



華電國際電力股份有限公司

HUADIAN POWER INTERNATIONAL CORPORATION LIMITED \*

Stock Code: 1071

# ANNUAL REPORT 2024



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\* For identification purposes only





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## COMPANY PROFILE

Huadian Power International Corporation Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) are one of the largest comprehensive energy companies in the People’s Republic of China (the “**PRC**”), primarily engaged in the construction and operation of power plants, including large-scale efficient coal- or gas-fired generating units and various renewable energy projects. The Group’s controlled power generating assets in operation are located in 12 provinces and cities across the PRC at the prime location, mainly in the electricity and heat load centres or regions with abundant coal resources. As of the date of this report, the Group had a total of 46 controlled power generation enterprises which have commenced operations involving a total of 59,818.62 MW controlled installed capacity, primarily including 46,750 MW attributable to coal-fired generating units, 10,603.43 MW attributable to gas-fired generating units and 2,459 MW attributable to hydropower generating units.

The Company was incorporated in Jinan, Shandong Province, the PRC on 28 June 1994. On 30 June 1999, the Company issued approximately 1,431 million H shares in its initial public offering, and such H shares are listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). On 3 February 2005, the Company successfully issued 765 million A shares in the PRC, and such A shares are listed on the Shanghai Stock Exchange (“**SSE**”). Subsequently, on 1 December 2009, 3 July 2012 and 18 July 2014, the Company issued 750 million, 600 million and 1,150 million A shares, respectively, each through a non-public issuance, and all such A shares are listed on the SSE. On 30 July 2014, the Company issued approximately 286 million H shares by way of placing, and such H shares are listed on the Hong Kong Stock Exchange. On 8 September 2015, the Company issued approximately 1,056 million A shares by way of non-public issuance, and such A shares are listed on the SSE. On 28 September 2021, the Company issued approximately 6.8816 million A shares and 14,701,590 convertible corporate bonds by way of non-public issuance, and such A shares and convertible corporate bonds are listed on the SSE. On 1 June 2023, the Company completed the conversion of 14,701,590 convertible corporate bonds into 358 million A shares and such A shares are listed on the SSE. Currently, the Company’s total share capital is 10,227,561,133 shares, including 8,510,327,533 A shares and 1,717,233,600 H shares, accounting for approximately 83.21% and 16.79%, respectively, of the current total share capital of the Company. As of 31 December 2024, the total number of regular employees of the Group amounted to 25,093.

Details of the Group’s major operational power generating assets as of the date of this report are as follows:

## DETAILS OF CONTROLLED COAL- AND GAS-FIRED GENERATING UNITS

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
Coal-fired	1 Zouxian Plant	2,575	100%	1 x 635 MW + 1 x 600 MW + 4 x 335 MW
	2 Shiliquan Plant	1,980	100%	2 x 660 MW + 2 x 330 MW
	3 Laicheng Plant	1,200	100%	4 x 300 MW
	4 Fengjie Plant	1,200	100%	2 x 600 MW
	5 Huadian Zouxian Power Generation Company Limited (“ <b>Zouxian Company</b> ”)	2,000	69%	2 x 1,000 MW
	6 Huadian Laizhou Power Generation Company Limited (“ <b>Laizhou Company</b> ”)	4,000	75%	4 x 1,000 MW
	7 Huadian Weifang Power Generation Company Limited (“ <b>Weifang Company</b> ”)	2,000	64.29%	2 x 670 MW + 2 x 330 MW
	8 Huadian Qingdao Power Generation Company Limited (“ <b>Qingdao Company</b> ”) (Note 4)	2,231.08	55%	2 x 505.54 MW + 1 x 320 MW + 3 x 300 MW
	9 Huadian Zibo Thermal Power Company Limited (“ <b>Zibo Company</b> ”)	950	100%	2 x 330 MW + 2 x 145 MW
	10 Huadian Zhangqiu Power Generation Company Limited (“ <b>Zhangqiu Power Generation Company</b> ”)	925	87.50%	1 x 335 MW + 1 x 300 MW + 2 x 145 MW
	11 Huadian Tengzhou Xinyuan Thermal Power Company Limited (“ <b>Tengzhou Company</b> ”)	930	93.26%	2 x 315 MW + 2 x 150 MW
	12 Huadian Longkou Power Generation Co., Ltd. (“ <b>Longkou Company</b> ”)	1,540	100%	1 x 660 MW + 4 x 220 MW



# COMPANY PROFILE (CONTINUED)

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
Coal-fired	13 Huadian Hubei Power Generation Company Limited ("Hubei Company") (Note 1)	6,855.6	82.56%	2 x 680 MW + 2 x 660 MW + 2 x 640 MW + 6 x 330 MW + 1 x 300 MW + 2 x 185 MW + 2 x 122.8 MW
	14 Anhui Huadian Lu'an Power Generation Company Limited ("Lu'an Company")	1,320	95%	2 x 660 MW
	15 Anhui Huadian Suzhou Power Generation Company Limited ("Suzhou Company")	1,260	97%	2 x 630 MW
	16 Anhui Huadian Wuhu Power Generation Company Limited ("Wuhu Company")	2,320	65%	1 x 1,000 MW + 2 x 660 MW
	17 Hebei Huadian Shijiazhuang Yuhua Thermal Power Company Limited ("Yuhua Company")	600	20.80%	2 x 300 MW
	18 Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited ("Luhua Company") (Note 2)	661	18.74%	2 x 330 MW + 1 MW
	19 Huadian Xinxiang Power Generation Company Limited ("Xinxiang Company")	1,320	20.53%	2 x 660 MW
	20 Huadian Luohe Power Generation Company Limited ("Luohe Company")	660	79.11%	2 x 330 MW
	21 Huadian Qudong Power Generation Company Limited ("Qudong Company")	660	100%	2 x 330 MW
	22 Sichuan Guang'an Power Generation Company Limited ("Guang'an Company")	2,400	80%	2 x 600 MW + 4 x 300 MW
	23 Tianjin Development Area Branch Company of Huadian Power International Corporation Limited ("Tianjin Development Area Branch Company")	510	100%	3 x 170 MW
	24 Guangdong Huadian Pingshi Power Generation Company Limited ("Pingshi Power Generation Company")	600	100%	2 x 300 MW
	25 Guangdong Huadian Shaoguan Thermal Power Company Limited ("Shaoguan Thermal Power Company")	700	100%	2 x 350 MW
	26 Shantou Huadian Power Generation Company Limited ("Shantou Company")	1,360	51%	2 x 680 MW
	27 Shuozhou Thermal Power Branch Company of Huadian Power International Corporation Limited ("Shuozhou Thermal Power Branch Company") (Note 2)	701.2	100%	2 x 350 MW + 1.2 MW
	28 Hunan Huadian Changsha Power Generation Company Limited ("Changsha Company")	1,200	70%	2 x 600 MW
	29 Hunan Huadian Changde Power Generation Company Limited ("Changde Company")	1,320	48.98%	2 x 660 MW
	30 Hunan Huadian Pingjiang Power Generation Company Limited ("Pingjiang Company")	2,000	100%	2 x 1,000 MW
Gas-fired	31 Hangzhou Huadian Banshan Power Generation Company Limited ("Banshan Company")	2,415	64%	3 x 415 MW + 3 x 390 MW
	32 Hangzhou Huadian Xiasha Thermal Power Company Limited ("Xiasha Company")	246	56%	1 x 88 MW + 2 x 79 MW
	33 Hangzhou Huadian Jiangdong Thermal Power Company Limited ("Jiangdong Company")	960.5	70%	2 x 480.25 MW
	34 Huadian Zhejiang Longyou Thermal Power Company Limited ("Longyou Company")	405	100%	1 x 130.3 MW + 2 x 127.6 MW + 1 x 19.5 MW
	35 Hebei Huadian Shijiazhuang Thermal Power Company Limited ("Shijiazhuang Thermal Power Company") (Note 2, 3)	1,310.2	82%	2 x 453.6 MW + 2 x 200 MW + 3 MW
	36 Shijiazhuang Huadian Heat Corporation Limited ("Shijiazhuang Heat Corporation")	12.55	100%	2 x 4.275 MW + 2 x 2 MW
	37 Tianjin Huadian Fuyuan Thermal Power Company Limited ("Fuyuan Thermal Power Company") (Note 2)	400.49	100%	2 x 200 MW + 0.49 MW
	38 Tianjin Huadian Nanjiang Thermal Power Company Limited ("Nanjiang Thermal Power Company")	930	65%	2 x 315 MW + 1 x 300 MW
	39 Guangdong Huadian Shenzhen Energy Company Limited ("Shenzhen Company")	365	100%	1 x 120 MW + 2 x 82 MW + 1 x 81 MW
	40 Huadian Foshan Energy Company Limited ("Foshan Energy Company")	329	90%	4 x 59 MW + 1 x 47.5 MW + 1 x 45.5 MW
	41 Guangdong Huadian Qingyuan Energy Company Limited ("Qingyuan Company")	1,003.2	100%	2 x 501.6 MW
	42 Huadian Jinan Zhangqiu Thermal Power Company Limited ("Zhangqiu Thermal Power Company")	1,003.3	70%	2 x 501.65 MW

COMPANY PROFILE (CONTINUED)

Note 1: Details of the installed generating units of Hubei Company are as follows:

Category	Name of power plant/company	Installed capacity (MW)	Shareholding percentage of Hubei Company	Generating units
Coal-fired	Huadian Hubei Power Generation Company Limited Huangshi Thermal Power Plant ("Huangshi Thermal Power Plant")	330	100%	1 x 330 MW
	Hubei Xisaishan Power Generation Company Limited ("Xisaishan Company")	660	50%	2 x 330 MW
	Hubei Huadian Xisaishan Power Generation Company Limited ("Huadian Xisaishan Company")	1,360	50%	2 x 680 MW
	Hubei Huadian Xiangyang Power Generation Company Limited ("Xiangyang Company")	2,570	60.10%	2 x 640 MW + 3 x 330 MW + 1 x 300 MW
	Hubei Huadian Jiangling Power Generation Company Limited ("Jiangling Company")	1,320	20.80%	2 x 660 MW
Gas-fired	Huadian Hubei Power Generation Company Limited Wuchang Thermal Power Branch Company ("Wuchang Thermal Power")	370	100%	2 x 185 MW
	Hubei Huadian Xiangyang Gas Turbine Thermal Power Company Limited ("Xiangyang Thermal Power")	245.6	51%	2 x 122.8 MW

Note 2: The 1.2 MW photovoltaic generating units of Shuozhou Thermal Power Branch Company, the 1 MW photovoltaic generating units of Luhua Company, the 3 MW photovoltaic generating units of Shijiazhuang Thermal Power Company and the 0.49 MW photovoltaic generating units of Fuyuan Thermal Power Company are all for own use.

Note 3: Generating units of Shijiazhuang Thermal Power Company include two 200 MW coal-fired generating units.

Note 4: Generating units of Qingdao Company include two 505.54 MW gas-fired generating units.

DETAILS OF CONTROLLED RENEWABLE ENERGY GENERATING UNITS

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
Hydropower	1 Hebei Huadian Complex Pumping-storage Hydropower Company Limited ("Hebei Hydropower Company") (Note 2)	65.5	100%	1 x 16 MW + 2 x 15 MW + 1 x 11 MW + 2 x 3.2 MW + 1 x 1.6 MW + 0.5 MW
	2 Sichuan Huadian Luding Hydropower Company Limited ("Luding Hydropower Company")	920	100%	4 x 230 MW
	3 Sichuan Huadian Za-gunao Hydroelectric Development Company Limited ("Za-gunao Hydroelectric Company")	591	64%	3 x 65 MW + 3 x 56 MW + 3 x 46 MW + 3 x 30 MW
	4 Sichuan Huadian Power Investment Company Limited ("Sichuan Investment Company") (Note 1)	883	100%	3 x 70 MW + 3 x 62 MW + 3 x 56 MW + 3 x 46 MW + 3 x 38 MW + 3 x 11 MW + 4 x 8.5 MW

## COMPANY PROFILE (CONTINUED)

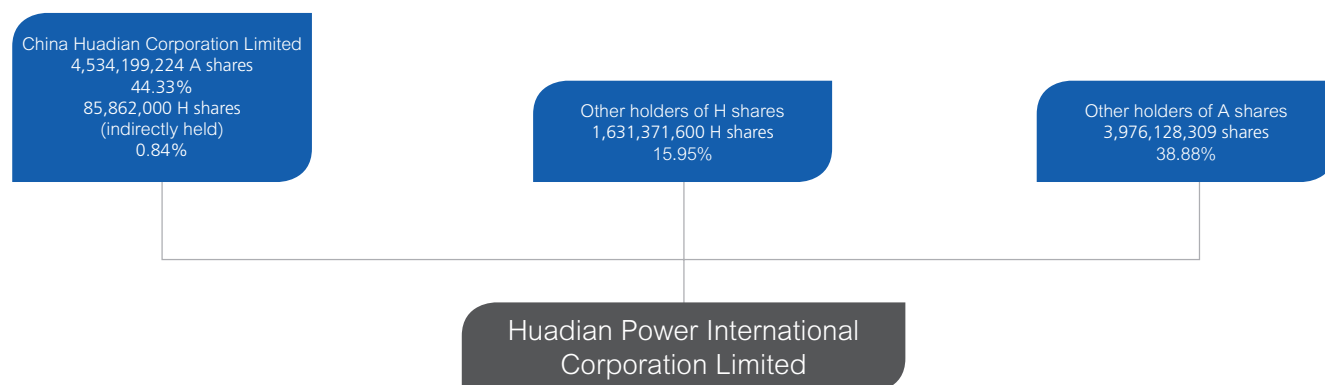
Note 1: Details of the installed generating units of Sichuan Investment Company are as follows:

Category	Name of power plant/company	Installed capacity (MW)	Shareholding percentage of Sichuan Investment Company	Generating units
Hydropower	Lixian Xinghe Power Company Limited ("Lixian Company")	67	100%	3 x 11 MW + 4 x 8.5 MW
	Sichuan Liangshan Shuiluohe Hydropower Development Company Limited ("Shuiluohe Company")	816	57%	3 x 70 MW + 3 x 62 MW + 3 x 56 MW + 3 x 46 MW + 3 x 38 MW

Note 2: Generating units of Hebei Hydropower Company include 0.5 MW photovoltaic generating units for own use, and 1.6 MW hydropower generating units for own use.

## SHAREHOLDING STRUCTURE

As of the date of this report, the shareholding structure of the Company is as follows:



# CHAIRMAN'S STATEMENT

Liu Lei  
Chairman

## Dear Shareholders,

In 2024, the Group earnestly implemented the decisions and arrangements made by the Board of Directors (the “**Board**”) of the Company, and actively responded to the impact of the complex and severe macroeconomic situation. With the goal of building a strong and large first-class energy listed company, the Group focused on improving the quality of the listed company, strengthened its confidence, took the lead in hard work, met challenges with determination and worked tirelessly to make a difference, and surpassed the annual targets and tasks, thus expediting the establishment of a new pattern of high-quality development and constantly making new achievements and taking its business to a new level.

In terms of results of operations, the turnover of the Group was approximately RMB112,392 million; the earnings for the year attributable to equity holders of the Company was approximately RMB5,670 million; the basic earnings per share was approximately RMB0.459. The power generation was 222.63 million MWh, representing a decrease of approximately 0.52% as compared with the same period of the previous year; the volume of on-grid power sold amounted to 208.45 million MWh, representing a decrease of approximately 0.52% as compared with the same period of the previous year; the heat generation amounted to 176 million GJ, representing an increase of approximately 2.14% as compared with the same period of the previous year. The total coal consumption for power supply was 287.53g/KWh, which was remarkably better than the national average. As at the end of the year, the liabilities to assets ratio was 61.03%, remaining at the excellent level among listed companies in the same industry.

In terms of project development, the power supply projects that have been put into operation by the Company in 2024 amounted to 1,508.84 MW, all of which were gas-fired generating units. As of the date of this report, the Company's controlled installed capacity was 59,818.62 MW. The Company actively promoted green and low-carbon development, earnestly implemented the requirements of the State-owned Assets Supervision and Administration Commission of the State Council to vigorously promote the industrial renewal of state-owned enterprises, accelerated the structural adjustment and upgrade of existing coal-fired power generation, secured resources of high-quality pumped-storage projects, strengthened policy research on strategic emerging industries, and scientifically advanced the development of related projects.

In terms of production safety, in 2024, the Company coordinated development and safety, proactively responded to natural disasters such as typhoons, floods, high temperature and drought, and successfully completed the task of ensuring energy supply during critical periods such as peak summer and winter. In order to strengthen the foundation of safety production, we have formulated work plans to implement key safety and environmental protection work and precautionary measures, including seasonal inspections and “production safety month”.

