

CHINA HUANENG GROUP TREASURY MANAGEMENT (HONG KONG)
LIMITED 2025 Green medium-term note Series 1 (Carbon-neutral bond)
TERM SHEET

China Huaneng Group Treasury Management (Hong Kong) Limited (the “**Issuer**”) issued its 2025 Green Medium Term Notes (Series 1) (Carbon Neutrality Bonds) (the “**Bonds**”) on China’s interbank bond market (the “**Interbank Market**”) on June 26, 2025. The Bonds are unconditionally and irrevocably guaranteed by China Huaneng Group Co., Ltd. (the “**Guarantor**”, together with its subsidiaries, “**China Huaneng Group**” or the “**Group**”). Solely for the purpose of listing the Bonds on Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Issuer has prepared this term sheet in English (the “**Term Sheet**”) based on the Chinese version of the China Huaneng Group Treasury Management (Hong Kong) Limited 2025 Green Medium Term Notes (Series 1) (Carbon Neutrality Bonds) Offering Circular dated June 13, 2025 (the “**Offering Circular**”). Investors should read this Term Sheet together with the Offering Circular. Should there be any conflict between this Term Sheet and the Offering Circular, the Offering Circular shall prevail.

I. Key Offering Terms

Name of the Bonds:	CHINA HUANENG GROUP TREASURY MANAGEMENT (HONG KONG) LIMITED 2025 Green medium-term note Series 1 (Carbon-neutral bond)
Short Name:	25 HUANENG TREASURY GN001
ISIN Code:	CND10009G2G4
Bond Code:	132580061
Issuer:	China Huaneng Group Treasury Management (Hong Kong) Limited
Guarantor:	China Huaneng Group Co., Ltd.
Lead Underwriter / Bookrunner:	Industrial and Commercial Bank of China Limited
Joint Lead Underwriters:	CITIC Securities Co., Ltd., Bank of China Limited, China Construction Bank Corporation and China Great Wall Securities Co., Ltd.
Post-Issuance Manager:	Industrial and Commercial Bank of China Limited
Registered Amount:	RMB 5 billion
Issuance Amount of the Bonds:	RMB 1.5 billion
Serial No. of the Notice of Acceptance of Registration:	NAFMII Registration No. [2025] DFI28
Trading Lot Size of the Bonds:	RMB 100
Tenor of the Bonds:	Three (3) years
Offering Method:	The Bonds have been offered on the Interbank Market through centralized bookbuilding and allocation among underwriting syndicate members.

Depository for the Bonds:	The Bonds are centrally held in depository of the Shanghai Clearing House.
Target Investors:	Institutional investors in the Interbank Market (unless otherwise restricted by laws or regulations).
Coupon Rate:	1.69% per annum
Issue Date:	June 26, 2025
Interest Accrual Commencement Date:	June 26, 2025
First Trade Date:	June 27, 2025
Redemption Price at Maturity:	Redemption at par.
Method of Payment of Principal and Interest:	Interest on the Bonds shall be paid annually. Interest for the last interest period shall be paid along with the principal of the Bonds in one lump sum.
Interest Payment Dates:	June 26 of each year during the period in which any of the Bonds remain outstanding. If an Interest Payment Date falls on a day that is a public holiday or non-business day, interest payment will be postponed to the next business day. No additional interest will be paid as a result of such postponement of payment.
Maturity Date:	June 26, 2028. If the Maturity Date falls on a day that is a public holiday or non-business day, the repayment of principal will be postponed to the next business day. No additional interest will be paid as a result of such postponement of payment.
Ranking of the Bonds:	The Issuer's payment obligations under the Bonds in the event of its bankruptcy or liquidation shall rank <i>pari passu</i> with its general indebtedness.
Credit Rating:	Credit ratings assigned by Dagong Global Credit Rating Co., Ltd are as follows: Credit rating on the Issuer: AAA Credit rating on the Guarantor: AAA Credit rating on the Bonds: AAA
Guarantee for the Bonds:	The full payments under the Bonds are unconditionally and irrevocably guaranteed by China Huaneng Group Co., Ltd.
Registration and Depository Institution:	Interbank Market Clearing House Co., Ltd. (also known as the Shanghai Clearing House)
Institution of the Centralized Bookbuilding System:	Beijing Financial Assets Exchange

