reducing losses of thermal power units, ensuring energy supply and security, and reducing the overall asset-liability ratio.

(ii) The source of fund for the renewable entrusted loans will be the issuance of the special bonds for ensuring energy supply, the duration of which is unspecified. Therefore, the duration of renewable entrusted loans under the implementation agreements will be in line with the duration of the special bonds for ensuring energy supply and the interest rates will be the Company's cost of fund (i.e. the upstream fund raising costs and related taxes arising out of issuance of bonds). The cost of special bonds for ensuring energy supply will be determined through the process of book-building. During the process of book-building, various eligible investors will submit their bidding price through the book-building system, and the final interest rate of the special bonds for ensuring energy supply will be determined based on the submitted bid prices.

(iii) As the duration of the renewable entrusted loans is unspecified, such renewable entrusted loans will be recorded as other equity instruments under total equity of the financial statements of Shandong Company and Chaohu Power.

(iv) Shandong Company and Chaohu Power will use the renewable entrusted loans under the implementation agreements for ensuring the supply of thermal power enterprises. Without the written consent of the Company, Shandong Company and Chaohu Power shall not change the purpose of the loans, and shall not use the loans in the areas and purposes prohibited by the State.

(v) When Shandong Company and/or Chaohu Power execute(s) the relevant implementation agreement(s) and receive the renewable entrusted loans, the relevant renewable entrusted loans will be set with an initial term of repayment. When the initial term expires, the recipient of the renewable entrusted loans (i.e. Shandong Company and Chaohu Power) can decide whether to extend the use of the relevant renewable entrusted loans. If the use of the relevant renewable entrusted loans is extended, then the interest rate shall be increased by 300bp/year on top of the initial interest rate (i.e. the interest rate applicable at the time of execution of the relevant implementation agreement). The decision to extend the use of the relevant renewable entrusted loans can be made once a year (the interest rate is only increased once; for subsequent years, only the decision to extend is made, and the interest rate remains unchanged).

(vi) The renewable entrusted loans from the Company to each of Shandong Company and Chaohu Power are expected to be provided in tranches and is expected to be completed by end of September 2026.

The Transactions will not affect the Company's normal business development and use of funds, and does not fall under the circumstances that financial assistance is not allowed under the Shanghai Listing Rules.

Shandong Company and Chaohu Power are the Company's controlled subsidiaries, over which the Company can exercise effective risk control in business operations, financial matters, and fund management. Accordingly, the provision of the renewable entrusted loan to these controlled subsidiaries is within a controllable risk scope, will not have a material impact on the Company's daily operations, and will not prejudice the interests of the Company or all shareholders, especially minority shareholders.

3.3.3 Basic Information of Shandong Company and Chaohu Power

(1) Basic Information of Shandong Company

Shandong Company was established in May 2008 and is currently a controlled subsidiary of the Company. The Company holds 80% equity interest in Shandong Company and 20% equity interest in Shandong Company is held by Huaneng Group.

According to the audit report issued by Ernst & Young Hua Ming LLP on 18 April 2025, as of 31 December 2024, Shandong Company's total assets were RMB77.912 billion, total liabilities were RMB50.025 billion, net assets were RMB27.887 billion, asset-liability ratio was 64.21%. From January to December 2024, operating income was RMB33.636 billion, total profit was RMB2.162 billion, and net profit was RMB1.681 billion.

As of 30 September 2025, Shandong Company's unaudited total assets were RMB78.059 billion, total liabilities were RMB48.508 billion, net assets were RMB29.551 billion, and the asset-liability ratio was 62.14%. From January to September 2025, the operating income was RMB22.813 billion, the total profit was RMB2.403 billion, and the net profit was RMB2.062 billion.

Shandong Company is not included in the list of dishonest entities subject to execution.

In order to implement the requirements of the Executive Meeting of the State Council, the Company proposes to advance renewable entrusted loans to Shandong Company so as to achieve the goals of reducing losses of thermal power units, ensuring energy supply and security, and reducing the overall asset-liability ratio. The counterparty of the renewable entrusted loan is Shandong Company, a subsidiary of which 80% of the equity interest is directly held by the Company. The Company can implement effective risk control in its business, finance, fund management and other aspects. The other shareholders of Shandong Company will not provide financial assistance in the same proportion under the same conditions.

For year 2025, Huaneng Laiwu Power Generation Co., Ltd., a subsidiary of Shandong Company, provided financial assistance of RMB830 million to Shandong Company. Huaneng Yantai Bajiao Thermal Power Co., Ltd., a subsidiary of Shandong Company, provided financial assistance of RMB600 million to Shandong Company. All such financial assistance remains outstanding and no default in repayment upon maturity has occurred.

(2) Basic Information of Chaohu Power

Chaohu Power was established in November 2007 and is currently a controlled subsidiary of the Company. The Company holds 60% equity interest in Chaohu Power, 10% equity interest in Chaohu Power is held by Hua Neng HK, a wholly-owned subsidiary of Huaneng Group, and 30% equity interest in Chaohu Power is held by Huaihe Energy.

According to the audit report issued by Ernst & Young Hua Ming LLP on 25 March 2025, as of 31 December 2024, Chaohu Power's total assets were RMB1.611 billion, total liabilities were RMB1.557 billion, net assets were RMB54 million, asset-liability ratio was 96.64%. From January to December 2024, operating income was RMB2.639 billion, total profit was RMB37 million, and net profit was RMB37 million.

As of 30 September 2025, Chaohu Power's unaudited total assets were RMB1.441 billion, total liabilities were RMB1.170 billion, net assets were RMB270 million, asset-liability ratio was 81.24%. From January to September 2025 the operating income was RMB1.937 billion, the total profit was RMB204 million, and the net profit was RMB204 million.

Chaohu Power is not included in the list of dishonest entities subject to execution.

In order to implement the requirements of the Executive Meeting of the State Council, the Company proposes to advance renewable entrusted loans to Chaohu Power so as to achieve the goals of reducing losses of thermal power units, ensuring energy supply and security, and reducing the overall asset-liability ratio. The counterparty of the renewable entrusted loan is Chaohu Power, a subsidiary of which 60% of the equity interest is directly held by the Company. The Company can implement effective risk control in its business, finance, fund management and other aspects. The other shareholders of Chaohu Power will not provide financial assistance in the same proportion under the same conditions.

For year 2025, the Company did not provide any financial assistance to Chaohu Power.

3.3.4 Major terms of the Framework Agreements

Major terms of the Framework Agreements signed by the Company with Shandong Company and Chaohu Power are as follows:

(1) The Framework Agreement on Renewable Entrusted Loans with Shandong Company

Parties to the agreement:	Huaneng International Shandong Company
Date:	11 February 2026
Amount:	Huaneng International will advance to and recover from Shandong Company the capital of 11.75 billion in RMB in accordance with the renewable entrusted loan procedure. The abovementioned capital principal amount is the maximum amount, the concrete amount of the renewable entrusted loan will depend on the actual agreement signed.
Term:	There is no fixed term, the concrete terms of which are subject to the renewable entrusted loan agreements to be actually signed. The initial loan term shall start from the date of advancement.