In terms of environmental protection, the Group has accurately and comprehensively implemented the new development philosophy, and actively carried out special initiatives such as “enhancing heating safety capability”, “large-scale upgrade for industrial software” and “replacing small units with larger units for coal-fired power generating units”, “reinvigorating” the existing assets of the Company and further enhancing its ability to adapt to and support the new power system. Adhering to green and low-carbon development, we have scientifically and orderly promoted regular thermal power, pumped storage, strategic new industries and integrated energy projects, presenting a development pattern of “diversified expansion with phased advancement”.



## CHAIRMAN'S STATEMENT (CONTINUED)



In terms of profit distribution, the Group implemented a continuous, stable and active profit distribution policy under the principle of focusing on reasonable investment returns for shareholders, in consideration of the overall interests of all shareholders, the long-term interests and reasonable capital needs of the Company. A dividend of RMB0.15 per share (tax inclusive), based on the total share capital of 10,227,561,133 shares, totaling approximately RMB1,534,134.17 thousand (tax inclusive) for 2023 was proposed at the seventh meeting of the tenth session of the Board of the Company, and the distribution was completed after the approval at the 2023 annual general meeting of the Company. A dividend of RMB0.08 per share (tax inclusive), based on the total share capital of 10,227,561,133 shares, totaling approximately RMB818,204.89 thousand (tax inclusive) for the interim period of 2024 was proposed at the eleventh meeting of the tenth session of the Board of the Company, and the distribution was completed after the approval at the 2024 second extraordinary general meeting of the Company. At the nineteenth meeting of the tenth session of the Board, it is proposed to declare an annual cash dividend of RMB0.21 per share (tax inclusive), including the interim dividend of RMB0.08 per share (tax inclusive) paid in 2024, for the financial year ended 31 December 2024. The proposed final dividend of RMB0.13 per share (tax inclusive) is based on the total share capital of 10,227,561,133 shares, totaling approximately RMB1,329,582.95 thousand (tax inclusive). The final dividend distribution proposal is subject to approval by the shareholders at the upcoming 2024 annual general meeting.

In 2024, the Group's brand image construction has reached a new height. The Group won the rating of A in information disclosure on the Shanghai Stock Exchange for the tenth year in a row, the "Best Listed Company", China Securities Golden Bauhinia Awards for the sixth year in a row. The Board of the Company won the "Best Practice Case of the Board of Directors of Listed Companies 2024", China Securities Golden Bauhinia Awards - "Listed Companies with Excellent Investor Relationship Management", 19th Golden Prize of Round Table of Chinese Boards of Listed Company - Excellent Board of Directors, "The Most Valuable Investment Award of the 26th Golden Bull Award for Listed Companies" and "Golden Information Disclosure Award of the 26th Golden Bull Award for Listed Companies" by China Securities Journal. The Company was successfully selected for the "China ESG Listed Companies Pioneer 100" and won the Excellence Award from the China Electric Power Promotion Council. The Company successfully held a series of activities for the 30th anniversary of the establishment of Huadian Power International and the 25th anniversary of its listing, which comprehensively showcased the Group's development history and its excellent staff culture, further enhancing the Group's brand image.

Our outstanding achievements depend on the overall planning and strong promotion of the Board of Directors and the management team, the innovation and hard work of all employees, as well as the constant trust and support of shareholders, and continuous care and help from all walks of life. I would like to express my heartfelt thanks to them!

In 2025, the Company will stand on a new development stage to implement a new development philosophy and foster a new development paradigm. The Company will adhere to the general tone of making progress while maintaining stability. We will continue to enhance core functions, focus on enhancing core competitiveness, brand influence and value creativity, and unswervingly become stronger and better. The Company will achieve the goals of the 14th Five-Year Plan with high quality, laying a solid foundation for a promising start to the 15th Five-Year Plan and accelerating the development of a strong and large first-class energy listed company.



# BUSINESS REVIEW AND OUTLOOK

Chen Bin

Vice Chairman and General Manager



## BUSINESS REVIEW

### Power Generation

As of the date of this report, the Group's total controlled installed capacity amounted to 59,818.62 MW. Power generation by the Group in 2024 amounted to 222.63 million MWh, representing a decrease of approximately 0.52% compared with the same period of the previous year. The volume of on-grid power sold amounted to 208.45 million MWh, representing a decrease of approximately 0.52% compared with the same period of the previous year. The annual utilization hours of the Group's generating units were 3,746 hours, representing a year-on-year decrease of 210 hours; among which the utilization hours of coal-fired generating units were 4,086 hours, representing a year-on-year decrease of 215 hours; the utilization hours of natural gas-fired generating units were 2,152 hours, representing a year-on-year decrease of 35 hours; and the utilization hours of hydropower generating units were 3,363 hours, representing a year-on-year decrease of 431 hours. The coal consumption for power supply was 287.53g/KWh in aggregate.

### Turnover

In 2024, the Group's turnover amounted to approximately RMB112,392 million, representing a decrease of approximately 3.42% over 2023; of which revenue generated from sale of electricity amounted to approximately RMB94,744 million, representing a decrease of approximately 1.46% over 2023; revenue generated from sale of heat amounted to approximately RMB9,743 million, representing an increase of approximately 1.24% over 2023; revenue generated from sale of coal amounted to approximately RMB7,905 million, representing a decrease of approximately 25.43% over 2023.

### Profit

In 2024, the Group's operating profit amounted to approximately RMB6,622 million, representing an increase of approximately RMB2,521 million over 2023, mainly due to the decrease in fuel prices. For the year ended 31 December 2024, the profit for the year attributable to equity holders of the Company amounted to approximately RMB5,670 million, the profit for the year attributable to equity shareholders of the Company amounted to approximately RMB4,698 million, and the basic earnings per share was approximately RMB0.459.

## BUSINESS REVIEW AND OUTLOOK (CONTINUED)

### The Capacity of Newly-added Generating Units

During the reporting period, the details of the Group's newly-added generating units are as follows:

Projects	Category	Capacity (MW)
Qingdao Company	Gas-fired	505.54
Zhangqiu Thermal Power Company	Gas-fired	1,003.3
<b>Total</b>	/	<b>1,508.84</b>

### Generating Units Approved and under Construction

As of the end of the reporting period, the Group's major generating units approved and under construction are as follows:

Company/Project Name	Category	Planned new installed capacity (MW)
Guangdong Huadian Huizhou Energy Company Limited ("Huizhou Company")	Gas-fired generating units	2 x 535
Huadian (Chongqing) Gas Turbine Power Generation Company Limited ("Chongqing Power Generation Company")	Gas-fired generating units	2 x 546.7
Huadian Shantou Energy Company Limited ("Shantou Energy")	Coal-fired generating units	2 x 1,000
Longkou Company	Coal-fired generating units	1 x 660
Zhejiang Huadian Wuxi River Hybrid Pumped Storage Power Generation Company Limited ("Wuxi River Company")	Pumped storage generating unit	298
Huadian (Lingbao) Pumped Storage Co., Ltd ("Lingbao Company")	Pumped storage generating unit	1,200
Huadian Jingyu Pumped Storage Co., Ltd. ("Jingyu Company")	Pumped storage generating unit	1,800
Huadian Yongchang Pumped Storage Co., Ltd ("Yongchang Company")	Pumped storage generating unit	1,200
<b>Total</b>	/	<b>9,321.4</b>

## BUSINESS REVIEW AND OUTLOOK (CONTINUED)

### BUSINESS OUTLOOK

#### Competitive Landscape in the Industry and Development Trend

The Central Economic Work Conference has emphasized that 2025 is a crucial year for achieving the goals of the 14th Five-Year Plan. Facing escalating external pressures and mounting internal challenges, amidst a complex and rigorous environment, we should adhere to the general tone of making progress while maintaining stability, fully and accurately implement the new development concept, expedite the establishment of a new development paradigm, solidly promote high-quality development, and further deepen reforms comprehensively. We should also enhance high-level open policy and promote the integrated development of technological innovation and industrial innovation. By stabilizing our expectations and stimulating our vitality, we can promote the sustained recovery of the economy, and successfully achieve the goals of the 14th Five-Year Plan with high quality, laying a solid foundation for a promising start to the 15th Five-Year Plan.

According to the analysis and forecast on the national power supply and demand in 2025 by China Electricity Council, in terms of electricity consumption, taking into account China's economic growth potential at the current stage, the Outline of the 14th Five-Year Plan and the Long-Range Objectives Through the Year 2035, as well as the national macro-control policies and measures, it is expected that China's macro-economy will continue to maintain steady growth in 2025. It is also expected that the electricity consumption of the entire society in China will be 10.4 trillion KWh in 2025, representing a year-on-year increase of about 6%. In terms of power supply, it is expected that the new installed generating capacity in China will exceed 450 million KW in 2025, and the total installed generating capacity in China will reach 3.8 billion KW by the end of 2025, representing a year-on-year increase of about 14%. In 2025, it is expected that the national power supply and demand in some areas will be tightly balanced during peak electricity consumption periods such as the summer peak seasons. Various factors in the power supply and demand will bring uncertainties to the power supply and demand situation.



## BUSINESS REVIEW AND OUTLOOK (CONTINUED)

In terms of actual national conditions, resource endowments and the energy transformation process of China, coal-fired power remains to be an important support for ensuring national energy security, supply chain security, steady growth, promotion of development, and civil heating before 2030. China vigorously promotes the joint operation of coal-fired power, and the joint operation of coal-fired power and renewable energy, and carries out the “three technical transformations” and professional integration. Meanwhile, China published a series of relief policies, including financial preference, electricity price adjustment, special bonds of energy supply assurance, and the approved increase in the high-quality coal production capacity, quantity assurance, price control and capacity expansion. These policies will help ease the operating pressure on coal-fired power enterprises and improve their operating performance.

### Development Strategy of the Group

In 2025, the Group will adhere to the general tone of making progress while maintaining stability. We will continue to enhance core functions, focus on enhancing core competitiveness, brand influence and value creativity, and unswervingly become stronger and better. The Group will achieve the goals of the 14th Five-Year Plan with high quality, laying a solid foundation for a promising start to the 15th Five-Year Plan and accelerating the development of a strong and large first-class energy listed company.

### Operation Plan of the Group in 2025

In 2025, the Group is expected to generate approximately 210 billion KWh of electricity. According to the actual progress of each project, the Group plans to invest approximately RMB12 billion in 2025, which will be used for the construction of power source projects, environmental protection and energy-saving technology transformation, and equity investment, etc.

In 2025, the Group will focus on the following four aspects:

We will deepen value creation and comprehensively improve operation quality and efficiency. The Group will also further promote the improvement of quality and efficiency to steadily improve our operating performance. The Group will strengthen the analysis and judgment on the electricity market situation, continue to implement the capacity-based electricity pricing policy for coal machinery, coordinate and optimize the medium and long-term trading strategies in the spot electricity and auxiliary services markets, so as to improve the marginal benefits per kWh. The Group will actively strive for the two-part tariff policy for gas turbine generating units, promote the establishment of the gas-electricity linkage mechanism, and ensure the healthy and sustainable operation of gas turbine enterprises. The Group will focus on fuel costs control, optimize fuel procurement system and strategy, and comprehensively ensure our quantity and price control. By further reducing our costs and expenses, we will improve the standard of cost control. We will also fully seize the window period of relatively easy monetary policy and carefully establish the financing plan for 2025 to improve the quality and efficiency of financing. The Group will strengthen its risk monitoring and early warning system and continuously improve the corporate governance as a high-risk company, in order to further improve the quality and efficiency of asset management.

The Group will strengthen our commitment to practical work and continue to consolidate the foundation of safe operation. By focusing on peak summer demand, winter heating security, key regions and important periods, we will be able to ensure the stable energy supply during major events and critical periods. The Group will formulate scientific strategies for power generation coal inventory, strive to improve the fulfillment rate of high-quality long-term agreements with strategic customers, and guarantee the supply of power generation fuel. Taking the “Year of Solidifying Foundation” in production safety as the starting point, we will make great efforts to consolidate our safety foundation. The Group will prioritize strengthening safety through technology and intensify efforts to promote AI-enabled safety. The Group will deepen the enhancement of heating safety capabilities, ensuring a comprehensive upgrade of safety production through equipment upgrade, in order to better adapt to and support the construction of new power system. We will intensify our efforts to combat pollution and ensure that all pollutants are discharged in compliance with emission standards. Adhering to the principle of giving priority to ecology and green development, the Group supervises the environmental governance of new projects to ensure that the construction is organized in accordance with laws and regulations. The Group will implement relevant policies for gradually shifting from dual control of energy consumption to dual control of carbon emissions, strengthen energy consumption indicator analysis, supervision and inspection, and abnormal tracking, and promote a steady reduction in carbon emission intensity.

## BUSINESS REVIEW AND OUTLOOK (CONTINUED)

We attach importance to the quality of investment and coordinate efforts to advance green and low-carbon development. The Group will thoroughly implement the new energy safety strategy of “Four Revolutions and One Cooperation” and the major strategic decision to achieve peak carbon emission and carbon neutrality, and accelerate the promotion of green and low-carbon development by focusing on our annual development goals. The Group will actively track industrial policies related to pumped storage projects, enhance analysis of project competitiveness, and formulates differentiated project advancement strategies, in order to establish a rolling development pattern of “keeping some in the pipeline, moving some forward, and getting some underway”. We will rely closely on technology innovation to drive growth and accelerate the increase in the proportion of revenue and value-added from strategic emerging industries. We will strengthen the management of investment plans and capital funds, improve the efficiency of capital use, and meet the capital needs for project development and infrastructure construction. The Group will thoroughly fulfil its project construction criteria, rigorously control investment risks, and ensure project investment returns.

The Group will strengthen its standardized operation to consolidate and enhance the brand image of Huadian. It will also make every effort to promote its asset restructuring project of conventional energy, maintain effective communication with the regulatory authorities, respond to feedback in a timely manner, expedite asset delivery, and timely initiate the relevant work of ancillary fundraising. We will diligently adhere to national laws, regulations and regulatory requirements, organize high-quality performance roadshows, and prepare high-quality ESG reports, in order to enhance the quality of information disclosure. The Group will continue to enhance the management of daily connected transactions, monitor the development of new connected transactions, and ensure comprehensive oversight and guidance. We will earnestly adhere to the “Suggestions to Improve and Strengthen the Market Value Management of Listed Companies Controlled by Centrally Administered Enterprises” (《關於改進和加強中央企業控股上市公司市值管理工作的若干意見》) issued by the State-owned Assets Supervision and Administration Commission of the State Council, firmly establish the concept of scientific market value management, further improve the relevant systems, plans and measures of our market value management, and continuously improve the development quality and standardized operation of listed companies. We will develop a scientific and reasonable dividend distribution plan to further boost investor confidence.

### Possible Risks and Measures

At present, China’s economy maintains a stable foundation, with numerous advantages, strong resilience and great potential. The underlying positive fundamentals remain unchanged, with favorable conditions such as substantial market potential and economic resilience remaining intact. The factors supporting high-quality development are steadily increasing. However, there are still objective issues such as a more complicated and severe external environment, insufficient domestic demand, production and operation difficulties faced by some enterprises, and obstacles to consolidating the economic recovery and improving the situation. Under such influence, the Group’s business situation still faces potential risks, with the possible risks mainly including:

#### 1. Power Market Risks

With the acceleration of the power market-oriented reforms, the market share of coal-fired generating units has been shrinking, and the development space for thermal power generation has been squeezed. The rapid development of the electricity spot market and auxiliary services market places higher requirements on the flexible adjustment capability and marginal cost control of coal-fired generating units. The old generating units face the risk of declines in both power generation capacity and power prices due to the high marginal cost. It may also become more difficult to recover electricity charges for heating capacity. Furthermore, events such as the introduction of new energy sources may further intensify the downward pressure on electricity prices.

The Group will accelerate the “three technical transformations” and technical upgrade of coal-fired generating units to enhance flexibility in adjustment and load support capabilities. By strengthening the analysis and judgment on the electricity market situation, we will be able to carry out dynamic optimization for the medium and long-term trading strategies in the spot electricity and auxiliary services markets, so as to improve the revenue per kWh.