II. Key Risk Factors

1. Risk arising from a large amount of indebtedness

As of December 31, 2022, 2023 and 2024, the Issuer's indebtedness (including short-term and long-term borrowings, lease liabilities, long-term payables and non-current liabilities due within one year)

amounted to approximately RMB26.23 billion, RMB26.41 billion and RMB25.90 billion, respectively, accounting for 99.01%, 98.56% and 98.13%, respectively, of its total liabilities. As of December 31, 2022, 2023 and 2024, the Guarantor's indebtedness (including short-term and long-term borrowings, non-current liabilities due within one year, other current liabilities and bonds payable) amounted to approximately RMB774.80 billion, RMB835.64 billion and RMB895.89 billion, respectively, accounting for 77.25%, 76.39% and 76.31% of its total liabilities. Primarily as a result of their continuous expansion of production and operations, the Issuer and the Guarantor have seen their funding needs of for various purposes growing. The Issuer and the Guarantor increased borrowings and issued debt securities to support their business growth, resulting in an increase in interest-bearing indebtedness. The increase in interest-bearing indebtedness including corporate borrowings and bonds and the fluctuations in interest rates affected by market conditions may pose financial risks to the operations of the Issuer and the Guarantor.

2. Risk arising from the cyclical fluctuations of economy

The profitability in the power industry is highly correlated with the cyclical fluctuations of the economy. Key factors affecting the profitability of a power generation company include, among other factors, the demand from downstream heavy industries and manufacturing industries for electricity and the volume of the company's on-grid electricity. In 2022, 2023 and 2024, the nation-wide total electricity consumption was 8.64 trillion kWh, 9.22 trillion kWh and 9.85 trillion kWh, respectively. Although the total electricity consumption keeps growing, there are fluctuations in the growth rate. Currently, China's economic recovery is still in need of a solid foundation. Fluctuations in the economy will directly impact the demand for electricity and other energy products. If China's economic development slows down in the future, especially in the case of economic downturn, the demand for electricity will decrease, which may have an adverse effect on the profitability of the Issuer and the Guarantor.

3. Risk arising from fluctuations in coal prices

Coal-fired power generation is one of the Guarantor's primary businesses. The operational and financial performance of this business is susceptible to the cyclical nature of coal markets and are vulnerable to fluctuations in coal prices. The Guarantor's coal business and results of operations are dependent on the prices the Guarantor charge for its coal, as well as the domestic supply of and demand for coal. The Guarantor's coal prices are determined by reference mainly to prices in the PRC coal market, which are influenced by changes in supply and demand. Historically, the domestic coal market has experienced alternating periods of increased demand or excessive supply caused by the combination of numerous factors beyond the Guarantor's control.

In 2022, 2023 and 2024, the Guarantor's revenues from coal business was approximately RMB13.54 billion, RMB14.90 billion and RMB18.54 billion, respectively, and the gross margin of its coal business was 62.52%, 52.75% and 53.70%, respectively.

There is no assurance that domestic coal demand will increase, that the domestic coal market will not experience excessive supply, or that there will not be a significant drop in coal prices in China. Overcapacity in the PRC coal industry, whether caused by a significant decrease in demand or a significant increase in supply, or a significant decrease in domestic coal prices in the future, would most likely affect the average selling price of the Guarantor's coal products and consequently have

a material adverse effect on its business, results of operations and financial position.

4. Taxation Risk

As of the date of the Offering Circular, no withholding tax or other taxes, levies, assessments or governmental charges are imposed in Hong Kong Special Administrative Region of China (“**Hong Kong**”) on the payment of interest on the Bonds or on the capital gains derived from the sale of the Bonds. However, there can be no assurance that the laws or regulations of Hong Kong will not be changed or amended in the future, and such changes or amendments could bring the risk of imposing withholding tax and capital gains tax on the Bonds. The Issuer shall not be obligated to gross-up any payments in respect of taxes imposed on the Bonds. Prospective investors should consult their own tax advisors regarding the potential tax implications of purchasing, holding and disposing of the Bonds.

III. Use of Proceeds

The proceeds from the offering of the Bonds will be handled through the RMB non-resident account (the “**NRA account**”) opened by the Issuer in the PRC. The principal of and the interest on the Bonds will be paid by the Issuer via the NRA account.

All of the proceeds from the offering of the Bonds will be used for wind and photovoltaic power generation projects, including project construction, repayment of interest-bearing indebtedness of the projects, and refinancing self-funded expenditures incurred by the Issuer, the Guarantor and its subsidiaries within the past three months for the above projects or green interest-bearing indebtedness.