Interest rate:	The interest rate of the renewable entrusted loans under the agreement is determined by Huaneng International, and the fixed interest rate is adopted. The annual interest rate is the total amount of upstream fund raising costs and related taxes, etc., and the actual signed renewable entrusted loan interest rate shall prevail.
Purpose:	Huaneng International agrees that Shandong Company will use the principal borrowed under the agreement for ensuring the supply of thermal power enterprises. Without the written consent of Huaneng International, Shandong Company shall not change the purpose of the loan, including but not limited to using the loan for any purposes or in any areas prohibited by the State.
Guarantee method:	Credit guarantee.
Liability for breach of agreement:	After the contract takes effect, both parties shall perform the obligations stipulated in the agreement. If either party fails to perform or does not fully perform the obligations stipulated in the agreement, the defaulting party shall bear the corresponding liability for breach of contract in accordance with the contract or legal provisions, and shall compensate the other party with the losses incurred thereby. If Shandong Company defaults, Huaneng International shall have the right to increase the execution interest rate of the renewable entrusted loans under the agreement. The interest rate increase formula is: the basis of execution interest rate applicable in the agreement at that time + 300bp/year, and the interest rate will be implemented until the events constituting the default of Shandong Company under the agreement have ended, or the agreement has been terminated.

(2) The Framework Agreement on Renewable Entrusted Loans with Chaohu Power

Parties to the agreement:	Huaneng International Chaohu Power
Date:	11 February 2026
Amount:	Huaneng International will advance to and recover from Chaohu Power the capital of 1 billion in RMB in accordance with the renewable entrusted loan procedure. The abovementioned capital principal amount is the maximum amount, the concrete amount of the renewable entrusted loan will depend on the actual agreement signed.
Term:	There is no fixed term, the concrete terms of which are subject to the renewable entrusted loan agreements to be actually signed. The initial loan term shall start from the date of advancement.
Interest rate:	The interest rate of the renewable entrusted loans under the agreement is determined by Huaneng International, and the fixed interest rate is adopted. The annual interest rate is the total amount of upstream fund raising costs and related taxes, etc., and the actual signed renewable entrusted loan interest rate shall prevail.
Purpose:	Huaneng International agrees that Chaohu Power will use the principal borrowed under the agreement for ensuring the supply of thermal power enterprises. Without the written consent of Huaneng International, Chaohu Power shall not change the purpose of the loan, including but not limited using the loan for any purposes or in any areas prohibited by the State.
Guarantee method:	Credit guarantee.

Liability for breach of agreement:	After the contract takes effect, both parties shall perform the obligations stipulated in the agreement. If either party fails to perform or does not fully perform the obligations stipulated in the agreement, the defaulting party shall bear the corresponding liability for breach of contract in accordance with the contract or legal provisions, and shall compensate the other party with the losses incurred thereby. If Chaohu Power defaults, Huaneng International shall have the right to increase the execution interest rate of the renewable entrusted loans under the agreement. The interest rate increase formula is: the basis of execution interest rate applicable in the agreement at that time + 300bp/year, and the interest rate will be implemented until the events constituting the default of Chaohu Power under the agreement have ended, or the agreement has been terminated.

3.4 Determination of Interest Rates and Fairness of the Transactions

The Company's issuance of the special bonds is conducted on the interbank bond market through a bookbuilding process. The issuance interest rate is determined based on a combination of factors, including investor subscription demand, market supply and demand for funds, and prevailing market interest rates at the time of issuance, thereby forming an actual financing cost that reflects current market conditions. Such financing cost is not the only the pricing reference for the interest rate of the renewable entrusted loans.

On this basis, the interest rate of the renewable entrusted loans provided by the Company to Shandong Company and Chaohu Power is determined according to a pre-agreed mechanism, being calculated based on the locked-in actual financing cost of the special bonds, plus relevant taxes and necessary ancillary financing costs. Such pricing mechanism is essentially a pass-through arrangement of upstream financing costs. The renewable entrusted loans are provided to Shandong Company and Chaohu Power under separate Framework Agreements, with the total amount of loans under each agreement not exceeding the pre-determined maximum and structured as non-revolving. The arrangement provides ongoing funding support for the subsidiaries and is managed as a continuing connected transaction.

With respect to fairness, the arrangement is made in accordance with relevant policy guidance, for the purpose of supporting the optimisation of the capital structure of the subsidiaries and ensuring energy supply security. Its objective is to achieve a reasonable pass-through of funding costs, rather than to generate additional economic benefits through the utilisation of funds. The arrangement is based on overall business needs and policy considerations, and is not intended for the purpose of obtaining financing spreads or profit maximisation. Under such arrangement, the interest rate of the renewable entrusted loans only covers the actual financing costs incurred by the Company through market-based financing and related expenses, without any additional spread or profit margin. Shandong Company and Chaohu Power, as fund users, bear the actual financing costs corresponding to the funds utilised. The Company will not incur additional funding costs as a result of providing such renewable entrusted loans, nor will there be any transfer of economic benefit. Overall, the arrangement will not result in any additional economic burden or adverse economic impact to the Company, and the relevant funding costs are appropriately covered under the aforesaid pricing mechanism. Accordingly, the Directors consider that the pricing mechanism of the renewable entrusted loans is fair and reasonable and in the interests of the Company and its shareholders as a whole.

3.5 Risk Analysis and Risk Control Measures of the Transactions

The risk of the Company providing renewable entrusted loans to Shandong Company and Chaohu Power is within the controllable range of the Company, and the Company can effectively ensure the safety of funds. The Transactions will not have a significant impact on the Company's daily operations, or not damage the Company and its Shareholders as a whole, in particular the interest of minority Shareholders.

Shandong Company and Chaohu Power are subsidiaries of the Company, over which the Company is able to exercise effective risk control in respect of their business operations, financial matters and treasury management. The Company provides renewable entrusted loans to Shandong Company and Chaohu Power, and has conducted a comprehensive assessment of their financing support capabilities. Shandong Company and Chaohu Power possess strong financing capabilities, and the provision of such loans will not have any material adverse impact on the daily operations of the Company, nor will it prejudice the interests of the Company and its Shareholders as a whole, particularly minority Shareholders.

In assessing the credit risk of providing renewable entrusted loans to Shandong Company and Chaohu Power, the Company has conducted a comprehensive analysis and evaluation primarily based on the following factors:

(a) their overall financial condition and operating performance, in order to assess its going-concern basis and financial stability;

(b) their cash flow position and overall debt-servicing capability, to assess their performance capacity and ability to cover funding needs;

(c) their external financing capability and credit support profile, to assess their access to external funding and financial support base; and

(d) their historical credit performance and compliance record, to assess their past performance of obligations and credit stability.

After a thorough assessment, the Company considers that Shandong Company and Chaohu Power maintain stable overall financial conditions and operational performance, with business operations proceeding normally and a solid financial and operational foundation. Their cash flow positions are generally sound, enabling them to support daily operations and debt obligations, and they possess relatively strong debt-servicing capabilities. In particular, Shandong Company has diversified financing channels, sufficient banking credit facilities, and maintains a AAA issuer credit rating, reflecting strong external financing and credit support capability, while Chaohu Power also has stable banking credit facilities and financing channels, enabling it to meet its funding needs and demonstrating a certain level of external financing capability. Meanwhile, both Shandong Company and Chaohu Power have maintained good historical credit records, having consistently received unqualified audit opinions and A-level tax credit ratings, and have not experienced any non-performing loans, overdue interest, or other events of default.