## BUSINESS REVIEW AND OUTLOOK (CONTINUED)

### 2. Coal Market Risks

Domestic coal production capacity is constrained, while imported coal has a weaker effect on stabilizing domestic coal prices, due to the impact of tax policies. Compounded by frequent disruptions in transportation due to extreme weather conditions, certain regions may encounter risks of inadequate supply of premium resources and imbalanced inventory structures during peak periods. International geopolitical fluctuations have heightened uncertainties in the coal market, with coastal regions that have a high proportion of imported coal facing significant pressure to maintain supply and control prices. Furthermore, while coal prices have declined in stages, they are still at high levels and experiencing frequent fluctuations, posing challenges to cost management in the coal-fired power sector.

The Group will deepen the “ballast stone” role of long-term contracts, strengthen the cooperation with high-quality large mines, increase the proportion of high-calorific value coal and optimize the procurement structure. We will accurately analyze market trends, flexibly adjust the pace of procurement, and utilize the strategy of low-cost coal storage during the off-season to alleviate cost pressures in the peak season. The Group will strengthen international coal market tracking, optimize the procurement plan for imported coal, and collaborate with railway departments to control and reduce transportation costs.

### 3. Environmental Protection Risks

The allocation of carbon quota across the country continues to tighten, which may lead to a significant increase in the carbon emission compliance cost of coal-fired power enterprises. The environmental protection policies have become more stringent, with higher requirements being proposed in key areas, such as waterbody protection and dust control. Coupled with the demand for the application of low-carbon technologies, such as green ammonia blending and carbon capture, there is an increasing pressure on environmental protection expenditure.

The Group will accelerate the low-carbon transformation of coal-fired power, promote the research on technologies such as green ammonia blending and carbon capture, in order to reduce the intensity of carbon emissions. We will strictly adhere to ultra-low emission standards, improve environmental facilities such as closed coal yard and recycling and utilization of coal ash, to ensure the pollutants are discharged in compliance with emission standards. We will coordinate carbon assets management, optimize carbon trading strategies, promote the preservation and appreciation of carbon quota value, and explore new models for generating revenue from carbon assets.

# DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## Biographies of Directors, Supervisors and Senior Management

As at the date of this report, the biographies of the directors of the Company (the “**Director(s)**”), the supervisors of the Company (the “**Supervisor(s)**”) and senior management of the Company are as follows:

### Directors



**Liu Lei (劉雷)**, Chinese nationality, born in April 1973, is a professorate senior engineer. He graduated from the School of Energy and Power Engineering of Xi'an Jiaotong University with a Bachelor of Engineering degree in Power Plant Thermal Energy and Power Engineering. He also received his Master's degree in Business Administration from the School of Business of Baylor University. Mr. Liu currently serves as the Chairman of the Company and the deputy chief economist of China Huadian Corporation Limited (中國華電集團有限公司). Mr. Liu has successively worked in Shandong Electric Power Research Institute, Shandong Electric Power Group Corp. (山東電力集團公司), China Huadian Corporation (中國華電集團公司), Huadian Fuxin Energy Co., Ltd. (華電福新能源有限公司), China Huadian HongKong Company Limited, China Huadian Corporation Limited (中國華電集團有限公司), China Huadian Capital Holdings Company Limited (中國華電集團資本控股有限公司), and China Huadian Group Property and Finance Holdings Limited (中國華電集團產融控股有限公司). Mr. Liu has twenty-eight years of experience in power enterprises management, industrial finance and capital operation, etc.



**Chen Bin (陳斌)**, Chinese nationality, born in September 1973, graduated from Hunan University. He holds a doctoral degree in economics. Mr. Chen is currently the vice Chairman and the General Manager of the Company. Mr. Chen has successively worked at China Electric Power News, State Power Corporation, China Guodian Corporation and Guodian Finance Corporation Ltd. He had served as a Supervisor, the General Legal Counsel and a deputy General Manager of the Company. Mr. Chen has twenty-eight years of working experience in power business management, law, capital operation, etc.



**Zhu Peng (朱鵬)**, Chinese nationality, born in January 1976, is a professorate senior accountant with a doctor degree in management and a master's degree. Mr. Zhu currently serves as the vice Chairman of the Company and an assistant to the general manager of Shandong Development & Investment Holding Group Co., Ltd. (山東發展投資控股集團有限公司), and the secretary of the party committee and the chairman of Shandong Green Investment Group Co., Ltd. (山東省綠色投資集團有限公司). Mr. Zhu has successively worked at Dazhong Newspaper Group (大眾報業集團), Hualu Holdings Co., Ltd. (華魯控股集團有限公司), and Shandong Development & Investment Holding Group Co., Ltd. Mr. Zhu has twenty-six years of working experience in strategic investment, capital operation and corporate management.



**Zhao Wei (趙偉)**, Chinese nationality, born in October 1967, is a senior economist and a master of business administration from Peking University. Mr. Zhao is currently a non-executive Director of the Company, a director of Huadian Liaoning Energy Development Co., Ltd. (華電遼寧能源發展股份有限公司), and a director of Huadian Gansu Energy Co., Ltd. (華電甘肅能源有限公司). Mr. Zhao has successively worked for Hebei Electric Power Corporation (河北省電力公司), Hebei Hanfeng Power Plant (河北邯峰發電廠), Hebei Fengyuan Industrial Co., Ltd. (河北峰源實業有限公司), Hebei Electric Power Fuel Corporation (河北電力燃料公司), Hebei Huafeng Investment Co., Ltd. (河北華峰投資有限公司), Hebei Huarui Energy Group Corporation Limited (河北華瑞能源集團股份有限公司), Huadian Power International Corporation Limited Hebei Branch (華電國際電力股份有限公司河北分公司), Huadian Power International Corporation Limited Tianjin Branch (華電國際電力股份有限公司天津分公司), Huadian Power International Corporation Limited Henan Branch (華電國際電力股份有限公司河南分公司), Huadian Power International Corporation Limited Hebei Branch (華電國際電力股份有限公司河北分公司), and China Huadian Corporation Xiong'an Energy Co., Ltd. (中國華電集團雄安能源有限公司). Mr. Zhao has more than thirty years of working experience in the fields of corporate management, power operations, and strategic investment.



## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)



**Zeng Qinghua (曾慶華)**, Chinese nationality, born in December 1967, is a professor-level senior engineer. He graduated from Northeast Electric Power College (東北電力學院), majoring in electric power engineering and automation. Mr. Zeng is currently a non-executive Director of the Company, a director of Huadian Liaoning Energy Development Co., Ltd. (華電遼寧能源發展股份有限公司) and a director of Huadian Gansu Energy Co., Ltd. (華電甘肅能源有限公司). Mr. Zeng has successively worked for Jiamusi Power Plant (佳木斯發電廠), Heilongjiang Huadian Jiamusi Power Generation Co., Ltd. (黑龍江華電佳木斯發電有限公司), Guizhou Wujiang Hydropower Development Co., Ltd. (貴州烏江水電開發有限責任公司), Guizhou Huadian Tongzi (Zunyi) Power Generation Co., Ltd. (貴州華電桐梓(遵義)發電有限公司), China Huadian Corporation Limited Guizhou Branch (中國華電集團有限公司貴州分公司), China Huadian Corporation Limited Fujian Branch (中國華電集團有限公司福建分公司), and Fujian Huadian Furui Energy Development Co., Ltd. (福建華電福瑞能源發展有限公司). Mr. Zeng has over thirty years of working experience in the fields of corporate management, power engineering, and industrial development.



**Cao Min (曹敏)**, Chinese nationality, born in November 1973, is a professorate senior accountant. She graduated from North China Electric Power University with a master of engineering degree in project management. Ms. Cao is currently a non-executive Director of the Company, the deputy director of the audit department of China Huadian Corporation Limited (中國華電集團有限公司), a supervisor of Huadian New Energy Group Corporation Limited (華電新能源集團股份有限公司), a supervisor of China Huadian Capital Holdings Company Limited (中國華電集團資本控股有限公司) and a supervisor of Xi'an Thermal Power Research Institute Co., Ltd (西安熱工研究院有限公司). Ms. Cao has successively worked in Xinjiang Hongyanchi Second Power Co., Ltd. (新疆紅雁池第二發電有限責任公司), Huadian Xinjiang Power Co., Ltd. (華電新疆發電有限公司), Xinjiang Huadian Kashgar Power (Phase II) Co., Ltd. (新疆華電喀什發電(二期)有限責任公司) and China Huadian Corporation Limited (中國華電集團有限公司). Ms. Cao has twenty-eight years of working experience in areas including financial management and audit supervision.



**Wang Xiaobo (王曉渤)**, Chinese nationality, born in March 1968, an economist. He graduated from Shandong University with a bachelor's degree in economics. Mr. Wang currently acts as a non-executive Director of the Company, the designated external director of Shandong Green Energy Investment Co., Ltd. (山東綠色能源投資有限公司), a chairman of the supervisory committee of Shandong Huapeng Glass Co., Ltd. (山東華鵬玻璃股份有限公司). Mr. Wang has successively worked at Shandong Foreign Investment Service Company, US Pacific Peak Investment Co., Ltd., British CAMCO International Carbon Asset Information Consulting (Beijing) Co., Ltd. and Hualu Holdings Group Company Limited. Mr. Wang has over thirty years of working experience in capital operation, corporate management, etc.

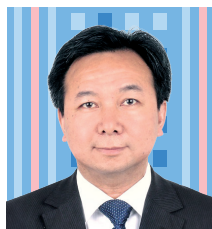


**Li Guoming (李國明)**, Chinese nationality, born in March 1969, a professorate senior accountant. He graduated from Hebei University of Economics and Business with a bachelor's degree in accounting. Mr. Li currently is an executive Director and the chief financial officer of the Company. Mr. Li has successively worked at Xibaipo Power Plant (西柏坡發電總廠), Hebei Electric Power Corporation (河北省電力公司), China Huadian Corporation Limited (中國華電集團有限公司) and China Huadian Engineering Corporation (中國華電科工集團有限公司). Mr. Li has over thirty years of working experience in financial management, risk management, power operation, etc.



**Feng Zhenping (豐鎮平)**, Chinese nationality, born in November 1956, holds a doctoral degree in engineering from Xi'an Jiaotong University. Mr. Feng is currently an independent non-executive Director of the Company, a second-tier professor of Xi'an Jiaotong University and the head of Shaanxi Impeller Machinery and Power Equipment Engineering Laboratory. Mr. Feng was a visiting scholar at the Aerospace System Research Institute of the University of Stuttgart in Germany and a DAAD visiting professor at the Aero Propulsion Laboratory of the Technical University of Berlin in Germany. Mr. Feng served in Xi'an Jiaotong University including the head of the Impeller Machinery Research Institute (葉輪機械研究所) of the School of Energy and Power Engineering, the assistant dean of the School of Energy and Power Engineering, the head of the International Cooperation and Exchange Office, the dean of the School of Energy and Power Engineering, and the head of the National Experimental Teaching Demonstration Center in Energy and Power Engineering.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)



**Li Xingchun (李興春)**, Chinese nationality, born in April 1966, obtained a bachelor's degree in nuclear science from Fudan University, a doctoral degree in financial engineering from the School of Engineering & Management of Nanjing University. Mr. Li currently acts as an independent non-executive Director of the Company, chairman of Zhejiang Kingland Pipeline and Technologies Co., Ltd. (浙江金洲管道科技股份有限公司), deputy chairman and executive director of Shandong Chenming Paper Holdings (山東晨鳴紙業集團股份有限公司), deputy chairman of Shanghai New Huangpu Industrial Group Co., Ltd. (上海新黃浦實業集團股份有限公司), chairman of Kunpeng Asset Management Co., Ltd. (昆朋資產管理股份有限公司), chairman of Zhejiang Kingland PIPE Industry Co., Ltd. (浙江金洲管道工業有限公司), chairman of Kunpeng (Shandong) Asset Management Co., Ltd. (昆朋(山東)資產管理有限公司), executive director and manager of Wanzhen (Shandong) Investment Management Co., Ltd. (萬禎(山東)投資管理有限公司), executive director and general manager of Kingland Smart New Materials (Shanghai) Co., Ltd. (金洲智慧新材料(上海)有限公司), chairman and general manager of Leadbank Technology Co., Ltd. (利得科技有限公司), director of Western Leadbank Fund Management Co., Ltd. (西部利得基金管理有限公司), manager of Leadbank Capital Management Co., Ltd. (利得資本管理有限公司), chairman of Shanghai Leadbank Fund Sales Co., Ltd. (上海利得基金銷售有限公司), executive director of Shanghai Leadbank Financial Services Group Co., Ltd. (上海利得金融服務集團有限公司), chairman and general manager of Shanghai Leadbank Shanjin Asset Management Co., Ltd. (上海利得山金資產管理有限公司), general manager and executive director of Leadbank Asset Management Co., Ltd. (利得資產管理有限公司) and general manager and executive director of Leadbank Information Services Co., Ltd. (利得信息服務有限公司). Mr. Li has successively worked at Jiangxi Xinyu Food Union Corporation (江西新餘食品聯合總公司), Jiangxi Xinyu Material Bureau (江西新餘物資局), Ctrip.com (攜程旅行網), Fuyou Securities Co., Ltd. (富友證券有限責任公司), Western Development Holdings Co., Ltd. (西部發展控股有限公司), etc. Mr. Li has over thirty years of working experience in industry, securities, trust, etc.



**Wang Yuesheng (王躍生)**, Chinese nationality, born in July 1960, a professor and doctoral supervisor of Peking University. Mr. Wang currently acts as an independent non-executive Director of the Company. He graduated from School of Economics of Peking University in 1985, and since then, he has been teaching in Peking University. Mr. Wang is currently the head of the Department of International Economics and Trade of Peking University, the director of the EU Economic and Strategic Research Center jointly established by Peking University and Bank of China. He also serves as an executive director at China Association of World Economic Research, and China Association of International Economic Relations, member of the Expert Committee of China Council for the Promotion of International Trade and the independent director of Liaoning Chengda and other listed companies. His research has mainly covered contemporary world economy and Chinese economy, enterprise system and corporate governance, international direct investment and multinational corporations in recent years.



**Shen Ling (沈翎)**, Chinese nationality, born in June 1961, is a senior accountant. She graduated from Cheung Kong Graduate School of Business with a master's degree in business administration. Ms. Shen is currently an independent non-executive Director of the Company, an independent director of Chongqing Taiji Industry (Group) Co., Ltd. (重慶太極實業(集團)股份有限公司), and an independent director of China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司). Ms. Shen has successively worked in China National Metals and Minerals Import and Export Corporation (中國五金礦產進出口總公司), China Minmetals Corporation (中國五礦集團公司) and State Development & Investment Corp., Ltd. (國家開發投資集團有限公司). Ms. Shen has over thirty years of working experience in capital operation and financial management.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

### Supervisors



**Liu Shujun (劉書君)**, Chinese nationality, born in January 1966, is a senior accountant. He graduated from Shandong University of Finance and Economics with a bachelor of economics degree in finance. Mr. Liu is currently the Chairman of the Supervisory Committee of the Company and a researcher of Shandong Development & Investment Holding Group Co., Ltd. (山東發展投資控股集團有限公司). Mr. Liu has successively worked in Shandong University of Finance and Economics, Jinan Real Estate Development Corporation (濟南市房地產開發總公司), Shandong Development and Investment Co., Ltd. (山東省發展投資有限公司) and Shandong Silk Road Investment and Development Co., Ltd. (山東省絲路投資發展有限公司). Mr. Liu has over thirty years of working experience in areas such as economy and finance and financial management.



**Ma Jing'an (馬敬安)**, Chinese nationality, born in March 1966, a senior political engineer. He graduated from Dalian University of Technology with a master's degree in engineering. Mr. Ma is currently a Supervisor of the Company. Mr. Ma started his career in 1986 and has successively worked at Fangzi Power Plant, Weifang Power Plant, Huadian Power International Corporation Limited and Shanxi Maohua Energy Investment Company Limited. Mr. Ma has over thirty years of working experience in power enterprise management, coal enterprise operation and construction, and party construction of enterprises.



**Tang Xiaoping (唐曉平)**, Chinese nationality, born in October 1973, is a senior political engineer. He holds a bachelor's degree from Southwest University of Science and Technology. Mr. Tang joined the Company in February 2009. He is currently an employee representative Supervisor, the deputy chief economist and the director of general office (human resources department) of the Company. Mr. Tang started his career in 1995, and has worked at Huadian Qingdao Power Generation Company Limited. Mr. Tang has twenty-eight years of working experience in power generation, general management and human resources management.

### Senior Management



**Qin Jiehai (秦介海)**, Chinese nationality, born in February 1968, a senior engineer. He graduated from the Department of Power Engineering in Harbin Institute of Technology majoring in thermal power engineering with a master's degree in engineering, and obtained a master of business administration degree from Texas Tech University. Mr. Qin is currently the Secretary to the Board of the Company and a director of Huadian New Energy Group Corporation Limited (華電新能源集團股份有限公司). Mr. Qin has successively worked at Shandong Electric Power Engineering Consulting Institute, Huadian Power International Corporation Limited and Huadian Fuxin Energy Development Company Limited. Mr. Qin has over thirty years of working experience in strategic investment, power engineering, corporate management, etc.