IV. The Basic Information of the Issuer and the Guarantor

1. Overview of the Issuer

(1) Basic Information

Registered Name (Chinese):	中国华能集团香港财资管理有限公司
English Name (English):	China Huaneng Group Treasury Management (Hong Kong) Limited
Date of Incorporation:	February 5, 2018
Place of Incorporation:	Room 1105-07, 11/F, Harbour Centre, 25 Harbour Road, Wan Chai, Hong Kong
Principal Place of Business:	West Zone, Section C, Tianyin Building, No. Bing 2, South Fuxingmen Street, Xicheng District, Beijing

(2) Principal Business Activities

The Issuer is an important platform within the global treasury framework of China Huaneng Group. After over six years of development, the Issuer’s role has evolved from a single overseas centralized treasury center of China Huaneng Group into an integrated service platform with four core functions: overseas centralized treasury platform, cross-border investment and financing platform, overseas risk management platform and overseas financial service platform. The Issuer has been supporting the Group companies to continuously enhance their global treasury and funding capabilities and risk

prevention and control capabilities, integrate international financial resources, and promote the coordinated development of the industrial and financial sectors.

(3) Governance and Management

As of the date of the Offering Circular, the director and senior management of the Issuer are as follows:

Name	Title
JIANG Yibin	Executive Director
LIU Jipo	General Manager

(4) Significant Holdings of the Issuer

As of December 31, 2024, the Issuer has one wholly-owned and controlled subsidiary, i.e. Dingli Smart Energy Technology (Sihong) Co., Ltd. (鼎骊智慧能源科技(泗洪)有限公司). The Issuer has no other significant holdings.

2. Overview of the Guarantor

(1) Basic Information

Registered Name (Chinese):	中国华能集团有限公司
Registered Name (English):	China Huaneng Group Co. Ltd.
Date of Incorporation:	March 31, 1989
Registered Address:	Huaneng Headquarter, Start-up Area of Xiongan New Area, Hebei Province, China
Website:	http://www.chng.com.cn

(2) Principal Business Activities

The Guarantor is a large Chinese energy conglomerate primarily focusing on power generation with ancillary businesses in coal mining, financial services, transportation and others. The Guarantor owns or controls, among others, five listed companies, among which Huaneng Power International, Inc. was the first Chinese power company listed on the New York, Hong Kong and Shanghai stock exchanges. The Guarantor was the first Chinese power generation company to become a Fortune 500 company in 2009 and ranked 256th in 2025.

Established in 1985 with the approval of the PRC State Council, the Guarantor is a state-authorized enterprise and one of the key state-owned enterprises under the direct supervision of the State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”). As of the end of 2024, the Guarantor was 90.01% owned by SASAC and 9.99% owned by the National Social Security Fund. The Guarantor is committed to becoming a world-class enterprise with international competitiveness.

With more than 30 years of experience, the Guarantor has made great contributions to the reform, development and technological advancement of China’s power industry. The Guarantor was the first

power generation company directly under central government management of China operating in accordance with the free market system, and one of the first Chinese power generation companies to use buyer's credit to import internationally advanced power generation equipment. In July 2016, the Group's first GW level, ultra-supercritical, coal-fired power generation units with second-reheat technology – Laiwu Power Plant Unit 6 – completed comprehensive performance evaluation tests, and it is among the world's best thermal power units in terms of its unit power generation efficiency (48.1%), coal consumption in power generation (255.3g/kWh) and coal consumption in power supply (266.2 g/kWh). In addition, the Group believes that it has played an exemplary role for PRC power companies expanding into the international power market. The acquisition by the Group of a 50% shareholding in OzGen B.V. in 2003 is the first major overseas acquisition by a Chinese power generation company.

Power generation is the Group's core business. As of December 31, 2024, the Group had a total controlled installed capacity of 269.26 GW, which mainly consisted of thermal power, hydropower, wind power and photovoltaic. The Group has diverse portfolio of power generation assets strategically located across China and possesses industry leading operation performance indicators such as average utilization hours and energy consumption costs. At the same time, the Group continues to optimize the structure of its power sources, focusing on the development of large, efficient and clean coal-fired units with an installed capacity of 600 MW or above, and also emphasizing the importance of the development of low-carbon, clean energy generating units. As of December 31, 2024, the Group had installed thermal power capacity of 143.83 GW, accounting for 53.42% of its total controlled installed capacity. In addition, the Group's controlled installed capacity of new energy had exceeded 95 GW, and 51.75% of its total controlled installed capacity as of December 31, 2024 was attributable to low-carbon, clean energy.

The Group has implemented a strategy of vertical integration and invested in coal mining, transportation and other power-related businesses. As of December 31, 2024, the Group's coal production capacity exceeded 125 million tons per year in accordance with the PRC mining standards, placing the Group among the top tier domestic power companies as measured by geological coal reserves. The Group has developed a ports, shipping and dedicated railway logistics business centered around coal transportation, providing it with a stable, reliable and efficient coal supply chain system.