Taking into account the above assessment results, the Company considers that Shandong Company and Chaohu Power have stable overall financial conditions and operational performance, sound cash flow and debt-servicing capability, sufficient external financing and credit support, and a solid historical credit record.

From the perspective of transaction purpose, the issuance of the relevant special bonds is conducted in accordance with the policy requirements of the State Council Executive Meeting regarding supporting power enterprises in optimising their asset-liability structure. The core objective is to improve the capital structure of thermal power enterprises and reduce overall asset-liability ratios, thereby achieving policy goals such as reducing losses of thermal power generating units and ensuring energy supply security. Against this policy backdrop, the Company, through issuing special bonds and providing renewable entrusted loans to Shandong Company and Chaohu Power, directs the proceeds to support its subsidiaries in optimising their debt structure and replacing existing financings, so as to achieve the deleveraging objectives required under the relevant policy framework. To ensure effective implementation of such policy objectives, the use of renewable entrusted loans is strictly limited to specified purposes, namely supplemental working capital and replacement of existing financings directly related to deleveraging, and shall not be changed without the written consent of the Company. Based on the above policy guidance and fund usage arrangements, the cash flows are subject to clear policy constraints and traceability of use, with no possibility of misappropriation or use for high-risk purposes.

With respect to the transaction structure: (1) the funding source of the relevant renewable entrusted loans is the special bonds issued by the Company, which are also financing instruments without fixed maturity. Their tenor profile is aligned with the downstream renewable entrusted loans; and (2) the interest rate under the Framework Agreements is determined based on a pre-agreed formula, reflecting the aggregate of the upstream funding costs and related taxes and expenses. Such pricing mechanism effectively covers the Company's financing costs and ensures that the Company does not bear additional funding costs as a result of providing the renewable entrusted loans.

In terms of internal control, the Company closely monitors the latest financial position and operating performance of Shandong Company and Chaohu Power, and regularly reconciles with Shandong Company and Chaohu Power the outstanding status of the renewable entrusted loans, to ensure that the renewable entrusted loans are strictly implemented in accordance with the relevant agreements. The Company's auditors will conduct audits on the specific transactions under the renewable entrusted loan framework agreements to ensure compliance with internal approval procedures and relevant listing requirements, and to ensure that, while the fund deployment is required to be implemented under policy requirements, the relevant fund utilisation remains within a controllable scope.

Based on policy-driven fund usage arrangements, structural risk exposure controls, and continuous internal monitoring and management mechanisms, the Company considers that the overall funding risk associated with the renewable entrusted loans remains within a controllable range and will not have a material adverse impact on the Company's financial position or liquidity.

3.6 Cumulative Amount of Financial Assistance Provided and Overdue Amount

Following the provision of the current financial assistance, as of the Latest Practicable Date, the total outstanding amount of financial assistance provided by the Company amounts to RMB15.15 billion, representing 10.63% of the Company's most recently audited net assets. Neither the Company nor its controlled subsidiaries have extended financial assistance to entities outside the scope of the consolidated financial statements, and there is no overdue financial assistance.

3.7 Reasons for and Benefits of the Transactions

The Transactions are intended to implement the relevant requirements of the State Council Executive Meeting and will help support the stable operation of the thermal power businesses of Shandong Company and Chaohu Power, with a view to reducing losses from their thermal power generating units, ensuring energy supply security, and optimising their capital structure and lowering their asset-liability ratios.

3.8 Implications under Hong Kong Listing Rules

The Transactions constitutes the provision of financial assistance by the Company to its connected subsidiaries. As the applicable percentage ratios relating to the scale (on an aggregated basis) of the Transactions calculated in accordance with Rule 14.07 of the Hong Kong Listing Rules exceed 5%, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules, subject to the reporting, announcement, annual review and independent shareholders' approval requirements under the Hong Kong Listing Rules.

According to the relevant provisions of the applicable laws and regulations of the PRC, the Transaction needs to be approved at the general meeting of the Company.

3.9 BOARD'S CONFIRMATION

The Board has considered and approved the "Proposal on the Company's provision of Renewable Entrusted Loans to its Controlled Subsidiaries". Pursuant to the SSE Listing Rules and the Hong Kong Listing Rules, Mr. Wang Kui, Mr. Liu Ancang, Mr. Du Daming, Mr. Zhou Yi, Mr. Li Lailong, Mr. Li Jin and Mr. Wang Yu, all being Directors of the Board being regarded as having a material interest in the Transactions given their management positions in Huaneng Group or its associate, abstained from voting on the Board resolution relating to the entering into of the Framework Agreements. The resolution was voted by Directors who are not connected to the transactions.

The Board is of the view that (i) the terms of the Framework Agreements and the Transactions contemplated thereunder are fair and reasonable; (ii) the Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Company; and (iii) the Transactions are in the interests of the Company and its Shareholders as a whole.

4. Directors' Remuneration for 2025

An ordinary resolution will be proposed at the AGM to consider and approve the 2025 remuneration of the Directors of the Company. Details of the Directors' remuneration for 2025 are as follows:

According to the Company's remuneration management policies, internal Directors holding management positions in the Company shall receive remuneration based on their performance evaluation results during their tenure and assessment period. External non-independent Directors (i.e., non-executive Directors) who do not hold positions other than Directors in the Company shall not receive remuneration from the Company. Independent non-executive Directors shall receive independent director allowances in accordance with the standards approved by the general meeting.

In accordance with relevant laws and regulations, policies of the supervisory authorities, and the Company's relevant remuneration management policies, and taking into account the period of service and performance appraisal for the previous year, it is proposed that the remuneration of the Company's internal Directors for 2025 be determined as follows:

No.	**Name**	**Position**	**Tenure Status**	**Pre-tax Remuneration Received from the Company in 2025** *(RMB10,000)*
1	Wang Kui	Chairman of the Board	Incumbent	16.6
2	Liu Ancang	Director, President	Incumbent	42.5
3	Wang Zhijie	Vice Chairman of the Board	Resigned	30.4
4	Huang Lixin	Director, President	Resigned	95.7

Note: The above remuneration includes pre-tax salary and contributions made by the Company to pension insurance, corporate annuity, and housing provident fund, of which the remuneration of Wang Kui, Chairman of the Board, covers the period from November to December 2025; the remuneration of Liu Ancang, Director and President, covers the period from August to December 2025; the remuneration of Wang Zhijie, former vice Chairman of the Board, represents deferred payment of the previous year's performance-based remuneration; and the remuneration of Huang Lixin, former Director and President, covers the period from January to July 2025 as well as deferred payment of the previous year's performance-based remuneration.

5. Directors' Remuneration Plan for 2026

An ordinary resolution will be proposed at the AGM to consider and approve the proposed Directors' remuneration plan for 2026. For details of the Directors' remuneration plan for 2026, please refer to the announcement of the Company dated 21 May 2026.

6. Formulation of the Remuneration Management System for the Directors and Senior Management of the Company

An ordinary resolution will be proposed at the AGM to consider and approve the formulation of the remuneration management system for the Directors and senior management of the Company. For details of the remuneration management system for the Directors and senior management of the Company, please refer to the announcement of the Company dated 21 May 2026.