**Li Kanyu (李堪雨)**, Chinese nationality, born in October 1969, a senior engineer. He graduated from the Department of Environmental and Chemical Engineering of North China Electric Power Institute with a bachelor's degree in engineering majoring in environmental engineering. Mr. Li is currently a deputy General Manager of the Company, a director of Huadian Coal Industry Group Company Limited, a director of Huadian Group Beijing Fuel Logistics Company Limited (華電集團北京燃料物流有限公司), a director of Huadian Hubei Power Generation Company Limited and a director of CNNP CHD Hebei Nuclear Power Co., Ltd. Mr. Li has successively worked at Shandong Shiliquan Power Plant and Huadian Power International Corporation Limited. Mr. Li has over thirty years of working experience in areas such as corporate development strategies, investment planning and operation of power enterprises.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)



**Zhu Yueguang (祝月光)**, Chinese nationality, born in August 1976, is a professorate senior accountant and a chief senior economist. He graduated from Guanghua School of Management of Peking University majoring in Finance and obtained a master's degree in Economics. Mr. Zhu is currently a deputy General Manager of the Company. Mr. Zhu has successively worked at China Huadian Corporation (中國華電集團公司) and Huadian Jiangsu Energy Company Limited (華電江蘇能源有限公司). Mr. Zhu has twenty-two years of working experience in areas such as operation management, capital operation, financial management and legal compliance.



**Gao Mingcheng (高明成)**, Chinese nationality, born in April 1969, is a senior economist and graduated from North China Institute of Technology (華北工學院) with a major in engineering management. Mr. Gao is currently the General Legal Counsel, Chief Compliance Officer and Director of the Corporate Management and Legal Affairs Department (Audit Department) of the Company, a director of Huadian Hubei Power Generation Company Limited, a director of Huadian Group Beijing Fuel Logistics Company Limited (華電集團北京燃料物流有限公司) and a director of Huadian Jinshajiang Upstream Hydropower Development Company Limited. Mr. Gao has successively worked in Shandong Weifang Power Plant (山東濰坊發電廠) and Huadian Power International Corporation Limited (華電國際電力股份有限公司). Mr. Gao has over thirty years of working experience in areas such as enterprise development, securities financing and legal compliance.

## Changes in the Biographies of Directors, Supervisors and Senior Management

As of the date of this report, Mr. Chen Bin was elected as the vice Chairman of the Company; Wang Xiaobo served as the designated external director of Shandong Green Energy Investment Co., Ltd. (山東綠色能源投資有限公司) and ceased to serve as the chief capital operation expert and the head of the Capital Operation Department of Shandong Development Investment Holding Group Co., Ltd. (山東發展投資控股集團有限公司); Wang Yuesheng served as the independent director of Liaoning Chengda Co., Ltd. (遼寧成大股份有限公司) and the independent director of Zhejiang Kan Specialities Material Co., Ltd. (浙江凱恩特種材料股份有限公司); Shen Ling ceased to serve as the independent director of Beijing Easpring Material Technology Co., Ltd. (北京當升材料科技股份有限公司, stock code: 300073.SZ); Liu Shujun served as a researcher of Shandong Development & Investment Holding Group Co., Ltd. (山東發展投資控股集團有限公司) and ceased to serve as the senior manager of the finance department of Shandong Development & Investment Holding Group Co., Ltd. (山東發展投資控股集團有限公司).

As of the date of this report, Mr. Qin Jiehai ceased to serve as the deputy General Manager of the Company.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Macroeconomic Conditions and Electricity Demand

According to the data released by the National Bureau of Statistics, after preliminary calculations, the Gross Domestic Product (GDP) of the year in 2024 amounted to RMB134,908.4 billion, representing an increase of 5.0% compared with the previous year. According to the data released by the National Energy Administration, power consumption of the entire society totalled 9,852.1 billion KWh in 2024, representing a year-on-year increase of 6.8%. With regard to different industries, the consumption by the primary industry accounted for 135.7 billion KWh, representing a year-on-year increase of 6.3%; the consumption by the secondary industry accounted for 6,387.4 billion KWh, representing a year-on-year increase of 5.1%; and the consumption by the tertiary industry accounted for 1,834.8 billion KWh, representing a year-on-year increase of 9.9%; and the consumption by urban and rural residents accounted for 1,494.2 billion KWh, representing a year-on-year increase of 10.6%.

## Turnover

In 2024, the turnover of the Group was approximately RMB112,392 million, representing a decrease of approximately 3.42% over 2023, mainly due to the impact of the decrease in power generation, coal trading volume and on-grid tariff.

## Major Operating Expenses

In 2024, the operating expenses of the Group amounted to approximately RMB105,770 million, representing a decrease of approximately 5.79% over 2023. The particulars are as follows:

Fuel costs of the Group amounted to approximately RMB70,567 million in 2024, representing a decrease of approximately 6.49% over 2023, mainly due to the decrease in coal price and the decrease in power generation.

Costs of coal sold of the Group amounted to approximately RMB6,801 million in 2024, representing a decrease of approximately 30.13% over 2023, mainly due to the decrease in coal trading volume.

Depreciation and amortisation expenses of the Group amounted to approximately RMB10,813 million in 2024, representing an increase of approximately 2.94% over 2023, mainly due to the operation of new projects.

In 2024, the repair, maintenance and inspection expenses of the Group were approximately RMB4,559 million, representing an increase of approximately 3.21% over 2023, mainly due to the operation of new projects.

In 2024, the staff cost of the Group was approximately RMB8,629 million, representing an increase of approximately 7.01% over 2023, mainly due to the impact of the increase in employee compensation linked to operating results and the operation of new projects.

In 2024, the administration expenses of the Group were approximately RMB1,676 million, representing a decrease of approximately 7.27% over 2023, mainly due to the decrease in impairment provision for property, plant and equipment.

In 2024, the taxes and surcharges of the Group were approximately RMB1,255 million, representing an increase of approximately 28.68% over 2023, mainly due to the improvement in operating results.

## Investment Income

Investment income of the Group amounted to approximately RMB244 million in 2024, representing an increase of approximately RMB226 million over 2023, mainly due to the increase in gain on disposal of a subsidiary.

## Other Revenue

Other revenue of the Group amounted to approximately RMB1,726 million in 2024, representing an increase of approximately 49.53% over 2023, mainly due to the increase in gain on carbon emissions rights.

## Other Net Income

Other net income of the Group amounted to approximately RMB208 million in 2024, representing a decrease of approximately 51.92% over 2023, mainly due to the decrease in sales revenue from by-products of power generation such as coal ash.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Finance Costs

Finance costs of the Group amounted to approximately RMB3,275 million in 2024, representing a decrease of approximately 10.91% over 2023, mainly due to our greater efforts in capital operation and the lower financing cost.

### Share of Results of Associates

Share of results of associates of the Group amounted to approximately RMB3,137 million in 2024, representing a decrease of approximately 16.54% over 2023, mainly due to the decrease in income from the invested enterprises.

### Income Tax

In 2024, the income tax of the Group amounted to approximately RMB1,983 million, representing an increase of approximately RMB1,009 million over 2023, mainly due to the improvement in operating results.

### Pledge and Mortgage of Assets

As at 31 December 2024, the Company's subsidiaries have pledged their income stream in respect of the sale of electricity and heat to secure loans amounting to approximately RMB8,362 million (2023: RMB9,936 million).

As at 31 December 2024, some of the Company's subsidiaries have mortgaged their generating units and relevant equipment to secure loans amounting to approximately RMB1,721 million (2023: RMB2,289 million).

### Indebtedness

As at 31 December 2024, the total borrowings of the Group amounted to approximately RMB92,107 million, of which borrowings denominated in Euro amounted to approximately EUR5.8 million. The liabilities to assets ratio (representing the total liabilities divided by total assets of the Group as at 31 December 2024) was approximately 61.03%. Borrowings of the Group were mainly of floating interest rates. Short-term borrowings and long-term borrowings due within one year amounted to approximately RMB42,246 million, and long-term borrowings due after one year amounted to approximately RMB49,861 million. The closing balance of super short-term debenture payables of the Group amounted to approximately RMB1,002 million. The balance of the medium-term notes (including the portion due within one year) and debt financing instruments issued through non-public offering to target subscribers (including the portion due within one year) of the Group amounted to approximately RMB22,619 million. The closing balance of lease liabilities of the Group amounted to approximately RMB179 million at the end of the year.

### Contingent Liabilities

As of 31 December 2024, the Group did not have material contingent liability.

### Provisions

Provisions represent the Group's best estimate of its liabilities and remedial work costs arising from mine disposal and environmental restoration based on industry practices and historical experience. As at 31 December 2024, the balance of the Group's provisions amounted to approximately RMB153 million.

### Cash Flow Analysis

In 2024, the net cash inflow from operating activities of the Group amounted to approximately RMB12,890 million, and the net cash inflow from operating activities amounted to approximately RMB9,460 million in 2023, mainly due to the improvement in operating results. The net cash outflow used in investing activities amounted to approximately RMB7,711 million, and the net cash outflow used in investing activities amounted to approximately RMB9,294 million in 2023, mainly due to the decrease in investment expenditure. The net cash outflow from financing activities amounted to approximately RMB4,728 million, and the net cash outflow from financing activities amounted to approximately RMB904 million in 2023, mainly due to the repayment of equity financial instruments on maturity.

### Exchange Rate Fluctuation Risk and Related Hedging

The Group mainly engages in business that sources income in China, and has a relatively small amount of foreign currency borrowings. Therefore, the exchange rate fluctuation risk is relatively low. Based on the above consideration, the Group did not adopt relevant hedging measures.

## DIRECTORS' REPORT



The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024 (the “Year”).

### PRINCIPAL ACTIVITIES

The Group is principally engaged in the construction and operation of power plants in China, including large-scale efficient coal-fired and gas-fired generating units and various renewable energy projects. All electricity generated is supplied to the grid companies where the plants are located. In 2024, the Group had strictly complied with relevant laws and regulations and industrial rules that impose significant influence on the operation of the Group. The chief operating decision makers of the Group review the Group’s revenue and profit as a whole, which is determined in accordance with the Group’s accounting policies, for resources allocation and performance assessment. Therefore, the Group has only one operating and reportable segment and no further reportable segment information is presented. The profit of the Group for the year ended 31 December 2024 and the Group’s and the Company’s financial positions as at that date prepared in accordance with IFRSs are set out on pages 63 to 142 of the annual report.

### PROFIT DISTRIBUTION

Pursuant to a resolution passed at the eleventh meeting of the tenth session of the Board, the Board proposed to declare an interim cash dividend of RMB0.08 per share (tax inclusive) based on the total share capital of 10,227,561,133 shares for the six months ended 30 June 2024, totaling approximately RMB818,204.89 thousand (tax inclusive). The distribution was completed after consideration and approval at the second extraordinary general meeting for 2024.

Pursuant to a resolution passed at the nineteenth meeting of the tenth session of the Board, the Board proposes to declare an annual cash dividend of RMB0.21 per share (tax inclusive), including the interim dividend of RMB0.08 per share (tax inclusive) paid in 2024, for the financial year ended 31 December 2024. The proposed final dividend of RMB0.13 per share (tax inclusive) is based on the total share capital of 10,227,561,133 shares, totaling approximately RMB1,329,582.95 thousand (tax inclusive). The final dividend distribution proposal is subject to approval by the shareholders at the upcoming 2024 annual general meeting. The circular of the 2024 annual general meeting of the Company, containing details of the time of meeting, the period of the closure and procedures of the register of members, will be published and despatched to shareholders of the Company in due course.



## DIRECTORS' REPORT (CONTINUED)

Interest payments on equity financing instruments shall be implemented in accordance with the relevant regulations on the issuance of equity financing instruments. If the total share capital of the Company changes due to the reorganisation of conventional energy assets before the record date for dividend distribution, the Company will maintain the final dividend of RMB0.13 per share (tax inclusive), and the total cash dividends to be paid will be adjusted accordingly based on the total amount of RMB1,329,582.95 thousand (tax inclusive).

If the above proposal for profit distribution is considered and approved at the upcoming 2024 annual general meeting, the Company expects to pay such cash dividends on or before 30 August 2025.

## SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Particulars of the Company's subsidiaries, associates and joint ventures as at 31 December 2024 are set out in notes 44 and 22 respectively to the consolidated financial statements prepared in accordance with IFRSs included in this annual report.

## BANK LOANS AND OTHER LOANS

Details of bank loans and other loans of the Group and the Company as at 31 December 2024 are set out in note 31 to the consolidated financial statements prepared in accordance with IFRSs included in this annual report.

## INTEREST CAPITALISED

Details relating to the interest capitalised by the Group during the year 2024 are set out in note 10 to the consolidated financial statements prepared in accordance with IFRSs included in this annual report.

## PROPERTY, PLANT AND EQUIPMENT

Details relating to movements in property, plant and equipment of the Group and those of the Company during the year 2024 are set out in note 17 to the consolidated financial statements prepared in accordance with IFRSs included in this annual report.

## RESERVES

Details relating to movements in reserves of the Group and the Company for the year ended 31 December 2024 are set out in the consolidated statement of changes in equity in the consolidated financial statements prepared in accordance with IFRSs and note 37(b) to the consolidated financial statements prepared in accordance with IFRSs included in this annual report, respectively.

## TAX REDUCTION AND EXEMPTION FOR SHAREHOLDERS

### Profit Distribution for Investors of Northbound Trading

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares of the Company listed on the Shanghai Stock Exchange (the "**Northbound Trading**"), their dividends will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such Shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the competent tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding and paying agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Northbound Trading will be the same as those for the A Shareholders of the Company.

## DIRECTORS' REPORT (CONTINUED)

### Profit Distribution for Investors of Southbound Trading

For investors of the Shanghai Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (the **"Southbound Trading"**), the Company has entered into the Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading (《港股通H股股票現金紅利派發協議》) with China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of investors of H Shares for Southbound Trading, will receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H Shares of Southbound Trading through its depository and clearing system.

The cash dividends for the investors of H Shares of Southbound Trading will be paid in RMB. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Cai Shui [2014] No. 81), for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold the income tax of dividends for mainland enterprise investors and those mainland enterprise investors shall report and pay the relevant tax themselves.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the H Shareholders of the Company.

### Profit Distribution for Investors of Shenzhen Southbound Trading

For investors of the Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (the **"Shenzhen Southbound Trading"**), the Company will distribute the dividends in RMB through the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such Shares. The Company will withhold and pay individual income tax at the rate of 20% on behalf of the mainland individual investors. In respect of the dividends received by mainland securities investment funds that invest in the H Shares of the Company via the Shenzhen-Hong Kong Stock Connect, the Company will withhold individual income tax in the same way as the foregoing requirements. In respect of the dividends received by mainland enterprise investors that invest in the H Shares of the Company via the Shenzhen-Hong Kong Stock Connect, the Company will not withhold any income tax of dividends for mainland enterprise investors and the mainland corporate investors shall report and pay the relevant tax themselves.

The record date and the distribution date of dividends and other arrangements for the investors of Shenzhen Southbound Trading will be the same as those for the H Shareholders of the Company.

As the Company is yet to confirm the date of convening the 2024 annual general meeting, the record date(s) and the period(s) for closure of register for determining the eligibility to attend and vote at the 2024 annual general meeting and the entitlement to the final dividend, the Company will announce such information in due course upon confirmation. The dividend distribution proposal is subject to the approval by the shareholders at the upcoming 2024 annual general meeting. The circular of the 2024 annual general meeting of the Company, containing details of the period of the closure and procedures of the register of members, will be published and despatched to shareholders of the Company in due course.

## ENVIRONMENTAL PROTECTION POLICIES

The Group carries out its social responsibility seriously and puts more emphasis on environmental protection work. In particular, the Group strictly implements the requirements of environmental protection and monitored environmental index, in order to standardize the management of operation and maintenance of environmental facilities, and improve the operation rate and efficiency of environmental protection facilities. By adhering to the principles of safety and reliability, mature technology and cost-effectiveness, the Group continues to optimise and refine technical improvement, makes active arrangement and implementation, so as to ensure the environmental protection and improvement goes as planned and reaches the expected target. Leveraging on the energy efficiency and environmental protection feature of the equipment, the Group has built the red-line awareness of environmental protection and achieved the key indicators for reduction of total emission of pollutants to ensure that the emission meets the requirement and strive to reduce the emission level.