In the future, with the goal of improving the coal synergy rate and the self-supply rate of thermal coal, the Group will adjust the industrial structure to focus on the development of transportation. It will accelerate the cultivation of emerging industries such as research and technology and build a coordinated and efficient industrial system. The Group will optimize the power supply structure to promote green and low-carbon energies while further increasing the installed capacity. Meanwhile, the Group will continue to update the outdated production capacity, to achieve implement energy conservation and emission reduction.

(3) Governance and Management

As of the date of the Offering Circular, the directors and senior management of the Guarantor are as follows:

Name	Title
WEN Shugang	Chairman of the Board of Directors
ZHANG Wenfeng	Director, President
LI Xiangliang	Director
WU Weizhang	External Board Director
LIU Yuezhen	External Board Director
WANG Yidong	External Board Director
LIU Zehong	External Board Director
YAN Xiaopeng	Employee Director
ZHANG Tao	Deputy General Manager
HAO Jinyu	Deputy General Manager
SI Weiguo	Deputy General Manager
LI Qizhao	Deputy General Manager
LI Ying	Chief Financial Officer

The bio of each of the directors and senior management of the Guarantor can be found in the Offering Circular.

V. Information Disclosure Arrangements

1. Issuer's Disclosure Control Policy

In accordance with the relevant requirements on information disclosure under the *Measures for the Administration of Debt Financing Instruments of Non-financial Enterprises on the Interbank Bond Market* (《银行间债券市场非金融企业债务融资工具管理办法》) issued by the People's Bank of China ("PBOC"), the *Information Disclosure Rules for Debt Financing Instruments of Non-financial Enterprises on the Interbank Bond Market* (《银行间债券市场非金融企业债务融资工具信息披露规则》) issued by the National Association of Financial Market Institutional Investors ("NAFMII"), the *Interim Measures for the Administration of Bonds Issued by Overseas Issuers on the National Interbank Bond Market* (《全国银行间债券市场境外机构债券发行管理暂行办法》) issued by the PBOC and the PRC Ministry of Finance and the *Guidelines on Debt Financing Instruments of Overseas Non-Financial Enterprises (2023 version)* (《境外非金融企业债务融资工具业务指引 (2023 版)》) issued by NAFMII, the Issuer has formulated the *Measures on Information Disclosure Management of China Huaneng Group Treasury Management (Hong Kong) Limited for Debt Financing Instruments on the Interbank Bond Market* (《中国华能集团香港财资管理有限公司银行间债券市场债务融资工具信息披露管理办法》) (the "**Issuer's Disclosure Control Policy**"), the relevant information disclosure mechanism for its debt financing instruments

issued on the Interbank Market. The Issuer's Disclosure Control Policy sets out the general principles, roles and responsibilities of the responsible departments, disclosure contents and standards, as well as the requirements on management of information disclosure.

2. Information Disclosure Arrangements

The Issuer shall perform its information disclosure obligations under the Bonds, including among other things, disclosure of financial statements, audit reports and material events which may have a material adverse effect on the payment obligations under the Bonds, in accordance with the above-referenced regulations and self-regulatory rules. The relevant disclosure shall be made no later than the time when such disclosure is made on other securities exchanges, specific media or other platforms.

(1) Documents Disclosed for the Offering of the Bonds

The Issuer disclosed the following documents through the information disclosure platforms designated by NAFMII, i.e., the websites of the Shanghai Clearing House and Chinamoney, on June 19, 2025, the third (3rd) business day prior to the bookbuilding date of the Bonds:

- (a) the Offering Circular;
- (b) a PRC legal opinion issued for the Bonds;
- (c) a Hong Kong legal opinion issued for the Bonds;
- (d) the audited financial statements of the Issuer as of and for the years ended December 31, 2022, 2023 and 2024;
- (e) the audited financial statements of the Guarantor as of and for the years ended December 31, 2022, 2023 and 2024 and the unaudited interim financial statements of the Guarantor as of and for the three months ended March 31, 2025;
- (f) the Letter of Guarantee issued by the Guarantor;
- (g) the third party evaluation and certification report on carbon neutrality feature of the Bonds;
- (h) 2025 credit rating report of the Issuer;
- (i) the credit rating report of the Issuer and the Bonds;
- (j) the credit rating report of the Guarantor and the Bonds; and
- (k) other documents required by NAFMII.

(2) Disclosure of Material Events

During the period in which any of the Bonds remains outstanding, the Issuer and the Guarantor will promptly disclose the material events listed in the Offering Circular which may materially adversely affect the abilities of the Issuer together with the Guarantor to perform their respective obligations of payment under the Bonds or the Guarantee (as the case may be).