II. THE AGM

The Company will convene the annual general meeting on 16 June 2026 for the purpose of seeking Shareholders' approval of the resolutions set out in the Notice of the AGM.

Huaneng Group and its associates (holding an aggregate of 7,257,376,866 ordinary shares in the Company, representing approximately 46.23% of the total issued shares of the Company as at the Latest Practicable Date) will abstain from voting on the resolution regarding the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements (being the resolution no. 5 of the Notice of AGM) at the AGM. Save as disclosed herein, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

In accordance with Rule 13.39(4) of the Hong Kong Listing Rules, the resolutions at the AGM will be voted on by poll. The voting results will be published on the websites of the Company and the Hong Kong Stock Exchange after the AGM, in accordance with the Hong Kong Listing Rules.

The notice of the AGM is set out on pages II-1 to II-4 of this circular. Whether or not you intend to attend the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. The form of proxy should be completed and returned to Computershare Hong Kong Investor Services Limited, the H Shares Registrar of the Company, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares of the Company), or to the Company's head office in the PRC (for holders of Domestic Shares of the Company), as soon as possible and in any event not less than 24 hours before the time appointed for holding the AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish. If you attend and vote at the AGM in person, the authority of your proxy will be deemed to have been revoked.

III. RECOMMENDATIONS

Your attention is also drawn to the letter from the Independent Board Committee to the Independent Shareholders of the Company, which is set out on pages 27 to 28 of this circular, and which contains their recommendations in respect of the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements.

The letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the transactions relating to the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements and whether such Transactions are in the interests of the Company and Shareholders as a whole is set out on pages 29 to 43 of this circular.

The Independent Board Committee, having taken into account the advice of Gram Capital, considers that (i) the terms of the Framework Agreements and the Transactions contemplated thereunder are fair and reasonable; (ii) the Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Company; and (iii) the Transactions are in the interests of the Company and its Shareholders as a whole. Accordingly, it recommends that the Independent Shareholders vote in favour of the resolution regarding the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements at the AGM.

Moreover, the Board considers that the other resolutions set out in the Notice of the AGM are also in the best interests of the Company and its Shareholders. Accordingly, the Board recommends that all Shareholders vote in favour of the other resolutions set out in the Notice of the AGM.

IV. OTHER INFORMATION

Your attention is drawn to the other information set out in the appendices to this circular.

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

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)

Registered office:
Huaneng Headquarters
Startup Zone
Xiong'an New Area
Hebei Province 071000
The People's Republic of China

22 May 2026

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS UNDER THE FRAMEWORK AGREEMENTS

We, the Independent Board Committee of Huaneng Power International, Inc. (the "**Company**"), are advising the Independent Shareholders in connection with the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements, details of which are set out in the letter from the Board contained in the circular ("**Circular**") of the Company to the Shareholders dated 22 May 2026, of which this letter forms a part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Under the Hong Kong Listing Rules, the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements constitute continuing connected transactions of the Company. Accordingly, the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements will require the approval of the Independent Shareholders at the AGM.

We wish to draw your attention to the letter of advice from Gram Capital set out on pages 29 to 43 of the Circular. We have discussed the letter and the opinion contained therein with Gram Capital.

Having considered, inter alia, the factors and reasons considered by, and the opinion of, Gram Capital, as stated in its aforementioned letter, we are of the view that:

(i) the terms of the Framework Agreements and the Transactions contemplated thereunder are fair and reasonable;

(ii) the Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Company; and

(iii) the Transactions are in the interests of the Company and its shareholders as a whole.

Accordingly, we recommend that the Independent Shareholders vote in favour of the relevant ordinary resolution regarding the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements (being resolution no. 5 of the Notice of AGM) to be proposed at the AGM to be held on 16 June 2026.

Yours faithfully,
Xia Qing, He Qiang, Zhang Liying, Zhang Shouwen, Dang Ying, Zhang Xianchong
Independent Non-Executive Directors

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

22 May 2026

To: The independent board committee and the independent shareholders of
Huaneng Power International, Inc.

Dear Sirs,

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 the provision of renewable entrusted loans by the Company to its connected subsidiaries contemplated under the Framework Agreements (the "**Transactions**"), details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 22 May 2026 issued by the Company (together with its subsidiaries, the "**Group**") to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 11 February 2026, the Company signed Framework Agreements with Shandong Company and Chaohu Power respectively, stipulating that the Company will provide a renewable entrusted loan of not more than RMB11.75 billion to Shandong Company, and a renewable entrusted loan of not more than RMB1 billion to Chaohu Power. The aforesaid renewable entrusted loans have no fixed term, the concrete terms of which are subject to the renewable entrusted loan agreements to be actually signed. The initial term shall start from the date of advancement.

With reference to the Board Letter, the Transactions constitute continuing connected transactions of the Company and are subject to annual review, announcement and Independent Shareholders' approval requirements under the Chapter 14A of the Hong Kong Listing Rules.

The Independent Board Committee comprising Mr. Xia Qing, Mr. He Qiang, Ms. Zhang Liying, Mr. Zhang Shouwen, Ms. Dang Ying and Mr. Zhang Xianchong (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are fair and reasonable and on normal commercial terms; (ii) whether the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transactions at the AGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser to (A) the Company pursuant to Rule 14A.52 of the Hong Kong Listing Rules in respect of continuing connected transactions (details of which were set out in the Company's announcement dated 28 April 2026); (B) the Company's independent board committee and independent shareholders in respect of (a) discloseable and continuing connected transactions; and (b) continuing connected transactions (details of which were set out in the Company's circular dated 28 November 2025); (C) the Company's independent board committee and independent shareholders in respect of (a) discloseable and continuing connected transactions; and (b) continuing connected transactions (details of which were set out in the Company's circular dated 22 November 2024); and (D) the Company pursuant to Rule 14A.52 of the Hong Kong Listing Rules in respect of continuing connected transactions (details of which were set out in the Company's announcement dated 18 July 2024). Save for the aforesaid engagements, there was no other service provided by Gram Capital to the Company during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the aforesaid engagements, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Having considered the above, in particular (i) none of the circumstances as set out under the Rule 13.84 of the Hong Kong Listing Rules existed as at the Latest Practicable Date; and (ii) each of the aforesaid past engagements was only independent financial adviser engagement and will not affect our independence to act as the Independent Financial Advisers, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps (such as obtaining the Framework Agreements, review the terms of the Transactions; and analysis on the Company's estimated figures in relation to the annual caps of Transactions) on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Hong Kong Listing Rules.

The 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 enquiry, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters omitted which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Shandong Company, Chaohu Power or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

Business overview of the Group

With reference to the Board Letter, the Company and its subsidiaries mainly develop, construct, operate and manage power plants in China nationwide. It is one of the largest listed power producers in China, with a controlled generation capacity of 155,869 MW as at 31 December 2025.