In 2024, the Group continuously strengthened its management and control over the technological improvement of environmental protection, improved the monitoring platform construction of environmental protection and strengthened the real-time online monitoring of environmental protection.

As of the date of this report, all of the 102 coal-fired generating units of the Group met the ultra-low emission requirement.

## RELATIONSHIP WITH EMPLOYEES

The Group adheres to the concept of "identify talents through performance, select talents through competition and award talents through remuneration", continuously improves the rules and systems relating to human resources management, safeguards the interests of employees and constantly strengthens the training of talents so as to promote the common sustainable development of employees and enterprises. Meanwhile, the Group also strives to create a vibrant and comfortable working environment for employees so as to work together for the future, build a first-class team, and develop a first-class power generation enterprise.



## DIRECTORS' REPORT (CONTINUED)

### RETIREMENT PLANS

The Group is required to contribute to the retirement plans operated by the State at 16% of its staffs' gross salaries, subject to a maximum specified by national and local regulations. After reaching retirement age and handling retirement procedures, a member subscribed to the plan is entitled to receive pension from the State.

In addition, the Group's staff has participated in an enterprise annuity plan managed by the annuity council of China Huadian Corporation Limited ("China Huadian") to supplement the above-mentioned plan. According to the plan, employees are required to pay a certain amount as their personal savings for pension insurance based on their service periods in the Company and its subsidiaries, while the Company and its subsidiaries pay four times as much as the amount of employee contributions. The employees will receive the total contribution of the plan when retiring. The Group's total contribution to these plans amounted to approximately RMB412 million during the year of 2024, which is set out in note 39 to the consolidated financial statements prepared in accordance with IFRSs included in this annual report.

### EMPLOYEES' MEDICAL INSURANCE

During 2024, there was no change in employees' medical insurance policies of the Group as compared with that of 2023. The Group anticipates that implementation of the above medical insurance will not have any significant impact on the business operation and financial position of the Group. Apart from the above contributions, the Group is not required to pay any other medical expenses for its staff.

### PRE-EMPTIVE RIGHTS

Under the Articles of Association and the laws of the PRC, there was no rule relating to pre-emptive right in the Company which requires the Company to offer new shares to its existing shareholders in proportion to their respective shareholdings in the Company.

### SHARE CAPITAL

Details of the share capital of the Company for the year 2024 and as at 31 December 2024 are set out in the Company's statement of changes in equity in the financial statements prepared in accordance with IFRSs and note 37(b) to the consolidated financial statements prepared in accordance with IFRSs included in this annual report.

### MAJOR CUSTOMERS AND SUPPLIERS

The Group is committed to maintaining long-term close business cooperation with customers and suppliers, realizing friendly communication and win-win collaboration and establishing bidding and bargaining mechanism to adapt to market changes. For the financial year of 2024, details regarding the percentages of the Group's total sales and purchases attributable to its major customers and suppliers, respectively, are as follows:

	Approximate Percentage in the Group's Total	
	Sales	Purchases
The largest customer	28.90%	/
The five largest customers combined	58.77%	/
The largest supplier	/	11.51%
The five largest suppliers combined	/	34.09%

The five largest suppliers of the Company and its subsidiaries for 2024 were China Huadian Corporation Limited Fuel Branch (中國華電集團有限公司燃料分公司) (China Huadian as the ultimate controlling shareholder), Huadian Coal Industry Group Limited (華電煤業集團有限公司) (China Huadian as the ultimate controlling shareholder), PetroChina Company Limited, Shaanxi Coal Huazhong Coal Sales Co., Ltd. (陝煤華中煤炭銷售有限公司) and Jinneng Holdings Group Co., Ltd. (晉能控股集團有限公司), respectively. The total purchases from them accounted for approximately 34.09% of the total purchases of the Year. The largest supplier was Huadian Corporation Limited Fuel Branch (中國華電集團有限公司燃料分公司), the purchase from which accounted for approximately 11.51% of the total purchase of the Year.

The five largest customers of the Company and its subsidiaries for 2024 were State Grid Shandong Electric Power Company, State Grid Hubei Electric Power Co., Ltd., State Grid Anhui Electric Power Co., Ltd., State Grid Sichuan Electric Power Company and State Grid Hunan Electric Power Co., Ltd. The total sales to them accounted for approximately 58.77% of the total sales of the Year. The largest customer was State Grid Shandong Electric Power Company, and the sale to which accounted for approximately 28.90% of the total sales of the Year.

Save as disclosed above, none of the Directors, their close associates or substantial shareholders of the Company (each of which to the knowledge of the Directors owns 5% or more of the Company's share capital) had any interest in the five largest suppliers and customers of the Group at any time during the Year.

## DIRECTORS' REPORT (CONTINUED)

### SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

So far as the Directors of the Company are aware, each of the following persons, not being a Director, Supervisor, chief executive or member of the senior management of the Company, had an interest or short position as at 31 December 2024 in the Company's shares or underlying shares (as the case may be) which was disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or was otherwise interested in 5% or more of any class of the then issued share capital of the Company as at 31 December 2024, or was a substantial shareholder (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules")) of the Company as at 31 December 2024.

Name of shareholder	Class of shares	Number of shares held	Approximate percentage of the total number of shares of the Company in issue	Approximate percentage of the total number of A shares of the Company in issue	Approximate percentage of the total number of H shares of the Company in issue	Capacity
China Huadian	A shares	4,534,199,224(L)	44.33%	53.28%	–	Beneficial owner Interests in a controlled corporation
	H shares	85,862,000(L) <sup>Note</sup>	0.84%	–	5.00%	
Shandong Development & Investment Holding Group Co., Ltd.	A shares	664,865,346(L)	6.50%	7.81%	–	Beneficial owner
Pacific Asset Management Co., Ltd.	H shares	120,550,000(L)	1.18%	–	7.02%	Others

(L) = long position  
(S) = short position  
(P) = lending pool

Note 1: So far as the Directors of the Company are aware or are given to understand, these 85,862,000 H shares were held directly by China Huadian HongKong Company Limited, a wholly-owned subsidiary of China Huadian Overseas Investment Co., Ltd., which is in turn a wholly-owned subsidiary of China Huadian, through CCASS in the name of HKSCC Nominees Limited.

Note 2: Based on the Corporate Substantial Shareholder Notice filed by Pacific Asset Management Co., Ltd. with the Hong Kong Stock Exchange on 1 November 2024, Pacific Asset Management Co., Ltd. invested the shares as manager for and on behalf of Pacific Anxin Agricultural Insurance Co., Ltd., Pacific Health Insurance Co., Ltd. and a portfolio insurance asset management product.

Save as disclosed above and so far as the Directors are aware, as at 31 December 2024, no other person (other than the Directors, Supervisors, chief executive or members of senior management of the Company) had any interest or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company.

### SUFFICIENCY OF PUBLIC FLOAT

Up to the date of this report, the Company has maintained the prescribed public float under the Hong Kong Listing Rules and as agreed with the Hong Kong Stock Exchange, based on the information that is publicly available to the Company and within the knowledge of the Directors.

## DIRECTORS' REPORT (CONTINUED)

### DIRECTORS, SUPERVISORS, CHIEF EXECUTIVE AND SENIOR MANAGEMENT

The following table sets forth certain information concerning the Directors, Supervisors and senior management of the Company for the financial year ended 31 December 2024 and as of the date of this report. All Directors and Supervisors of the Company are currently serving a term of three years, renewable upon re-election and re-appointment every three years. The consecutive term of office of independent non-executive Directors however shall not exceed six years.

Name	Position in the Company	Changes
Dai Jun	Former Chairman, Former Executive Director	Resigned on 14 January 2025
Liu Lei	Chairman	Elected as an executive Director at the first extraordinary general meeting of the Company for 2025 held on 14 January 2025, elected as the Chairman at the seventeenth meeting of the tenth session of the Board of the Company held on 14 January 2025
Chen Bin	Vice Chairman, Executive Director, General Manager	Elected as the vice Chairman at the sixteenth meeting of the tenth session of the Board of the Company held on 20 December 2024
Zhu Peng	Vice Chairman, Non-executive Director	Elected as a non-executive Director at the second extraordinary general meeting of the Company for 2024 held on 5 September 2024 Elected as vice Chairman at the thirteenth meeting of the tenth session of the Board of the Company held on 5 September 2024
Zhao Bing	Former Vice Chairman, Former Non-executive Director	Resigned on 5 September 2024
Zhang Zhiqiang	Former Non-executive Director	Resigned on 26 March 2024
Li Qiangde	Former Non-executive Director	Resigned on 26 March 2024
Zhao Wei	Non-executive Director	Elected as a non-executive Director at the first extraordinary general meeting of the Company for 2024 held on 26 March 2024
Zeng Qinghua	Non-executive Director	Elected as a non-executive Director at the first extraordinary general meeting of the Company for 2024 held on 26 March 2024
Cao Min	Non-executive Director	Nil
Wang Xiaobo	Non-executive Director	Nil
Li Guoming	Executive Director, Chief Financial Officer	Nil
Feng Zhenping	Independent Non-executive Director	Nil
Li Xingchun	Independent Non-executive Director	Nil
Wang Yuesheng	Independent Non-executive Director	Nil
Shen Ling	Independent Non-executive Director	Nil
Liu Shujun	Chairman of the Supervisory Committee	Nil
Ma Jing'an	Supervisor	Nil
Tang Xiaoping	Employee Supervisor	Nil

## DIRECTORS' REPORT (CONTINUED)

Name	Position in the Company	Changes
Qin Jiehai	Secretary to the Board, Company Secretary, Former General Legal Counsel, Former Deputy General Manager	Resigned as the deputy general manager on 23 February 2024 Resigned as General Legal Counsel on 12 March 2024
Wu Yuejie	Former Deputy General Manager	Resigned as the deputy general manager on 11 October 2024
Li Kanyu	Deputy General Manager	Appointed as the deputy general manager at the seventeenth meeting of the tenth session of the Board of the Company held on 14 January 2025
Zhu Yueguang	Deputy General Manager	Appointed as the deputy general manager at the tenth meeting of the tenth session of the Board of the Company held on 1 August 2024
Gao Mingcheng	General Legal Counsel	Appointed as General Legal Counsel at the sixth meeting of the tenth session of the Board of the Company held on 26 March 2024

The Directors' and Supervisors' remunerations for the year ended 31 December 2024 are set out in note 12 to the consolidated financial statements prepared in accordance with IFRSs included in this annual report.

The biographical details of the incumbent Directors, Supervisors and members of senior management of the Company, including the particulars required under paragraph 12 of Appendix D2 to the Hong Kong Listing Rules (if applicable or appropriate), are set out on pages 14 to 18 in this annual report.

Each of the independent non-executive Directors has issued a confirmation in respect of the factors set out in Rule 3.13 of the Hong Kong Listing Rules concerning his independence. The Company considers all of the independent non-executive Directors are independent.

## POSITIONS OF DIRECTORS, SUPERVISORS, CHIEF EXECUTIVE OFFICER AND SENIOR MANAGEMENT IN SHAREHOLDERS ENTITIES

Name	Name of shareholder entities	Positions held in shareholder entities	Commencement of term of office
Dai Jun	China Huadian Corporation Limited	Former Deputy Chief Economist	July 2022
Liu Lei	China Huadian Corporation Limited	Deputy Chief Economist	December 2024
Zhao Bing	Shandong Development & Investment Holding Group Co., Ltd.	Former Deputy General Manager	May 2022
Cao Min	China Huadian Corporation Limited	Deputy Director of the Audit department	February 2019
Wang Xiaobo	Shandong Development & Investment Holding Group Co., Ltd.	Former Chief Capital Operation Expert	May 2020
		Former Head of the Capital Operation Department	August 2020
Liu Shujun	Shandong Development & Investment Holding Group Co., Ltd.	Researcher	October 2022



## DIRECTORS' REPORT (CONTINUED)

### SECURITIES INTERESTS OF DIRECTORS, SUPERVISORS, CHIEF EXECUTIVE OR MEMBERS OF SENIOR MANAGEMENT

As at 31 December 2024, none of the Directors, Supervisors, chief executive or members of senior management of the Company and their respective associates had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interest or short position which any such Director, Supervisor, chief executive or member of senior management of the Company was taken or deemed to have under such provisions of such sections of the SFO), or was required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) adopted by the Company (which for this purpose shall be deemed to apply to the Supervisors of the Company to the same extent as it applies to the Directors).

In 2024, the Company has adopted a code of conduct regarding transactions of the Directors and Supervisors in the Company's securities on terms identical to those of the Model Code. Having made specific enquiries of all Directors and Supervisors, the Company understands that all Directors and Supervisors have complied with the required standards set out in the Model Code.

### DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transaction, arrangement or contract of significance or proposed transaction, arrangement or contract of significance, to which the Company or any of its subsidiaries, and holding company and its subsidiaries was a party and in which a Director or Supervisor or their related entities (as defined in Article 486 of Hong Kong Companies Ordinance) had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the financial year. None of the Company or its subsidiaries had provided any loan or quasi-loan to any Director or other members of senior management of the Company.

### DIRECTORS' INTERESTS IN THE BUSINESS THAT COMPETES WITH THE COMPANY

None of our Directors has any interest in any business that competes or is likely to compete, either directly or indirectly, with the Company.

### PERMITTED INDEMNITY PROVISIONS

In 2024, the Company has purchased liability insurance for its Directors, Supervisors and members of senior management to provide appropriate guarantee to the Directors, Supervisors and members of senior management of the Company.

### SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with its all Directors and Supervisors. No Director or Supervisor of the Company has entered into any service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

## DIRECTORS' REPORT (CONTINUED)

### MANAGEMENT CONTRACT

In 2024, there was no management or administration contract in respect of all or substantial part of the Company's business.

### SIGNIFICANT EVENTS

#### Election of Vice Chairman

At the 16th meeting of the tenth session of the Board of the Company held on 20 December 2024, Mr. Chen Bin was elected as the Vice Chairman of the tenth session of the Board of the Company for a term commencing from the date of consideration and approval by the Board and ending on the expiry date of the term of the tenth session of the Board.

For details, please refer to the announcement of the Company dated 20 December 2024.

#### Change of Non-executive Directors

The first extraordinary general meeting of 2024 of the Company was held on 26 March 2024, and Mr. Zhao Wei and Mr. Zeng Qinghua were elected as the Non-executive Directors of the tenth session of the Board of the Company for a term commencing from the conclusion of the extraordinary general meeting and ending at the expiry of the term of the tenth session of the Board. Mr. Zhao Wei and Mr. Zeng Qinghua have confirmed that they understood their obligations as a director of a listed company and had obtained the legal advice as referred to in Rule 3.09D of the Hong Kong Listing Rules on 19 March 2024.

On 29 February 2024, Mr. Zhang Zhiqiang resigned as a Non-executive Director and a member of the Remuneration and Appraisal Committee of the tenth session of the Board of the Company; and Mr. Li Qiangde resigned as a Non-executive Director and a member of the Strategic Committee of the tenth session of the Board of the Company with effect from 26 March 2024, both due to reaching the retirement age. Mr. Zhang Zhiqiang and Mr. Li Qiangde have confirmed that they have no disagreement with the Board and there are no matters in relation to their resignations that need to be brought to the attention of the shareholders of the Company.

The second extraordinary general meeting of 2024 of the Company was held on 5 September 2024, and Mr. Zhu Peng was elected as a Non-executive Director of the tenth session of the Board of the Company for a term commencing from the conclusion of the extraordinary general meeting and ending at the expiry of the term of the tenth session of the Board. Mr. Zhu Peng has confirmed that he understood his obligations as a director of a listed company and had obtained the legal advice as referred to in Rule 3.09D of the Hong Kong Listing Rules on 5 September 2024.

At the 13th meeting of the tenth session of the Board of the Company held on 5 September 2024, Mr. Zhu Peng was elected as the Vice Chairman and a member of the Strategic Committee of the Company.

On 1 August 2024, Mr. Zhao Bing resigned as the Vice Chairman and a member of the Strategic Committee of the Board of the Company due to personal work adjustment with effect from 5 September 2024. Mr. Zhao Bing has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

For details, please refer to the announcements of the Company dated 29 February 2024, 26 March 2024, 1 August 2024 and 5 September 2024 and the circulars dated 29 February 2024 and 13 August 2024.

#### Appointment of Deputy General Manager

At the 10th meeting of the tenth session of the Board of the Company held on 1 August 2024, Mr. Zhu Yueguang was appointed as a deputy general manager of the Company.

For details, please refer to the announcement of the Company dated 1 August 2024.

