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華能國際電力股份有限公司

HUANENG POWER INTERNATIONAL, INC.

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

(Stock Code: 902)

ANNOUNCEMENT ON PROVISION FOR ASSET IMPAIRMENT

The “Proposal on the Company’s Provision for Significant Asset Impairment” was considered and passed at the 3rd meeting of the eleventh session of the board of directors (the “**Board**”) of Huaneng Power International, Inc. (the “**Company**” or “**Huaneng Power International**”) convened on 19 March 2024. To ensure a true and fair presentation of the Company’s position of asset and operating results and the accuracy and reliability of the accounting information provided, goodwill and assets with indications of impairment were tested and evaluated for impairment as necessary and provision for impairment were made for those assets found with recoverable amounts lower than their carrying amounts after testing and assessment on a prudent basis in accordance with the relevant provisions of the “Accounting Standards for Business Enterprises No. 8 - Asset Impairment”. Unless otherwise specified, all amounts are denominated in Renminbi. The main particulars are as follows:

I. ACCRUAL OF IMPAIRMENT PROVISION

A. Impairment on the consolidated basis

Under the PRC Accounting Standards, the Company recorded impairment losses in a total sum of RMB3,099 million on a consolidated basis for the year 2023, of which:

1. Asset impairment loss

A total asset impairment loss of RMB2,972 million was recorded, including:

(1) Long-term assets impairment

The long-term assets impairment amounted to a total of 2,844 million, particularly including:

- 1) impairment based on asset groups amounting to RMB2,297 million, of which:

Fixed assets impairment was RMB2,002 million, including the impairment of RMB831 million, RMB433 million, RMB301 million, RMB169 million, RMB157 million, RMB111 million of the Huaneng (Dalian) Thermal Power Co., Ltd. (“**Dalian Thermal Power**”), Huaneng Linyi Power Generation Limited Company (“**Linyi Power**”), Huaneng Chaohu Power Generation Co., Ltd. (“**Chaohu Power Plant**”), Huaneng Jining Canal Power Generation Co., Ltd. (“**Jining Canal Power**”), Zhongtai Power Plant under Huaneng Shandong Power Generation Co., Ltd., and Huaneng Liaocheng Thermal Power Co., Ltd, respectively.

Goodwill impairment of RMB295 million represented the impairment of goodwill of Jining Canal Power.

- 2) Impairment of individual assets of RMB547 million, including the impairment of RMB188 million, RMB111 million, RMB81 million, RMB73 million, RMB94 million attributing to No. 5 and 6 power generation units of Huaneng International Power Generation Co., Ltd. Jining Power Plant (“**Jining Power Plant**”), Wenchang Wind Power Plant of Huaneng Hainan Power Generation Co., Ltd., No. 4 and 5 power generation units of Baiyang River Power Plant of Huaneng Shandong Power Generation Co., Ltd., No. 3 power generation unit of Linyi Power and other individual assets, respectively.

(2) *Other asset impairment loss*

Other asset impairment losses totaled 128 million, including RMB81 million for impairment provision recognized in previous periods for certain projects including Huaneng Yangqu Wind Power Co. Ltd., RMB41 million for provision for inventory depreciation in connection with spare parts that have a long inventory age and no remaining utility value, and 6 million for others.

2. *Credit impairment loss*

The impairment of accounts receivable amounted to a total of 127 million, of which:

- (1) The Company recognized an impairment loss of 63 million on receivables from Huaneng Zhanhua Thermal Power Co., Ltd. (“**Zhanhua Thermal Power**”) on the consolidated basis;
- (2) Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited measured a credit impairment loss of 50 million for its interest receivables on deferred tariffs pursuant to the accounting standards due to the increase in interest rates in Pakistan;

- (3) Impairment of other receivables was 14 million.

Under the International Financial Reporting Standards, due to the differences in asset value arising from the differences in acquisition standards under common control, the Company recognized a total of 3,264 million in asset impairment on a consolidated basis.

B. Impairments of the parent company

Under the PRC Accounting Standards, the parent company recognised asset impairment provision in a total sum of RMB3,735 million for the year 2023, which included:

1. Asset impairment loss

The parent company recorded a total asset impairment loss of RMB3,441 million, including:

- (1) The impairment of long-term equity investment amounting to RMB3,229 million, including the provision for impairment of RMB1,630 million, RMB1,465 million, RMB128 million for long-term equity investment in subsidiaries including Chaohu Power Plant, Dalian Thermal Power and Huaneng Hunan Yueyang Power Generation Co., Ltd., respectively, and impairment of RMB6 million attributable to other long term equity investments.
- (2) Fixed assets impairment of RMB204 million, including impairment losses of RMB188 million in connection with No.5 and No.6 power generation units of Jining Power Plant and other fixed asset impairment losses of RMB16 million.
- (3) Other asset impairment losses of RMB8 million.

2. Credit impairment loss

Credit impairment loss amounted to 294 million, which was attributable to the provision for impairment of loans to Zhanhua Thermal Power.

There is no difference in the accounting standards on the aforesaid impairment and impairment losses recognized in the profit and loss of the Company on a consolidated basis was RMB281 million.

II. IMPACT OF PROVISION FOR IMPAIRMENT ON THE COMPANY’S FINANCIAL POSITION

The above-mentioned impairment provisions in total reduce the total consolidated profit of the Company in 2023 by RMB3,099 million under the PRC accounting standard or by RMB3,264 million, under the International Financial Reporting Standard.

III. REVIEW PROCEDURES FOR THE PROVISION FOR IMPAIRMENT

The “Proposal on the Company’s Provision for Significant Asset Impairment” was considered and passed at the 3rd meeting of the eleventh session of the Board convened on 19 March 2024. The Board of the Company was of the view that the provision for asset impairment was made prudently and with sufficient basis, giving a true and fair view of the Company ‘s position of assets and therefore approved such provision for asset impairment.

The Company convened the 2nd meeting of the eleventh session of the Supervisory Committee on 19 March 2024 and considered and approved the “Proposal on the Company’s Provision for Significant Asset Impairment”. The Supervisory Committee of the Company was of the view that the provision for asset impairment was made prudently and with sufficient basis, giving a true and fair view of the Company’s position of assets and therefore approved such provision for asset impairment.

By Order of the Board
Huaneng Power International, Inc.
Huang Chaoquan
Company Secretary

As at the date of this announcement, the directors of the Company are:

Wang Kui (<i>Executive Director</i>)	Xia Qing (<i>Independent Non-executive Director</i>)
Wang Zhijie (<i>Executive Director</i>)	He Qiang (<i>Independent Non-executive Director</i>)
Huang Lixin (<i>Executive Director</i>)	Zhang Liying (<i>Independent Non-executive Director</i>)
Du Daming (<i>Non-executive Director</i>)	Zhang Shouwen (<i>Independent Non-executive Director</i>)
Zhou Yi (<i>Non-executive Director</i>)	Dang Ying (<i>Independent Non-executive Director</i>)
Li Lailong (<i>Non-executive Director</i>)	
Cao Xin (<i>Non-executive Director</i>)	
Li Haifeng (<i>Non-executive Director</i>)	
Ding Xuchun (<i>Non-executive Director</i>)	
Wang Jianfeng (<i>Non-executive Director</i>)	

Beijing, the PRC
20 March 2024