Information on Shandong Company

With reference to the Board Letter, Shandong Company is a controlled subsidiary of the Company, in which the Company holds 80% equity interest, and the remaining 20% equity interest is held by Huaneng Group. Shandong Company is principally engaged in the development, investment, construction, operation and management of power (heat) projects, and the production and supply of electricity (heat) (for projects that are required by law to obtain permits, operations may only be conducted with the relevant permits); the investment, construction, operation and management of heating pipeline networks; the purchase and sale of steam, heat and cooling; the investment, construction, operation and maintenance of distribution networks; the development and utilization of clean energy; the purchase and sale of electricity; electricity retail business; technical consulting services for thermal power generation; energy performance contracting; the recycling, processing and sale of waste resources; and the investment in coal, transportation and related industries (for projects that are required by law to obtain approvals, operations may only be carried out after obtaining the relevant regulatory approvals).

As at the Latest Practicable Date, Shandong Company is a connected subsidiary of the Company.

According to the audit report issued by Ernst & Young Hua Ming LLP on 18 April 2025, as of 31 December 2024, Shandong Company's total assets were RMB77.912 billion, total liabilities were RMB50.025 billion, net assets were RMB27.887 billion, asset-liability ratio was 64.21%. From January to December 2024, operating income was RMB33.636 billion, total profit was RMB2.162 billion, and net profit was RMB1.681 billion.

As of 30 September 2025, Shandong Company's unaudited total assets were RMB78.059 billion, total liabilities were RMB48.508 billion, net assets were RMB29.551 billion, and the asset-liability ratio was 62.14%. From January to September 2025, the operating income was RMB22.813 billion, the total profit was RMB2.403 billion, and the net profit was RMB2.062 billion.

Information on Chaohu Power

Chaohu Power is a controlled subsidiary of the Company, in which the Company holds 60% equity interest, Hua Neng HK holds 10% of the equity interest, and Huaihe Energy holds the remaining 30% equity interest. Huaihe Energy and its ultimate beneficial owners are persons independent of the Company and its connected persons. Chaohu Power is mainly engaged in the production and supply of electricity; the construction, operation and management of power projects; the development and utilization of clean energy; electricity sales; contract energy management; recycling, processing and sales of waste resources (excluding hazardous waste); construction, operation and management of industrial heating pipe network; purchase and sale of steam, heat and cold; construction, operation and maintenance of power distribution network; production and supply of heat (projects are subject to approval according to law, business activities can only be carried out after approval by relevant departments).

As at the Latest Practicable Date, Chaohu Power is a connected subsidiary of the Company.

According to the audit report issued by Ernst & Young Hua Ming LLP on 25 March 2025, as of 31 December 2024, Chaohu Power's total assets were RMB1.611 billion, total liabilities were RMB1.557 billion, net assets were RMB54 million, asset-liability ratio was 96.64%. From January to December 2024, operating income was RMB2.639 billion, total profit was RMB37 million, and net profit was RMB37 million.

As of 30 September 2025, Chaohu Power's unaudited total assets were RMB1.441 billion, total liabilities were RMB1.170 billion, net assets were RMB270 million, asset-liability ratio was 81.24%. From January to September 2025 the operating income was RMB1.937 billion, the total profit was RMB204 million, and the net profit was RMB204 million.

Reasons for and benefit of the Transactions

With reference to the Board Letter, in order to implement the requirements of the Executive Meeting of the State Council and to achieve the goals of reducing losses of thermal power units, ensuring energy supply and security, and reducing the overall asset-liability ratio, the Company proposes to grant renewable entrusted loans to Shandong Company and Chaohu Power. As advised by the Directors, the source of fund for the renewable entrusted loans will be the issuance of the special bonds for energy supply, the duration of which is unspecified.

With reference to the Board Letter, both of Shandong Company and Chaohu Power will use the principal borrowed under the agreements for ensuring the supply of thermal power enterprises, being the same purposes of the renewable entrusted loan previously granted by the Company. Without the written consent of the Company, Shandong Company and Chaohu Power shall not change the purpose of the renewable entrusted loans, including but not limited to both of Shandong Company and Chaohu Power shall not use it in the areas and purposes prohibited by the State.

Since 2023, the Company issued several batches of special bonds for energy supply. The bonds were renewable medium-term note and were included in the equity account, among which, RMB11.75 billion and RMB1.00 billion were provided to Shandong Company and Chaohu Power, respectively, as renewable entrusted loans (the "**Former Entrusted Loans**"). Based on the individual agreements of the Former Entrusted Loans, the interest rates of the Former Entrusted Loans to Shandong Company ranged from 3.59% to 3.97% and to Chaohu Power ranged from 3.64% to 3.66% respectively.

As advised by the Directors, the Former Entrusted Loans were fully repaid by Shandong Company and Chaohu Power in March 2026 by using its own funds. The Company proposed to issue a new batch of special bonds for energy supply, the interest rates of which were expected to be lower than the interest rates of the Former Entrusted Loans to both Shandong Company Chaohu Power, to supplement the funds which were used for the repayment of the Former Entrusted Loans. Therefore, on a consolidated basis, the Company will also be benefit from Shandong Company's and Chaohu Power's aforesaid financing with a lower cost. We noted that the Company issued two batches of special bonds for energy supply with interest rate of 1.87% and 1.91% respectively in January 2026 and February 2026, the proceeds of which were used as similar purpose of the Transactions.

As both the Shandong Company and Chaohu Power are non-wholly owned subsidiaries of the Company, the proposed provision of financial assistance will be essentially the provision of financial assistance by the Company to its subsidiaries. As advised by the Directors, the Company has been providing different types of financial assistance to its subsidiaries for years. Based on our research, we noted that it is not uncommon for PRC listed companies to provide financial assistance (including borrowing and guarantee) to their subsidiaries.

In addition, as further advised by the Directors, after taking into consideration of the Company's asset size, reputation, listing status, the Directors expected that the Company (as a bond issuer) would have a lower cost of borrowing on special bonds for energy supply as compared to the cost of borrowing on special bonds for energy supply of Shandong Company/Chaohu Power (as a bond issuer(s)). Therefore, on a consolidated basis, the Company will also be benefit from Shandong Company's and Chaohu Power's financing through the Company (as bond issuer) instead of the issuance of special bonds for energy supply by Shandong Company/Chaohu Power directly.

Based on the above factors, we are of the view that the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and Shareholders as a whole.

Principal terms of the Transactions

Set out below is the summary of the Transactions, details of which are set out under section headed "3.3.4 Major terms of the Framework Agreements" of the Board Letter.

Name of Framework Agreements	The framework agreement on Renewable Entrusted Loans with Shandong Company	The framework agreement on Renewable Entrusted Loans with Chaohu Power
Parties to the agreement	(i) the Company; and (ii) Shandong Company	(i) the Company; and (ii) Chaohu Power
Date	11 February 2026	11 February 2026
Purpose	Huaneng International agrees that Shandong Company will use the principal borrowed under the agreement for ensuring the supply of thermal power enterprises. Without the written consent of Huaneng International, Shandong Company shall not change the purpose of the renewable entrusted loan, including but not limited to Shandong Company shall not use it in the areas and purposes prohibited by the State.	Huaneng International agrees that Chaohu Power will use the principal borrowed under the agreement for ensuring the supply of thermal power enterprises. Without the written consent of Huaneng International, Chaohu Power shall not change the purpose of the renewable entrusted loan, including but not limited to Chaohu Power shall not use it in the areas and purposes prohibited by the State.