## DIRECTORS' REPORT (CONTINUED)

### Appointment of General Counsel

The sixth meeting of the tenth session of the Board of the Company was held on 26 March 2024, and Mr. Gao Mingcheng was appointed as the general counsel of the Company.

On 12 March 2024, Mr. Qin Jiehai ceased to serve as the general counsel of the Company due to personal work adjustment.

For details, please refer to the announcement of the Company dated 26 March 2024.

### Changes in the Total Share Capital, the Registered Capital and Amendments to the Articles of Association and its Appendices

In order to implement (i) the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers (effective from 31 December 2023); (ii) the adjustments to the regulatory rules in Mainland China (including the repeal of the Mandatory Provisions for Articles of Association of Companies Listed Overseas 《到境外上市公司章程必備條款》) and the State Council's Special Regulations on Overseas Offering and Listing of Shares by Joint Stock Limited Companies 《國務院關於股份有限公司境外募集股份及上市的特別規定》) as well as the latest requirements of Guidelines for Articles of Association of Listed Companies 《上市公司章程指引》), the Management Measures for Independent Directors of Listed Companies 《上市公司獨立董事管理辦法》) and the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution by Listed Companies (2023 Revision) 《上市公司監管指引第3號—上市公司現金分紅(二零二三年修訂)》); and (iii) the relevant requirements of the Work Regulation on Grassroots Organization in State-owned Enterprises of the Communist Party of China (Trial) 《中國共產黨國有企業基層組織工作條例(試行)》), and in accordance with the conversion results of convertible corporate bonds, namely “Huadian Dingzhuan (華電定轉)”, issued by the Company, the Board proposed to amend the relevant provisions of the Articles of Association and its appendices, which form part of the Articles of Association.

As all of the “Huadian Dingzhuan (華電定轉)” have been converted into unrestricted outstanding shares of the Company, the total share capital of the Company has been changed from 9,893,709,553 shares to 10,227,561,133 shares accordingly. After the amended Articles of Association has been approved by the shareholders at the general meeting and become effective and the applicable registration and filing procedures under the PRC laws have been completed, the total registered capital of the Company is changed to RMB10,227,561,133.

For details, please refer to the announcement of the Company dated 26 April 2024.

### Purchase of Assets by Share Issuance and Cash Payment and Raising Ancillary Funds

On 1 August 2024, the Company entered into the Asset Purchase Agreement I with China Huadian, pursuant to which, the Company conditionally agreed to purchase its 80% equity interests in Jiangsu Huadian Energy Co., Ltd. (華電江蘇能源有限公司) by way of issuance of shares or a combination of issuance of shares and cash payments. The Company entered into the Asset Purchase Agreement II with Fujian Huadian Furui Energy Development Co., Ltd. (福建華電福瑞能源發展有限公司) (“**Huadian Furui**”), pursuant to which, the Company conditionally agreed to purchase its 51% equity interests in Shanghai Huadian Fuxin Energy Co., Ltd. (上海華電福新能源有限公司), 100% equity interests in Shanghai Huadian Minhang Energy Co., Ltd. (上海華電閔行能源有限公司), 55.0007% equity interests in Guangzhou University City Huadian New Energy Company Limited (廣州大學城華電新能源有限公司), 55% equity interests in Huadian Fuxin Guangzhou Energy Co., Ltd. (華電福新廣州能源有限公司), 70% equity interests in Huadian Fuxin Jiangmen Energy Company Limited (華電福新江門能源有限公司), 100% equity interests in Huadian Fuxin Qingyuan Energy Company Limited (華電福新清遠能源有限公司) by way of cash payments; and the Company entered into the Asset Purchase Agreement III with China Huadian Group Beijing Energy Co., Ltd. (中國華電集團北京能源有限公司) (“**Huadian Beijing Company**”, formerly CHD Power Plant Operation Co., Ltd. (中國華電集團發電運營有限公司)), pursuant to which, the Company conditionally agreed to purchase its 100% equity interests in CHD Guigang Electric Power Co., Ltd. (中國華電集團貴港發電有限公司) by way of cash payments. Each of the above asset purchases constitutes the transaction as a whole and is being implemented simultaneously.

## DIRECTORS' REPORT (CONTINUED)

The Company proposed to issue new A Shares to no more than 35 (including 35) qualified target subscribers. The total amount of ancillary funds to be raised shall not exceed 100% of the consideration shares' amount and the number of new A Shares to be issued shall not exceed 30% of the total issued share capital of the Company upon the completion of the issuance of consideration shares. The number and price of new A Shares to be issued under the proposed issuance of A Shares will be determined in accordance with the relevant requirements of the China Securities Regulatory Commission (the "CSRC"). The proposed issuance of A Shares is conditional on the implementation of the transaction while the transaction is not conditional on the completion of the proposed issuance of A Shares.

On 30 October 2024, the Company entered into the supplemental agreements with each of China Huadian, Huadian Furui and Huadian Beijing Company, pursuant to which, the parties have determined the final consideration for the purchase of Target Assets I, Target Assets II and Target Assets III at RMB3,428.3 million, RMB1,900.6 million and RMB1,997.7 million (inclusive of RMB160.0 million paid into the capital reserves of CHD Guigang Electric Power Co., Ltd. by Huadian Beijing Company), respectively. The consideration for Target Assets II and Target Assets III is subject to an increase of not exceeding RMB250.0 million and RMB190.0 million, respectively, to reflect the amounts that may be paid respectively by Huadian Furui and Huadian Beijing Company into the registered paid-up capital/capital reserves of Target Companies II and CHD Guigang Electric Power Co., Ltd. during the transition period. All of the consideration for Target Assets I will be settled by issuance of consideration shares and the rest of the consideration for the transaction will be settled by cash.

The Company proposed to issue new A Shares to no more than 35 (including 35) qualified target subscribers. The total amount of ancillary funds to be raised shall not exceed RMB3,428.0 million (being 100% of the consideration shares' total value, rounded down to the nearest million RMB) and the number of new A Shares to be issued shall not exceed 30% of the total issued share capital of the Company upon the completion of the issuance of consideration shares. The number and price of new A Shares to be issued under the proposed issuance of A Shares will be determined in accordance with the relevant requirements of the CSRC.

As one or more of the applicable percentage ratios in respect of the transaction in accordance with the Hong Kong Listing Rules exceed 25% but are less than 100%, the transaction constitutes a major transaction of the Company which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules. As at the date of this annual report, China Huadian is the controlling shareholder of the Company, and Huadian Furui and Huadian Beijing Company are subsidiaries of China Huadian, and are its associates. Therefore, the sellers are connected persons of the Company. Accordingly, the transaction constitutes a connected transaction of the Company under the Hong Kong Listing Rules and is subject to the report, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. The new A Shares under the proposed issuance of A Shares will be issued pursuant to the specific mandates to be sought from the independent shareholders at the extraordinary general meeting.

China Huadian directly and indirectly holds in aggregate 4,534,199,224 A Shares and 85,862,000 H Shares (held via China Huadian HongKong Company Limited (中國華電香港有限公司), a wholly-owned subsidiary of China Huadian Overseas Investment Co., Ltd., which is in turn wholly-owned by China Huadian), representing approximately 45.17% of the total issued share capital of the Company. Upon completion of the transaction, China Huadian will directly and indirectly hold 5,213,062,481 A Shares and 85,862,000 H shares respectively, representing approximately 48.59% of the total number of the issued shares as increased by the issuance of the consideration shares (assuming there is no other change in the issued share capital of the Company). As such, under Rule 26.1 of the Takeovers Code, the transaction will give rise to an obligation on the part of China Huadian to make a mandatory general offer to the shareholders for all the issued shares and other securities of the Company not already owned or agreed to be acquired by it or parties acting in concert with it, unless the whitewash waiver is obtained from the Securities and Futures Commission of Hong Kong ("HKSF"). China Huadian made an application to HKSF for the whitewash waiver in respect of the transaction pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code.

The fourth extraordinary general meeting of 2024 of the Company was held on 27 November 2024, and the resolution in relation to such subject matter had been duly passed. HKSF had granted the whitewash waiver on 26 November 2024, subject to the fulfilment of the conditions set out therein.

For details, please refer to the announcements of the Company dated 18 July 2024, 25 July 2024, 1 August 2024, 30 August 2024, 27 September 2024, 25 October 2024, 30 October 2024 and 27 November 2024 and the circular dated 8 November 2024.



## DIRECTORS' REPORT (CONTINUED)

### Quasi-REITs Project of Hubei Company

The Company issued directed asset-backed notes (quasi-REITs) in the interbank market with the assets of Jiangling Company as the underlying assets (the “**Special Scheme**”). Hubei Company, Huadian Hubei Energy Sales Limited Liability Company (華電湖北能源銷售有限公司) (“**Energy Sales Company**”) and Huadian Jintai (Beijing) Investment Fund Management Co., Ltd (華電金泰(北京)投資基金管理有限公司) (“**Huadian Jintai**”) entered into a partnership agreement. Such agreement was considered and approved at the 14th meeting of the tenth session of the Board of the Company on 15 October 2024, and its signing had been completed on 15 November 2024. Pursuant to the agreement, Hubei Company, Energy Sales Company and Huadian Jintai will jointly establish a limited partnership, of which Hubei Company will contribute approximately RMB794 million as to approximately 20% of the limited partnership share, and Energy Sales Company will contribute approximately RMB1 million.

Hubei Company and Jiangling Company entered into a trust contract with China Fortune International Trust Co., Ltd. (“**Fortune Trust**”) separately. Pursuant to the arrangement under the trust contract, Fortune Trust is entrusted by the limited partnership to set up a service trust and provide trustee services, and is entrusted by Hubei Company and Jiangling Company to set up a service trust and provide trustee services and products, and receive a remuneration for its trustee services.

Huadian Jintai and Fortune Trust are both subsidiaries of China Huadian, the controlling shareholder of the Company, which directly and indirectly holds approximately 45.17% of the total issued share capital of the Company as at the date of this annual report, and are therefore connected persons of the Company. The transactions contemplated under the partnership agreement and the trust contract therefore constitute connected transactions under Chapter 14A of the Hong Kong Listing Rules. As the maximum applicable percentage ratios (as defined in the Hong Kong Listing Rules) in respect of the transactions contemplated under the partnership agreement and the trust contract exceed 0.1% but are less than 5%, the transactions are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

For details, please refer to the announcements of the Company dated 15 October 2024 and 4 November 2024.

## DIRECTORS' REPORT (CONTINUED)

### SUBSEQUENT EVENTS

#### Change of Executive Director and Chairman

The first extraordinary general meeting of 2025 of the Company was held on 14 January 2025, and Mr. Liu Lei was elected as an Executive Director of the tenth session of the Board of the Company for a term commencing from the conclusion of the extraordinary general meeting and ending at the expiry of the term of the tenth session of the Board. Mr. Liu Lei has confirmed that he understood his obligations as a director of a listed company and had obtained the legal advice as referred to in Rule 3.09D of the Hong Kong Listing Rules on 14 January 2025.

At the 17th meeting of the tenth session of the Board of the Company held on 14 January 2025, Mr. Liu Lei was elected as the Chairman and the chairman of the Strategic Committee of the Company.

On 18 December 2024, Mr. Dai Jun resigned as the Chairman and the chairman of the Strategic Committee of the Board of the Company with effect from 14 January 2025, due to reaching the retirement age. Mr. Dai Jun has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

For details, please refer to the announcements of the Company dated 18 December 2024, 20 December 2024 and 14 January 2025.

#### Appointment of Deputy General Manager

At the 17th meeting of the tenth session of the Board of the Company held on 14 January 2025, Mr. Li Kanyu was appointed as a deputy general manager of the Company.

For details, please refer to the announcement of the Company dated 14 January 2025.

## DIRECTORS' REPORT (CONTINUED)

### CONNECTED TRANSACTIONS

Pursuant to requirements of the Hong Kong Listing Rules, the connected transactions conducted by the Group for the year ended 31 December 2024 are as follows:

### CONNECTED TRANSACTIONS

#### Purchase of Assets by Share Issuance and Cash Payment and Raising Ancillary Funds

Please refer to "Directors' Report – Significant Events – 6. Purchase of Assets by Share Issuance and Cash Payment and Raising Ancillary Funds" of this annual report.

#### Establishment of Limited Partnership and Entering of Trust Agreement

Please refer to "Directors' Report – Significant Events – 7. Quasi-REITs Project of Hubei Company" of this annual report.

### CONTINUING CONNECTED TRANSACTIONS

#### Fuel, Equipment and Services Purchase (Supply) Framework Agreement with China Huadian

On 11 September 2023, the Company and China Huadian entered into the Purchase (Supply) of Fuel, Equipment and Services Framework Agreement to renew the original fuel, equipment and services purchase (supply) framework agreement with a term of three years from 1 January 2024 to 31 December 2026. Pursuant to the agreement, the annual cap for the purchase of fuel by the Group from China Huadian is RMB18,000 million, the annual cap for the procurement of engineering equipment, products and services by the Group from China Huadian and its subsidiaries is RMB8,000 million and the annual cap for the sale of fuel and the provision of relevant services to China Huadian by the Group is RMB13,000 million.

China Huadian is the controlling shareholder of the Company and therefore is a connected person of the Company. Therefore, the transactions contemplated under the existing fuel, equipment and services purchase (supply) framework agreement constitute continuing connected transactions of the Company. As the highest applicable percentage ratios in respect of the annual cap for the fuel purchase under the existing fuel, equipment and services purchase (supply) framework agreement exceed 5%, the annual cap is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

In 2024, the total actual amount of purchase of fuel by the Group from China Huadian was approximately RMB15,723 million; the total actual amount of procurement of engineering equipment, products and services by the Group from China Huadian and its subsidiaries was approximately RMB2,217 million, and the total actual amount of the sale of fuel and the provision of services to China Huadian by the Group was approximately RMB8,460 million, neither of which exceeded the annual cap for the transactions.

For details, please see the announcements of the Company dated 30 August 2023 and 11 September 2023 and the circular dated 24 November 2021.

## DIRECTORS' REPORT (CONTINUED)

### Financial Services Framework Agreement with China Huadian Finance Corporation Limited ("Huadian Finance")

On 26 October 2021, the Company signed the Financial Services Framework Agreement with Huadian Finance for a term of three years commencing from 1 January 2022 to 31 December 2024, pursuant to which Huadian Finance shall provide financial services including deposit services, loan services, settlement services and other financial services to the Company. Pursuant to the Financial Services Framework Agreement, the maximum daily balance of the deposits placed by the Company with Huadian Finance is RMB9,000 million and shall not be more than the average daily loan balance from Huadian Finance to the Company.

On 22 August 2024, the Company renewed the Financial Services Framework Agreement between Huadian Power International Corporation Limited and China Huadian Finance Corporation Limited with Huadian Finance to renew the existing financial services framework agreement. The service period as stipulated in the agreement is three years, commencing from 1 January 2025 to 31 December 2027, pursuant to which Huadian Finance shall provide financial services including deposit, comprehensive credit granting, settlement services and other financial services to the Company. Pursuant to the Financial Services Agreement, (i) the maximum daily balance of the deposits placed by the Company with Huadian Finance shall not exceed RMB12,000 million and shall not be more than the daily financing balance from Huadian Finance to the Company; (ii) the amount of the total annual comprehensive credit granting provided by Huadian Finance to the Company shall not be more than RMB45 billion, of which loans shall not be more than RMB25 billion; (iii) the fees charged by Huadian Finance for the provision of other financial services shall comply with the charging standards promulgated by the People's Bank of China or prescribed by regulatory authorities such as National Financial Regulatory Administration (if applicable), which shall not be higher than 0.4% per year and not higher than the rate for the same type of other financial services by Huadian Finance to other member companies of China Huadian; (iv) the relevant settlement fees in relation to settlement business services provided by Huadian Finance shall be borne by Huadian Finance.

Huadian Finance is 46.85% owned by China Huadian, which is a controlling shareholder of the Company. Therefore, Huadian Finance is an associate of China Huadian and a connected person of the Company under the Hong Kong Listing Rules.

With regard to deposit services under the financial services framework agreement, as one or more of the applicable percentage ratios in relation to the maximum daily balance of the deposits of the deposit services under the Financial Services Framework Agreement, i.e. RMB9,000 million, exceed 5% but are less than 25%, the transaction involving the provision of deposit services to the Group by Huadian Finance constitutes a discloseable transaction and non-exempt continuing connected transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules and the reporting, announcement and independent shareholders' approval requirements under Chapter 14A. The independent shareholders have approved the transaction and relevant annual caps.