(3) Regular Reports

- (a) With respect to the Issuer

During the period in which any of the Bonds remains outstanding, the Issuer will disclose the following information in accordance with the applicable requirements of NAFMII through the information disclosure platforms designated by NAFMII:

- (i) the audited annual financial statements of the Issuer for the preceding year no later than April 30 of each year;
- (ii) the half-year financial statements of the Issuer no later than August 31 of each year; and
- (iii) the relevant information on green bonds for the preceding year no later than April 30 and for the first half of the year no later than August 31 of each year. The half-year disclosure shall include, among other information, the use of proceeds from the Bonds, the number and progress of the green projects funded by the proceeds, the undisbursed proceeds and the management of proceeds. The carbon reduction efficacy of the projects funded by the proceeds from the Bonds and the carbon reduction efficacy calculated based on the proportion of the proceeds to the total investment of such projects shall also be disclosed simultaneously.

The above information shall be disclosed no later than the time required by domestic and overseas regulatory authorities, self-regulatory institutions and securities exchanges or the time when such disclosure is made on other designated information disclosure platforms. The Issuer does not disclose quarterly financial statements in any market. To ensure the consistency of information disclosure by the Issuer in different jurisdictions and trading markets, the Issuer will not disclose quarterly financial statements on the Interbank Market. If the Issuer discloses quarterly financial statements in the future, it will disclose the same simultaneously on the Interbank Market.

(b) With respect to the Guarantor

During the period in which any of the Bonds remains outstanding, the Guarantor will disclose the following information in accordance with the applicable requirements of NAFMII through the information disclosure platforms designated by NAFMII:

- (i) the annual report of the Guarantor for the preceding year within four months after the end of each financial year. Such annual report shall include key information of the Guarantor during the year, the audit report, the audited financial statements and notes, and other required information;
- (ii) the semi-annual report of the Guarantor within two months after the end of the first half of each financial year;
- (iii) the quarterly financial statements of the Guarantor within one month after the end of each of the first three months and the first nine months of each financial year. The quarterly financial statements for the first three months of each financial year shall be disclosed no early than the annual report for the preceding year; and
- (iv) each set of financial statements shall include at least a balance sheet, an income statement and a cash flow statement. Where the Guarantor prepares consolidated financial statements, it shall disclose consolidated and parent company financial statements.

(4) Disclosure on Payment of Interest and Repayment of Principal

During the period in which any of the Bonds remains outstanding, the Issuer will publish an interest payment announcement at least five business days prior to each interest payment date and a final redemption announcement at least five business days prior to the maturity date through the information disclosure platforms designated by NAFMII in accordance with the applicable requirements of NAFMII.

VI. Defaults, Risk Scenarios and Risk Resolution

1. Event of Default

Each of the following shall constitute an event of default (each as an “**Event of Default**”) under the Bonds:

- (1) any amount due under the Bonds has not been paid in full by the Issuer on the relevant due date as prescribed in the Offering Circular, including on the maturity date and interest payment dates;
- (2) before the Bonds are repaid in full or the termination of the creditor-debtor relationship under the Bonds, a court has accepted a bankruptcy application by the Issuer; and
- (3) before the Bonds are repaid in full or the termination of the creditor-debtor relationship under the Bonds, the Issuer has set up a liquidation committee for the purpose of dissolution, or a court has accepted a liquidation application by the Issuer and designated a liquidation committee, or the Issuer has ceased to exist as a legal person due to other reasons.

2. Liabilities for Events of Default

- (1) **Claims of Bondholders.** If any of the Event of Default occurs, the Issuer shall assume liabilities for default in accordance with applicable law, and holders of the Bonds shall be entitled to claim the principal, interest and liquidated damages from the Issuer with respect to the Bonds in accordance with laws and regulations and the Offering Circular.
- (2) **Liquidated Damages.** If any of the Event of Default occurs, the Issuer shall, in addition to continuing to accrue interest, pay liquidated damages to the holders of the Bonds, unless otherwise provided by law. The liquidated damages shall be calculated from the date of default (where a grace period is provided, from the expiry date of the grace period) to the actual payment date, at a daily rate of 0.21‰ of the unpaid amount of principal and interest.

3. Dispute Resolution

- (1) Any dispute arising out of or in connection with the Bonds shall be resolved through consultation among the parties. If such consultation fails, the dispute shall be submitted to the China International Economic and Trade Arbitration Commission (“**CIETAC**”) for arbitration in accordance with the then effective CIETAC arbitration rules.
- (2) Each party may also apply to the Financial Market Institutional Investors Dispute Mediation Center for mediation of any dispute arising out of or in connection with the Bonds.