Guarantee method	Credit guarantee.	Credit guarantee.
Liability for breach of agreement	After the contract takes effect, both parties shall perform the obligations stipulated in the agreement. If either party fails to perform or does not fully perform the obligations stipulated in the agreement, the defaulting party shall bear the corresponding liability for breach of contract in accordance with the contract or legal provisions, and shall compensate the other party with the losses incurred thereby. If Shandong Company defaults, Huaneng International shall have the right to increase the execution interest rate of the renewable entrusted loans under the agreement. The interest rate increase formula is: the basis of execution interest rate applicable in the agreement at that time + 300bp/year, and the interest rate will be implemented until the events constituting the default of Shandong Company under the agreement have ended, or the agreement has been terminated.	After the contract takes effect, both parties shall perform the obligations stipulated in the agreement. If either party fails to perform or does not fully perform the obligations stipulated in the agreement, the defaulting party shall bear the corresponding liability for breach of contract in accordance with the contract or legal provisions, and shall compensate the other party with the losses incurred thereby. If Chaohu Power defaults, Huaneng International shall have the right to increase the execution interest rate of the renewable entrusted loans under the agreement. The interest rate increase formula is: the basis of execution interest rate applicable in the agreement at that time + 300bp/year, and the interest rate will be implemented until the events constituting the default of Chaohu Power under the agreement have ended, or the agreement has been terminated.

Term of the Framework Agreements

There is no fixed term, the concrete terms of which are subject to the renewable entrusted loan agreements to be actually signed. The initial loan term shall start from the date of advancement.

The term of the Framework Agreements is unspecified. In assessing the reasons for the duration of the Framework Agreement to be longer than three years, we have considered the following factors:

(i) as advised by the Directors, the source of fund for the renewable entrusted loans will be the issuance of the special bonds for energy supply, the duration of which is unspecified. Therefore, the duration of the Framework Agreements is in line with the duration of the special bonds for energy supply.

We further identified five special bonds for energy supply which were issued from 1 January 2026 to the date of the Framework Agreements, which are exhaustive as far as we are aware of, through Wind Financial Terminal. The aforesaid special bonds for energy supply were with unspecified maturity date.

Details of the special bonds for energy supply with unspecified maturity date (the "**Comparable Special Bonds**") are set out as follows:

Bond short name	Issuer	Date of prospectus	Initial coupon rate	Issue size	Duration
26大唐集MTN001 (能源保供特別債)	中國大唐集團有限公司(China Datang Corporation)	6 February 2026	The initial coupon rate was not determined as at the date of prospectus. The coupon rate will be determined by way of centralized book building (集中簿記建檔) and centralized placing (集中配售)	RMB2.0 billion	2+N(2) years, which shall remain outstanding before the issuer redeems in accordance with the terms of issue, and mature when the issuer redeems in accordance with the terms of issue

Bond short name	Issuer	Date of prospectus	Initial coupon rate	Issue size	Duration
26大唐發電MTN002 (能源保供特別債)	大唐國際發電股份有限公司(Datang International Power Generation Co., Ltd. (991 & SH601991))	28 January 2026	The initial coupon rate was not determined as at the date of prospectus. The coupon rate will be determined by way of book building (簿記建檔) and centralized placing (集中配售)	Base issue size: RMB2.0 billion Maximum issuance limit: RMB3.0 billion	2+N(2) years, which shall remain outstanding before the issuer redeems in accordance with the terms of issue, and mature when the issuer redeems in accordance with the terms of issue
26華能MTN002 (能源保供特別債)	The Company	28 January 2026	The initial coupon rate was not determined as at the date of prospectus. The coupon rate will be determined by way of centralized book building (集中簿記建檔) and centralized placing (集中配售)	RMB2.0 billion	2+N(2) years, which shall remain outstanding before the issuer redeems in accordance with the terms of issue, and mature when the issuer redeems in accordance with the terms of issue

Bond short name	Issuer	Date of prospectus	Initial coupon rate	Issue size	Duration
26華能MTN001 (能源保供特別債)	The Company	14 January 2026	The initial coupon rate was not determined as at the date of prospectus. The coupon rate will be determined by way of centralized book building (集中簿記建檔) and centralized placing (集中配售)	RMB2.0 billion	2+N(2) years, which shall remain outstanding before the issuer redeems in accordance with the terms of issue, and mature when the issuer redeems in accordance with the terms of issue
26大唐發電 MTN001(能源保供特別債)	大唐國際發電股份有限公司 (Datang International Power Generation Co., Ltd. (991 & SH601991)	7 January 2026	The initial coupon rate was not determined as at the date of prospectus. The coupon rate will be determined by way of book building (簿記建檔) and centralized placing (集中配售)	Base issue size: RMB2.0 billion Maximum issuance limit: RMB3.0 billion	2+N(2) years, which shall remain outstanding before the issuer redeems in accordance with the terms of issue, and mature when the issuer redeems in accordance with the terms of issue

(ii) based on the Directors' understanding (after seeking confirmation with the Company's auditors), (a) if the duration of the renewable entrusted loan is specified, such loan will be recorded as long-term borrowings under total liabilities of Shandong Company's and Chaohu Power's financial statements; or (b) if the duration of the renewable entrusted loan is unspecified, such loan will be recorded as other equity instruments under total equity of Shandong Company's and Chaohu Power's financial statements. As the purpose of the Transactions is to reducing the overall asset-liability ratio, the renewable entrusted loan with specified duration could not meet the purpose of the Transactions.

In considering whether it is normal business practice for agreements of similar nature with the Framework Agreements to have a term of such duration, we further discussed with the Directors and understood that the Company provided renewable entrusted loans to various subsidiaries of the Company, the source of fund of which was the proceeds from the issuance of the special bonds for energy supply. The duration of renewable entrusted loans and the special bonds for energy supply is unspecified. We obtained eight renewable entrusted loan agreements and acknowledged that the duration of the renewable entrusted loans was unspecified. In addition, we also noted that the Company provided similar renewable entrusted loans to Shandong Company and Chaohu Power, with duration being indefinite. Based on the aforesaid, we are of the view that the duration of the Framework Agreements, which is longer than three years and is indefinite, is required and it is normal business practice for agreements of this type to be of such duration.

Interest rate

The interest rate of the renewable entrusted loans under the agreements is determined by the Company and fixed interest rate is adopted. The annual interest rate is the total amount of upstream fund raising costs and related taxes, etc., and the actual signed renewable entrusted loan interest rate shall prevail.

With reference to the Board Letter, in terms of interest rates, since the special bonds for ensuring energy supply are publicly issued in the inter-bank market, the issuance cost will be determined through book-building. The interest rate of renewable entrusted loans to be provided by the Company to Shandong Company and Chaohu Power will be determined after considering the relevant taxes on the cost of issuing bonds.

The Company's issuance of the Special Bonds is conducted on the interbank bond market through a bookbuilding process. The issuance interest rate is determined based on a combination of factors, including investor subscription demand, market supply and demand for funds, and prevailing market interest rates at the time of issuance, thereby forming an actual financing cost that reflects current market conditions. Such financing cost is not the only pricing reference for the interest rate of the renewable entrusted loans.