With regard to settlement services and other financial services under the Financial Services Framework Agreement, since the amount of the settlement services and other financial services under the Financial Services Framework Agreement will continue to be very small, they fall within the de minimis threshold as stipulated under Rule 14A.76(1) of the Hong Kong Listing Rules, thus such transactions are fully exempt continuing connected transactions under the Hong Kong Listing Rules. The Company will monitor the transaction amounts of such financial services and will comply with relevant requirements under the Hong Kong Listing Rules as and when required.

In respect of the provision of comprehensive credit granting services under the Financial Services Framework Agreement, since the fees charged by Huadian Finance for the services provided to the Group are not higher than those charged by other commercial banks and financial institutions in the PRC for the same services, the transactions involving the provision of financial assistance by Huadian Finance to the Group are on normal commercial terms or better to the Group, and no security over the Group's assets is granted in respect of the financial assistance. Such comprehensive credit granting services are fully exempt continuing connected transactions under Rule 14A.90 of the Hong Kong Listing Rules.

In 2024, the maximum daily balance of the deposits of the Company with Huadian Finance is RMB8.746 billion, which did not exceed the aforesaid agreement and met the relevant provisions of the agreement.

For details, please see the announcements of the Company dated 26 October 2021 and 22 August 2024 and the circulars dated 24 November 2021 and 8 October 2024.



## DIRECTORS' REPORT (CONTINUED)

### Coal Purchase Framework Agreement with Yankuang Energy Group Company Limited ("Yankuang Energy")

On 28 October 2022, the Company signed the Coal Purchase Framework Agreement with Yankuang Energy for a term of three years commencing from 1 January 2023 to 31 December 2025, pursuant to which, the maximum amount of purchase of coal by the Group from Yankuang Energy each year was RMB8,000 million.

As Yankuang Energy is a major shareholder of a non-wholly-owned subsidiary of the Company, it is a connected person of the Company at the subsidiary level pursuant to the Hong Kong Listing Rules. As the Directors approved the transactions under the proposed coal purchase framework agreement, and the independent non-executive Directors confirmed that the terms of such transactions were fair and reasonable, on normal commercial terms, and in the interests of the Company and its shareholders as a whole, pursuant to Rule 14A.101 of the Hong Kong Listing Rules, the transactions contemplated under the agreement were exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

In view of the long-term relationship between the Group and Yankuang Energy, the Company believes that it is beneficial to renew the proposed coal purchase framework agreement, as the transactions promote the growth of the Group's main business, provide a good working environment for the Group, and will continue to promote the business operation and growth of the Group.

In 2024, the total actual amount of purchase of coal by the Group from Yankuang Energy was approximately RMB2,768 million, which did not exceed the annual cap specified in the agreement and met the relevant provisions of the agreement.

For details, please see the announcement of the Company dated 28 October 2022.

### Finance Lease Framework Agreement with Huadian Financial Leasing Co., Ltd. ("Huadian Financial Leasing")

On 30 August 2023, the Company entered into the Finance Lease Service Framework Agreement with Huadian Financial Leasing to renew the original finance lease framework agreement, with no change in the annual caps on the amount of each type of transaction, with a term from 1 January 2024 to 31 December 2026. The daily financing balance of the lease shall not exceed RMB6.0 billion. For the purpose of the Hong Kong Listing Rules, the direct lease constitutes "acquisition", while the sale and leaseback constitutes "disposal". In accordance with the requirements of the Hong Kong Listing Rules, the maximum annual amount of total value of right-of-use assets under direct lease and the maximum annual transaction amount of sale and leaseback for the three years ending 31 December 2026 are set at RMB1,500 million and RMB500 million, respectively.

On 22 August 2024, the Company entered into the Supplementary Agreement to the Finance Lease Service Framework Agreement between Huadian Power International Corporation Limited and Huadian Financial Leasing Company Limited with Huadian Financial Leasing to adjust the annual cap for 2025-2026 direct lease under the existing finance lease service framework agreement to RMB2,000 million from RMB1,500 million, and that for sale and leaseback to RMB2,000 million from RMB500 million. Save for the aforesaid amendment, the terms of the existing finance lease service framework agreement remained unchanged.

Huadian Financial Leasing is a subsidiary of China Huadian, the controlling shareholder of the Company, and thus a connected person of the Company under the Hong Kong Listing Rules. The connected transactions under the Finance Lease Framework Agreement will be carried out on a continuing or recurring basis in the ordinary and usual course of business of the Group and accordingly constitute continuing connected transactions of the Company under the Hong Kong Listing Rules. As one or more of the percentage ratios in respect of the transactions under the Finance Lease Framework Agreement exceed 0.1% but are less than 5%, such transactions are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules. However, such transactions are subject to the approval by the independent shareholders at the general meeting of the Company pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the "**Shanghai Listing Rules**"). The transactions have been approved by the independent shareholders.

## DIRECTORS' REPORT (CONTINUED)

The total value of the right-of-use assets under direct lease incurred was RMB5 million and the amount of sale and leaseback was RMB120 million for the period from 1 January 2024 to 31 December 2024. As of 31 December 2024, the financing balance obtained by the Group from Huadian Financial Leasing was RMB516 million. The above amounts did not exceed the cap as agreed in the agreement and satisfied the relevant provisions in the agreement.

For details, please see the announcements of the Company dated 30 August 2023 and 22 August 2024.

### **Commercial Factoring Services Framework Agreement with Huadian Commercial Factoring (Tianjin) Co., Ltd. ("Huadian Factoring")**

On 26 October 2021, the Company entered into the Commercial Factoring Services Framework Agreement with Huadian Factoring for a term of three years commencing from 1 January 2022 to 31 December 2024. The agreed annual cap for carrying out the factoring business with Huadian Factoring was RMB7,500 million.

On 22 August 2024, the Company renewed the Commercial Factoring Services Framework Agreement between Huadian Power International Corporation Limited and Huadian Commercial Factoring (Tianjin) Co., Ltd. with Huadian Factoring to renew the existing commercial factoring services framework agreement. The service period as stipulated in the agreement is three years, commencing from 1 January 2025 to 31 December 2027. The agreed annual cap for carrying out the factoring business with Huadian Factoring was RMB7,500 million.

China Huadian is a controlling shareholder of the Company and holds directly and indirectly approximately 45.17% of the total issued share capital of the Company. Huadian Factoring is a wholly-owned subsidiary of China Huadian and therefore is a connected person of the Company. Therefore, the execution of the Commercial Factoring Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) of the transactions contemplated under the commercial factoring services framework agreement exceed 5%, the commercial factoring services framework agreement and the transactions contemplated thereunder are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

In addition, as one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) of the transactions under the commercial factoring services framework agreement exceed 5% but are less than 25%, the commercial factoring services framework agreement and the transactions contemplated thereunder constitute discloseable transactions pursuant to Chapter 14 of the Hong Kong Listing Rules, and are subject to the reporting and announcement requirements, but are exempt from the shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

In 2024, the amount of the aforesaid factoring business was RMB3,426 million, which did not exceed the annual cap specified in the agreement and met the relevant provisions of the agreement.

For details, please see the announcements of the Company dated 26 October 2021 and 22 August 2024 and the circulars dated 24 November 2021 and 8 October 2024.

The Company has engaged external auditors to report on the Group's aforesaid continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditors' Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have submitted an unqualified letter containing their conclusions in respect of the continuing connected transactions set out above to the Board of the Company in accordance with Rule 14A.56 of the Hong Kong Listing Rules.

## DIRECTORS' REPORT (CONTINUED)

The auditors of the Company confirmed that these continuing connected transactions:

- (1) had been approved by the Board of the Company and/or at general meetings;
- (2) were carried out in accordance with the pricing policies of the Company, if the transactions involve the provision of goods or services by the Group;
- (3) were entered into in accordance with the relevant agreements governing these transactions; and
- (4) did not exceed the caps as disclosed in previous announcements.

The Company's independent non-executive Directors have reviewed the continuing connected transactions set out above and confirmed that:

- (1) these transactions were entered into in the ordinary and usual course of the business of the Group;
- (2) these transactions were under normal commercial terms or more favourable terms; and
- (3) these transactions were conducted under agreed terms of relevant transactions which are fair and reasonable and in the interests of the Group and its shareholders as a whole.

In respect of the Company's material related party transactions set out in note 38 to the consolidated financial statements prepared in accordance with IFRSs, to the extent that it constitutes the connected transaction and/or continuing connected transaction of the Company under the Hong Kong listing Rules that apply to it, the Company confirms that it has complied with the relevant requirements under the Hong Kong Listing Rules (if applicable).

Save as disclosed above, the material related party transactions of Company set out in note 38 to the consolidated financial statements prepared in accordance with IFRSs do not constitute connected transactions of the Company under the Hong Kong Listing Rules.

## ISSUE OF DEBENTURES

In 2024, in order to meet its operational needs, the Group has successfully issued three tranches of super & short-term commercial papers at a par value of RMB4 billion and the interest rate was 1.7%-1.94% per annum. The Group has successfully issued ten tranches of medium-term notes at a par value of RMB15.1 billion and the interest rate was 1.83%-2.2% per annum. For details, please see note 31(f) to the consolidated financial statements prepared in accordance with IFRSs included in this annual report.

## ISSUE OF EQUITY FINANCING INSTRUMENTS

In 2024, in order to meet its operational needs, the Company has successfully issued one tranche of perpetual capital securities at a total par value of RMB2 billion. For details, please see note 37(e) to the consolidated financial statements prepared in accordance with IFRSs included in this annual report.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the financial year of 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its issued securities ("securities" having the meaning as ascribed thereto under paragraph 1 of Appendix D2 to the Hong Kong Listing Rules).

## DIRECTORS' REPORT (CONTINUED)

### FINANCIAL SUMMARIES

Summaries of the results and the assets and liabilities of the Group for each of the five financial years ended 31 December 2024 prepared in accordance with IFRSs are set out on page 143. The Company is not aware of any matter taking place in the year ended 31 December 2024 that would be required to be disclosed under Rules 13.13 to 13.19 of the Hong Kong Listing Rules.

### BUSINESS REVIEW AND OUTLOOK

Description of the fair review of the Group's business, potential risks and countermeasures of the Group, material factors related to the performance and finance of the Group and the future development of the Group's business are set out in the sections headed "Business Review and Outlook" and "Management Discussion and Analysis" of this report.

### MATERIAL LITIGATION

As of 31 December 2024, some members of the Group were a party to certain litigations arising from the Group's ordinary course of business or acquisition of assets. The management of the Group believes that any possible legal liability which incurred or may incur from the aforesaid cases will have no material adverse effect on the financial position and operating results of the Group.

### DESIGNATED DEPOSITS AND OVERDUE TIME DEPOSITS

As at 31 December 2024, the Group's deposits placed with financial institutions or other parties did not include any designated or entrusted deposits, or any material overdue time deposits which could not be collected by the Group upon maturity.

### AUDIT COMMITTEE

The Company's Audit Committee has reviewed the annual results of the Group for 2024 and the financial statements prepared under IFRSs for the financial year ended 31 December 2024.

### AUDITORS

At the 2021 annual general meeting held on 29 June 2022, the Company appointed Baker Tilly China Certified Public Accountants (Special General Partnership) as domestic auditor and Baker Tilly Hong Kong Limited as international auditor. The respective term of service of Baker Tilly China Certified Public Accountants (Special General Partnership) and Baker Tilly Hong Kong Limited commenced from the approval date of the 2021 annual general meeting to the conclusion of 2022 annual general meeting.

At the 2022 annual general meeting held on 31 May 2023, the Company changed the domestic auditor from Baker Tilly China Certified Public Accountants (Special General Partnership) to ShineWing Certified Public Accountants (Special General Partnership), and changed the international auditor from Baker Tilly Hong Kong Limited to SHINEWING (HK) CPA Limited. The respective term of service of ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited commenced from the approval date of the 2022 annual general meeting up to the date of the 2023 annual general meeting.

At the 2023 annual general meeting held on 17 June 2024, the Company appointed ShineWing Certified Public Accountants (Special General Partnership) as domestic auditor and SHINEWING (HK) CPA Limited as international auditor. The respective term of service of ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited commenced from the approval date of the 2023 annual general meeting to the conclusion of 2024 annual general meeting.

Apart from these, there have been no other changes of auditors in the past three years.

By Order of the Board  
**Liu Lei**  
Chairman

Beijing, the PRC  
27 March 2025



# CORPORATE GOVERNANCE REPORT



The Company has always attached great importance to the corporate governance and continuously promoted management innovation. In strict compliance with the Company Law of the People's Republic of China (the "**Company Law**"), the Securities Law of the People's Republic of China, the Shanghai Listing Rules, the Hong Kong Listing Rules and relevant provisions promulgated by domestic and overseas securities regulatory institutions, the Company has improved its corporate governance structure, enhanced the level of its governance and endeavoured to achieve a harmonious development between the Company's growth and the interest of its shareholders.

The codes on corporate governance of the Company include, but not limited to, the following documents:

1. Articles of Association;
2. Rules of Procedures for General Meetings of Shareholders, Rules of Procedures for the Board of Directors and Rules of Procedures for the Supervisory Committee of the Company (as a part of the current Articles of Association);
3. Terms of Reference of the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategic Committee of the Board of the Company;
4. Working Requirements for Independent Directors;
5. Working Requirements for Secretary to the Board;
6. Working Rules for General Manager;
7. Code on the Company's Investment Projects;
8. the Company's Management Methods on Raised Proceeds;
9. the Company's Management Methods on External Guarantees;
10. the Company's Management Rules on Information Disclosure;

## CORPORATE GOVERNANCE REPORT (CONTINUED)

11. Management Rules on Investor Relations;
12. Code on Trading in Securities of the Company by Directors (Supervisors) of the Company;
13. Code on Trading in Securities of the Company by Employees of the Company;
14. Management Methods for Affairs of the Board of Directors;
15. Working Rules on Annual Report for the Audit Committee of the Board;
16. Working Rules on Annual Report for Independent Directors;
17. Management Rules on Connected Transactions; and
18. Insider Registration and Management Methods.

The Board is committed to the principles of corporate governance in order to achieve a prudent management and value enhancement for shareholders. Transparency, accountability and independence are enshrined under these principles.

The Board has reviewed the relevant requirements prescribed under the corporate governance codes adopted by the Company and its actual practices, and has taken the view that the corporate governance of the Company in 2024 has met the requirements under the code provisions in the Corporate Governance Code (the “CG Code”) as contained in Appendix C1 to the Hong Kong Listing Rules and there was no deviation from such provisions. In certain aspects, the corporate governance codes adopted by the Company are more stringent than the code provisions set out in the CG Code, the particulars of which are as follows:

- The Company has formulated the Code on Trading in Securities of Huadian Power International Corporation Limited\* by Directors (Supervisors) for the directors and supervisors and the Code on Trading in Securities of Huadian Power International Corporation Limited\* by Employees for all employees, which are on terms no less exacting than those set out in the Model Code set out in Appendix C3 to the Hong Kong Listing Rules.
- In addition to the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, the Company has established the Strategic Committee and stipulated the Terms of Reference of the Strategic Committee.
- In the financial year of 2024, a total of twelve Board meetings were held by the Company.
- The Audit Committee comprises five members, including two Non-executive Directors and three Independent Non-executive Directors.

## THE BOARD OF DIRECTORS

As an efficient leader of the Company, the Board is responsible for the leadership and supervision of the Company.

Directors as a whole are responsible for advancing activities of the Company through commanding and monitoring. We are of the opinion that all Directors can act on an objective basis and make decisions in the interest of the Company.

As at 31 December 2024, members of the Board are set out below:

Name	Position in the Company
Dai Jun	Chairman, Executive Director
Chen Bin	Vice Chairman, Executive Director, General Manager
Zhu Peng	Vice Chairman, Non-executive Director
Zhao Wei	Non-executive Director
Zeng Qinghua	Non-executive Director
Cao Min	Non-executive Director
Wang Xiaobo	Non-executive Director
Li Guoming	Executive Director, Chief Financial Officer
Feng Zhenping	Independent Non-executive Director
Li Xingchun	Independent Non-executive Director
Wang Yuesheng	Independent Non-executive Director
Shen Ling	Independent Non-executive Director



## CORPORATE GOVERNANCE REPORT (CONTINUED)

The biographical information of the Directors is detailed in the section headed “Directors, Supervisors and Senior Management” in this annual report. No Directors have any personal relationships (including material/relevant relationships in terms of finance, business, family or otherwise) with any other Directors or chief executive of the Company. Directors (including non-executive Directors) of each session serve a term of three years, renewable upon re-election and reappointment. The term of office for independent non-executive Directors is renewable with a limit of six years. A Director who is elected to fill a temporary vacancy shall be elected by the shareholders at the first general meeting following his/her election, and his/her term of office shall be terminated upon re-election of the Board. A Director who is elected for the first time shall report to the Board his/her position as director or other roles in other companies or entities upon his/her election, and such reporting of relevant interests is updated annually. In the event that the Board considers that a conflict of interest exists for a Director or any of his/her associates when considering any resolution, such Director shall report such interest and abstain from voting.