We consider the interest rate of the Framework Agreements to be fair and reasonable after taking into account of following factors:

- despite that Shandong Company and Chaohu Power (as borrowers) are connected persons of the Company, Shandong Company and Chaohu Power are subsidiaries of the Company and the financial results of Shandong Company and Chaohu Power were consolidated into the financial statements of the Company as at the Latest Practicable Date. The purpose of the Transactions is to achieve the goals of reducing losses of thermal power units, ensuring energy supply and security, and reducing the overall asset-liability ratio of Shandong Company and Chaohu Power (both being subsidiaries of the Company) but not to generate income from interest of the renewable entrusted loans;

- the Company's cost of fund (i.e. upstream fund raising costs and related taxes, etc.) will be considered in determining the interest rate of renewable entrusted loan;

- cost of special bonds for energy supply will be determined through the process of book-building. During the process of book-building, various eligible investors will submit their bidding price through the book-building system, and the final interest rate of the special bonds for energy supply will be determined according to the aforesaid submission; and

- it is acceptable that the coupon rate of special bonds for energy supply was not determined/fixed as at the Latest Practicable Date as the coupon rate of the Comparable Special Bonds were not fixed as at date of their respective prospectus. The coupon rates of the Comparable Special Bonds will be determined by way of centralized book building (集中簿記建檔) and centralized placing (集中配售), which are the market practices for determination of coupon rate for special bonds for energy supply.

We also noted that when Shandong Company and/or Chaohu Power execute(s) the relevant implementation agreement(s) and receive the renewable entrusted loans, the relevant renewable entrusted loans will be set with an initial term of repayment. When the initial term expires, the recipient of the renewable entrusted loans (i.e. Shandong Company and Chaohu Power) can decide whether to extend the use of the relevant renewable entrusted loans. If the use of the relevant renewable entrusted loans is extended, then the interest rate shall be increased by 300bp/year on top of the initial interest rate (i.e. the interest rate applicable at the time of execution of the relevant implementation agreement). The decision to extend the use of the relevant renewable entrusted loans can be made once a year (the interest rate will only be increased once, and the subsequent years will only be judged whether to extend and the interest rate will remain unchanged). The adjusted shall be capped at 300bp on top of the initial interest rate.

Principal amounts:

The Company will advance to and recover from Shandong Company the capital of 11.75 billion in RMB in accordance with the renewable entrusted loan procedure. The abovementioned capital principal amount is the maximum amount, the concrete amount of the renewable entrusted loan will depend on the actual agreement signed.

The Company will advance to and recover from Chaohu Power the capital of 1 billion in RMB in accordance with the renewable entrusted loan procedure. The abovementioned capital principal amount is the maximum amount, the concrete amount of the renewable entrusted loan will depend on the actual agreement signed.

As at 31 December 2025, the outstanding amounts of renewable entrusted loan (the source of fund of which was special bonds for energy supply) granted by the Company to Shandong Company and Chaohu Power were approximately RMB11.75 billion and RMB1 billion, respectively. Given that the purpose of the Transaction is replacement of renewable entrusted loan in substance, we are of the view that the maximum amount of renewable entrusted loan of RMB11.75 billion to Shandong Company and RMB1 billion to Chaohu Power, which represented the outstanding amounts of their respective Former Entrusted Loans, are fair and reasonable.

Our conclusion on terms of the Transactions

Having reviewed and considered the terms of the Framework Agreements in particular the key terms as listed above (including the interest rate being fair and reasonable; the maximum amounts of renewable entrusted loans to both Shandong Company and Chaohu Power being fair and reasonable; and no other abnormal term observed), we are of the view that the terms of the Transactions are on normal commercial terms and are fair and reasonable.

RECOMMENDATION

Having taken into account that above factors and reasons, we are of the opinion that (i) the Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the the Transactions are on normal commercial terms and are fair and reasonable. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the AGM to approve the the Transactions and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

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. DISCLOSURE OF INTEREST

(a) Directors of the Company

As at the Latest Practicable Date, none of the Directors, chief executive of the Company has interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are 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” to be notified to the Company and the Hong Kong Stock Exchange.

(b) Substantial Shareholders

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Board, no persons (not being a Director, chief executive of the Company) had an interest or short position in the shares or underlying shares and debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meeting of any other member of the Company:

Name of shareholder	Class of shares	Number of shares held (share)	Identity	Approximate percentage of shareholding in the Company's total issued share capital	Approximate percentage of shareholding in the Company's total issued Domestic Shares	Approximate percentage of shareholding in the Company's total issued H shares
Huaneng International Power Development Corporation *(Note 2)*	Domestic shares	5,066,662,118(L)	Beneficial owner	32.28%(L)	46.07%(L)	–
China Huaneng Group Co., Ltd. *(Note 3)*	Domestic shares	1,555,124,549(L)	Beneficial owner	9.91%(L)	14.14%(L)	–
China Huaneng Group Co., Ltd. *(Note 4)*	H Shares	603,596,000(L)	Beneficial owner	3.85%(L)	–	12.84%(L)
Shanghai Wisdomshire Asset Management Co., Ltd.	H Shares	563,442,700(L)	Investment manager	3.59%(L)	–	11.99%(L)
Pacific Asset Management Co., Ltd.	H Shares	283,313,241(L)	Investment manager	1.80%(L)	–	6.03%(L)

Notes:

(1) The letter "L" denotes a long position, the letter "S" denotes a short position.

(2) As at the Latest Practicable Date, China Huaneng Group Co., Ltd. held 75% direct interests and 25% indirect interests in Huaneng International Power Development Corporation.

(3) In addition to the 1,555,124,549 Domestic Shares, China Huaneng Group Co., Ltd. holds 31,994,199 shares of Domestic Shares in the Company through its concert party, Tianjin Huaren Investment Management Co., Ltd. - Huaneng Structural Adjustment Fund No. 1.

(4) China Huaneng Group Co., Ltd. holds 472,000,000 H Shares through its wholly-owned subsidiary, China Hua Neng Group Hong Kong Limited, and holds 131,596,000 H Shares through its indirect wholly-owned subsidiary, China Huaneng Group Treasury Management (Hong Kong) Limited.

Save as disclosed above, the Company is not aware of any other person (other than the Directors and chief executives of the Company) having any interests or short positions in the shares and underlying shares of the Company as at the Latest Practicable Date as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Board, no Director is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Directors

(i) Mr. Wang Kui is an assistant to the president of Huaneng Group;

(ii) Mr. Du Daming is deputy chief economist of Huaneng Group;

(iii) Mr. Zhou Yi is the general legal counsel and chief compliance officer of Huaneng Group; and

(iv) Mr. Li Lailong is the deputy chief economist and the director of Strategic Department (Emerging Industries Department) of Huaneng Group.

3. NO MATERIAL ADVERSE CHANGE

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

4. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company and its subsidiaries was engaged in any material litigation or arbitration and there was no litigation or claim of material importance known to the Directors to be pending or threatened against the Company and its subsidiaries.

5. EXPERT'S QUALIFICATION AND CONSENTS

Name	Qualification
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Gram Capital has given its consent and has not withdrawn its consent to the publication of this circular, including the inclusion of its letter dated 22 May 2026 and references to its name in the form and context in which it appears.

To the best knowledge, information and belief of the Directors, as at the Latest Practicable Date, the above-mentioned expert was not beneficially interested in the share capital of the Company and its subsidiaries nor did it have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in the Company and its subsidiaries.

As at the Latest Practicable Date, the above mentioned expert did not have any direct or indirect interest in any assets which had since 31 December 2025 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to the Company and its subsidiaries, or were proposed to be acquired or disposed of by or leased to the Company and its subsidiaries.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or its subsidiaries which does not expire or is not terminable by the Company or its subsidiaries within one year without payment of compensation, other than statutory compensation.

7. INTERESTS OF DIRECTORS IN THE ASSETS OR CONTRACTS OF THE COMPANY AND ITS SUBSIDIARIES

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

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Company.

8. INTERESTS OF DIRECTORS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates has interests in the businesses, other than being a Director, which compete or are likely to compete, either directly or indirectly, with the businesses of the Company (required to be disclosed under Rule 8.10 of the Hong Kong Listing Rules should they be controlling shareholders).

9. MISCELLANEOUS

(a) The Joint Company Secretaries of the Company are Mr. Wen Minggang and Ms. Jiang Xiao. Mr. Wen Minggang also serves as the Secretary to the Board.

(b) The legal address of the Company is Huaneng Headquarters, Startup Zone, Xiong'an New Area, Hebei Province, PRC. The H Share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(c) In the case of any discrepancy, the English text of this circular and form of proxy shall prevail over the Chinese text.

10. DOCUMENTS ON DISPLAY

A copy of the Framework Agreements has been published on the Hong Kong Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.hpi.com.cn) for a period of 14 days from the date of this circular.

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)

NOTICE OF 2025 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 annual general meeting (the "**Annual General Meeting**" or "**General Meeting**") of Huaneng Power International, Inc. (the "**Company**") will be held at 9:00 a.m. on 16 June 2026 at Conference Room A102, Huaneng Building, 6 Fuxingmennei Street, Xicheng District, Beijing, the People's Republic of China (the "**PRC**") for the purposes of considering and approving the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the work report from the Board of Directors of the Company for 2025

2. To consider and approve the profit distribution plan of the Company for 2025 *(Note 1)*

SPECIAL RESOLUTIONS

3. To consider and approve the proposal regarding the granting of general mandate to issue domestic and/or overseas debt financing instruments *(Note 2)*

4. To consider and approve the proposal regarding the granting of general mandate to the Board of Directors to issue additional shares of the Company *(Note 2)*

ORDINARY RESOLUTIONS

5. To consider and approve the proposal regarding Company's provision of renewable entrusted loans to its controlled subsidiaries *(Note 2)*

6. To consider and approve the proposal regarding the 2025 remuneration of the Directors of the Company *(Note 2)*

7. To consider and approve the proposal regarding the 2026 remuneration plan for the Directors of the Company *(Note 2)*

8. To consider and approve the proposal regarding the formulation of the remuneration management system for the Directors and senior management of the Company *(Note 2)*

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

As at the date of this notice, 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
22 May 2026

Notes:

1. **THE PROFIT DISTRIBUTION PLAN OF THE COMPANY FOR 2025**

   The Company's proposed profit distribution plan for 2025 is: based on the Company's total share capital, a cash dividend of RMB0.40 (tax inclusive) for each ordinary share. The estimated total amount of cash to be paid as dividends shall be approximately RMB6,279 million (tax inclusive).

2. **Please refer to the circular of the Company dated 22 May 2026 for details.**

3. **PROXY**

   (1) A member eligible to attend and vote at the Annual General Meeting is entitled to appoint, in written form, one or more proxies to attend and vote on his behalf. A proxy needs not be a shareholder.

   (2) A proxy should be appointed by a written instrument signed by the appointor or its attorney duly authorised in writing. If the form of proxy is signed by the attorney of the appointor, the power of attorney authorising that attorney to sign or other authorisation document(s) shall be notarised.

   (3) To be valid, the power of attorney or other authorisation document(s) which have been notarised together with the completed form of proxy must be delivered, in the case of holders of Domestic Shares, to the Company and, in the case of holders of H Shares, to Computershare Hong Kong Investor Services Limited, not less than 24 hours before the time designated for holding the Annual General Meeting.

   (4) If more than one proxy is appointed by one shareholder, such proxies shall only exercise the right to vote by poll.

   (5) The resolutions set out in this notice will be voted by poll.

4. **REGISTRATION PROCEDURES FOR ATTENDING THE ANNUAL GENERAL MEETING**

   (1) A shareholder or his proxy shall produce proof of identity when attending the Annual General Meeting. If a shareholder is a legal person, its legal representative or other persons authorised by the board of directors or other governing body of such shareholder may attend the Annual General Meeting by producing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person(s) to attend the meeting.

   (2) Shareholders may send the above-mentioned documents to the Company in person, by post or by fax.

5. **REGISTRATION OF H SHAREHOLDERS**

   (1) Closure of Register of Members of H Shares for attending the Annual General Meeting

   In order to determine the shareholders of H shares who will be entitled to attend the Annual General Meeting, the Company will suspend registration of transfer of H shares from 10 June 2026 to 16 June 2026 (both days inclusive).

   In order to qualify to attend and vote at the Annual General Meeting, non-registered shareholders of H shares of the Company whose transfer documents have not been registered must deposit the transfer documents accompanied by relevant share certificates to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on 9 June 2026. Shareholders of H shares whose names are recorded in the register of members of the Company on the record date, i.e. 10 June 2026, are entitled to attend the Annual General Meeting.

(2) Closure of Register of Members for Payment of the Final Dividend for 2025

In order to determine the H Shareholders entitled to receive the 2025 final dividend, the Company will suspend registration of transfer of H Shares from 26 June 2026 to 2 July 2026 (both days inclusive).

Non-registered holders of H Shares of the Company who have not had their transfer documents registered must deposit the transfer documents accompanied by relevant share certificate(s) to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on 25 June 2026. The H Shareholders whose names are recorded in the register of members of the Company on 2 July 2026 are entitled to receive the final dividend for 2025.

6. OTHER BUSINESSES

(1) Attending shareholders and their proxies shall be responsible for their own accommodation, meals, and transportation expenses.

(2) The address of the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, is set out as follows:

1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

(3) Correspondence address of the Company:

Capital Market Department of
Huaneng Power International, Inc.
Huaneng Building,
6 Fuxingmennei Street,
Xicheng District, Beijing 100031,
The People's Republic of China

(4) Contact:

Liu Tianyu, Hu Boxuan
Telephone No: (+86) 10-6322 6595/(+86) 10-6322 6557
Email address: liutianyu@hpi.com.cn/huboxuan@hpi.com.cn

(5) Time and dates in this notice are Hong Kong time and dates.

7. SPECIAL NOTICE

All shareholders attending the Annual General Meeting are required to produce their identity and shareholder account cards. Proxies appointed by an individual shareholder are also required to produce the proxy forms and their identity cards for registration purpose. A copy of power of attorney is also required in case of proxy appointed by a corporate shareholder. Shareholders who cannot register physically due to their location may do so by mail or fax. Registration is not a prerequisite for a shareholder to attend the Annual General Meeting in accordance with the law.