The independent non-executive Directors of the Company have submitted written confirmation of their independence as required by Rule 3.13 of the Hong Kong Listing Rules. The independent non-executive Directors of the Company have extensive expertise and experience. Among the nine non-executive Directors, four of them (representing no less than one-third of all Directors) are independent non-executive Directors. Among them, Director Shen Ling is an accounting professional, who plays an important role of check and balance and safeguards the interests of the shareholders and the Company as a whole. The Board is of the opinion that all independent non-executive Directors are able to deliver effective independent judgments under the independence guidelines set out in Rule 3.13 of the Hong Kong Listing Rules, and are independent in accordance with such guidelines.

To ensure compliance with the Board procedures and all applicable rules, each Director has access to advice and services of the Secretary to the Board. Directors are encouraged to enroll in comprehensive professional development courses and seminars relating to the Hong Kong Listing Rules, the Companies Ordinance/laws and corporate governance practices so that they can continuously update and further improve their relevant knowledge and skills. From time to time, the Directors are provided with written training materials to develop and refresh their professional skills.

The Directors of the Company received the following trainings with an emphasis related to the roles, functions and duties of a director of a listed company during the year ended 31 December 2024:

Name	Trainings <sup>(Note 1)</sup>
Dai Jun	A, B
Chen Bin	A, B
Zhao Bing	A, B
Zhu Peng	A, B
Zhang Zhiqiang <sup>(Note 2)</sup>	A
Li Qiangde <sup>(Note 2)</sup>	A
Zhao Wei	A, B
Zeng Qinghua	A, B
Cao Min	A
Wang Xiaobo	A, B
Li Guoming	A, B
Feng Zhenping	A, B
Li Xingchun	A, B
Wang Yuesheng	A, B
Shen Ling	A, B

Note 1:

- A: Read relevant listing rules, the general business or responsibilities of the directors and other relevant training materials and updates  
 B: Attend seminars and/or lectures

Note 2:

Mr. Zhang Zhiqiang and Mr. Li Qiangde ceased to be the Director of the Company with effect from 26 March 2024.

The current Company Secretaries have taken no less than 15 hours of relevant professional training for the year ended 31 December 2024.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### CHAIRMAN AND GENERAL MANAGER

To improve independence, accountability and responsibility, the positions of the Chairman and General Manager of the Company are assumed by different individuals. During the reporting period, the position of Chairman was served by Mr. Dai Jun (served as the Chairman since 26 August 2022), the position of General Manager was served by Mr. Chen Bin (served as the General Manager since 2 March 2023). As the legal representative of the Company, the Chairman presides over the Board, aiming to ensure that the Board acts in the best interest of the Company, operates effectively, duly fulfills its responsibilities and engages in discussion of important and appropriate matters, and to ensure Directors' access to accurate, timely and clear data. The Chairman appoints the Secretary to the Board to arrange for agenda of every Board meeting and consider any matter proposed by other Directors to be included in the agenda, thus ensuring that all Directors are properly briefed regarding matters discussed at the Board meeting and have the access to adequate and reliable data in due time. The Chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors.

The General Manager heads the management to take charge of daily operation of the Company. With the cooperation from other executive Directors and management team of each business department, the General Manager manages the business of the Company, including implementation of policies adopted by the Board and reporting to the Board in respect of the overall operation of the Company.

### THE MANAGEMENT

The Board and the management work separately and cooperate with each other in accordance with relevant requirements of the Company Law, the Articles of Association and the Working Rules for General Manager of the Company. The duties and responsibilities of the management include, but are not limited to, the following matters:

- (1) to preside over the production, operation and management of the Company, and to implement resolutions of the Board and report the work to the Board;
- (2) to formulate development plans, annual production and operation plans, annual financial budget, final account scheme, profit (after tax) distribution plan and loss recovery plan of the Company;
- (3) to implement the Company's annual business plans and investment schemes;
- (4) to formulate the scheme of the Company's internal management structure;
- (5) to formulate the Company's basic management system;
- (6) to formulate the Company's detailed regulations;
- (7) to propose the appointment or dismissal of the Company's deputy general managers and the chief financial officer;
- (8) to decide to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (9) to determine remuneration, welfare, bonus and penalties of employees of the Company and to determine appointment or dismissal of them;
- (10) to propose convening of extraordinary meetings of the board of directors;
- (11) to handle significant external business on behalf of the Company; and
- (12) to exercise other powers within the authorisation of Articles of Association and the Board.



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### BOARD MEETINGS

The Board shall convene at least four meetings annually, approximately one in each quarter. The Chairman of the Board should convene the Board meetings, ensure the Board's effective discharge of its duties in all aspects, schedule agenda of Board meetings and consider matters proposed by other Directors to be included in the agenda. The Board has arrangements in place to ensure that all Directors are given an opportunity to include matters in the agenda for regular Board meetings. 14 days' notice shall be given prior to the commencement of a regular meeting.

The Chairman of the Board shall convene an extraordinary meeting of the Board within 10 days in any of the following cases:

- (1) when proposed by the shareholders representing more than 10% voting rights;
- (2) when deemed as necessary by the Chairman of the Board;
- (3) when proposed jointly by more than one-third of the Directors;
- (4) when proposed jointly by more than one-half of the independent Directors;
- (5) when proposed by the Supervisory Committee; and
- (6) when proposed by the General Manager.

Notice of Board meetings and extraordinary Board meetings should be served on all Directors, either by facsimile, express mail, registered air mail, by hand or email.

If the time and venue for a regular meeting have been previously determined by the Board, no notice is necessary. Otherwise, the Chairman of the Board or relevant proposer shall inform the Secretary to the Board of the proposal and agenda of the meeting in writing, and the Secretary to the Board shall then dispatch a notice containing time, venue and agenda of the Board meeting to the Directors in a timely manner. However, each Director may waive his/her right for being served with the notice of the Board meeting prior or subsequent to the dispatch of the notice. The Secretary to the Board should also send a copy of the above-mentioned notice of the Board meeting to the Chairman of the Supervisory Committee prior to the meeting.

Each Director has one vote. The Board's resolutions shall be passed by a simple or two-thirds majority of the Directors in accordance with the provisions of relevant laws, regulations and the Articles of Association of the Company. A Director shall attend Board meetings in person. Regular or extraordinary Board meetings can be held by way of teleconference meeting or by virtue of similar telecommunication device. So long as the participating Directors can hear and communicate effectively with each other, all participating Directors are deemed to have participated in the meeting in person.

A Director shall appoint, in writing, another Director to attend the meeting on his/her behalf in case of unavailability of attendance. The scope of authorisation shall be specified in the authorisation letter. The Director attending the meeting on behalf of the entrusting Director shall only exercise the rights within the authorisation letter. Should a Director neither attend a Board meeting nor appoint another Director to attend on his/her behalf, such Director shall be deemed to have waived his/her voting rights at such meeting.

The Secretary to the Board shall prepare detailed minutes for the matters put to the Board meeting for consideration and resolutions passed, including any reserved or dissenting opinion expressed by the Directors. Within a reasonable period of time following the conclusion of the Board meeting, the Secretary to the Board shall dispatch to all Directors the draft and final minutes of Board meetings at which reserved or dissenting opinions are expressed by the Directors for comments and for records, respectively.

There has been a procedure agreed by the Board to enable Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the expense of the Company. The Board resolves to provide separate independent professional advice to Directors.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board accepts the proposal passed by written resolution instead of convening a Board meeting and such draft proposal shall be dispatched to each Director, either by hand, mail, telex, facsimile or email. Unless otherwise stipulated by applicable laws, regulations and/or relevant listing rules, a resolution shall come into effect without a Board meeting being convened when the number of Directors signing and consenting to the written resolution meets the quorum for the resolution as required by the laws, administrative regulations and the Articles of Association in connection therewith, and the signed resolution is returned to the Secretary to the Board by the aforesaid means.

Any written resolution not being executed by Directors in accordance with legal procedures, even opined by each Director by different means, shall not come into legal force as a resolution of the Board. Minutes of meetings of the Board and its committees shall be kept by the Secretary to the Board, and upon any Director's request to review, the Secretary to the Board shall produce to such Director the requested minutes within a reasonable period of time.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical Board meeting rather than a written resolution. Independent non-executive Directors who, and whose close associates, have no material interest in the transaction should be present at that Board meeting.

To ensure sound corporate governance, the Board has established the following committees: Audit Committee, Remuneration and Appraisal Committee, Nomination Committee and Strategic Committee, and specified their respective terms of reference in accordance with principles stipulated by laws, regulations and the CG Code. Relevant administrative departments set up by those special committees in the Company are responsible for the preparation of meeting documents while those special committees report to the Board.

The Board reports to the general meeting, and is also responsible for the completeness of financial data as well as the effectiveness of internal control system and risk management procedures of the Company. Besides, the Board shall bear the responsibility for the preparation of corporate financial statements, while the General Manager assumes duties of attaining business goals and attending to daily operations of the Company. Through regular reviews of functions of the General Manager and his/her authorised powers, the Board ensures the rationality of such arrangement. The Board also regularly reviews performances in relation to budget and business goals of operating departments, and retained various powers, including:

- (1) to convene general meetings and report its work to the general meetings;
- (2) to implement the resolutions passed at general meetings;
- (3) to decide the Company's business plans and investment schemes;
- (4) to formulate the Company's annual budget scheme and final account plan;
- (5) to formulate the Company's profit distribution plan and loss recovery plan;
- (6) to formulate proposals for increase or decrease of the Company's registered capital and for issue of corporate bonds or other securities, and listing plans;
- (7) to draw up plans for significant acquisition of the Company, repurchase of the Company's shares or for merger, division, dissolution and changing the form of the Company;
- (8) to determine external investments, acquisition and disposal of assets, assets pledge, entrusted asset management, connected transactions and external donations of the Company within the authorisation of the general meeting; and to decide on external guarantees matters other than those requiring approval of the shareholders at general meeting according to relevant laws, administrative regulations and the provisions of the Articles of Association;
- (9) to determine the establishment of the Company's internal management structure;
- (10) to appoint or dismiss the Company's General Manager and the Secretary to the Board, and pursuant to the General Manager's nominations, to appoint or dismiss senior management including the Deputy General Managers, financial officers, the chief engineer, the chief economist and the chief legal counsel of the Company and determine their remuneration, bonus and penalties;

## CORPORATE GOVERNANCE REPORT (CONTINUED)

- (11) to formulate the Company's basic management system to facilitate the development of legal governance;
- (12) to formulate proposed amendments to the Articles of Association;
- (13) to manage the information disclosure of the Company;
- (14) to propose at general meetings for the appointment or change of auditors providing audit services to the Company;
- (15) to hear the work report and inspect the work of the Company's General Manager; and
- (16) to exercise any other powers specified in relevant laws, administrative regulations or the Articles of Association and conferred by the shareholders at general meetings.

Except for the Board's resolutions in respect of the matters specified in the abovementioned items (6), (7), (12) and external guarantees which shall be passed by two-thirds majority of the Directors, the Board's resolutions in respect of any other aforesaid matters (of which external guarantees specified in item (8) shall also be passed by two-thirds or more of the directors present at the board meeting) may be passed by a simple majority. The Board mainly performed the following duties in respect of corporate governance in the reporting period:

- (1) to develop and review the Company's policies and practices on corporate governance;
- (2) to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- (3) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors of the Company;
- (4) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; and
- (5) to review the Company's compliance with CG Code and disclosure in the Corporate Governance Report in the annual report.

Twelve Board meetings were held by the Company in the financial year from 1 January 2024 to 31 December 2024, the attendance of each Director at which is set out as follows:

Name	Position in the Company	Number of meetings actually attended (excluding by proxy)/ number of meetings to attend
Dai Jun	Chairman, Executive Director	12/12
Chen Bin	Vice Chairman, Executive Director,	12/12
Zhu Peng	Vice Chairman, Non-executive Director	4/4
Zhao Bing	Former Vice Chairman, Former Non-executive Director	6/8
Zhang Zhiqiang	Former Non-executive Director	0/1
Li Qiangde	Former Non-executive Director	1/1
Zhao Wei	Non-executive Director	11/11
Zeng Qinghua	Non-executive Director	11/11
Cao Min	Non-executive Director	11/12
Wang Xiaobo	Non-executive Director	12/12
Li Guoming	Executive Director	12/12
Feng Zhenping	Independent Non-executive Director	11/12
Li Xingchun	Independent Non-executive Director	12/12
Wang Yuesheng	Independent Non-executive Director	11/12
Shen Ling	Independent Non-executive Director	12/12

## CORPORATE GOVERNANCE REPORT (CONTINUED)

One annual general meeting and four extraordinary general meetings were held by the Company in the financial year from 1 January 2024 to 31 December 2024, the attendance of each Director at which is set out as follows:

Name	Position in the Company	Number of meetings actually attended/number of meetings to attend
Dai Jun	Chairman, Executive Director	5/5
Chen Bin	Vice Chairman, Executive Director,	4/5
Zhu Peng	Vice Chairman, Non-executive Director	1/2
Zhao Bing	Former Vice Chairman, Former Non-executive Director	3/3
Zhang Zhiqiang	Former Non-executive Director	0/1
Li Qiangde	Former Non-executive Director	0/1
Zhao Wei	Non-executive Director	4/4
Zeng Qinghua	Non-executive Director	4/4
Cao Min	Non-executive Director	4/5
Wang Xiaobo	Non-executive Director	4/5
Li Guoming	Executive Director	5/5
Feng Zhenping	Independent Non-executive Director	4/5
Li Xingchun	Independent Non-executive Director	3/5
Wang Yuesheng	Independent Non-executive Director	3/5
Shen Ling	Independent Non-executive Director	4/5

**Note:** Mr. Zhang Zhiqiang, non-executive Director, Mr. Li Qiangde, non-executive Director, were unable to be present at the first extraordinary general meeting of 2024 of the Company held on 26 March 2024 due to personal business commitments; Ms. Cao Min, non-executive Director, Mr. Li Xingchun, independent non-executive Director, were unable to be present at the annual general meeting of 2023 of the Company held on 17 June 2024 due to personal business commitments; Mr. Feng Zhenping, independent non-executive Director was unable to be present at the second extraordinary general meeting of 2024 of the Company held on 5 September 2024 due to personal business commitments; Mr. Zhu Peng, non-executive Director, Mr. Chen Bin, executive Director, Mr. Wang Xiaobo, non-executive Director, Mr. Li Xingchun, independent non-executive Director and Ms. Shen Ling, independent non-executive Director were unable to be present at the fourth extraordinary general meeting of 2024 of the Company held on 27 November 2024 due to personal business commitments.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The Directors confirm that they are responsible for the preparation of the financial statements of the Group. Mr. Wang Chao was in charge of the accounting department. With the assistance of the accounting department, the Directors ensure that the financial statements of the Company are prepared in compliance with relevant laws, regulations and applicable accounting policies. The Directors also confirm that the financial statements of the Company will be published in due course. Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as going concern.

The reporting responsibility statement made by the Company's auditor in respect of the financial statements of the Company is set out in the Independent Auditor's Report of this annual report.

### SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the standards set out in the Model Code as the code of conduct regarding securities transactions by its Directors and Supervisors. Meanwhile, it formulated the "Code on Trading of the Company's Securities by Directors (Supervisors) of Huadian Power International Corporation Limited" which requires the Directors and Supervisors to sign, as early as the commencement of their term of office, a statement on share transaction undertaking that any share transaction by Directors and Supervisors and their associates will be reported to the Board and the Supervisory Committee. No securities transaction should be conducted by the Directors and Supervisors and/or their relevant persons or entities prior to a written consent being given with a specific date certifying compliance of the proposed transaction with the Hong Kong Listing Rules and Shanghai Listing Rules and the requirements regarding transactions of securities of listed companies by Directors and Supervisors as stipulated in the abovementioned codes.

After specific inquiries with all Directors and Supervisors, the Directors and Supervisors of the Company have complied with the relevant codes on securities transactions by Directors and Supervisors set out in the Model Code and the "Code on Trading of the Company's Securities by Directors (Supervisors) of Huadian Power International Corporation Limited" during the year ended 31 December 2024.



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### AUDIT COMMITTEE

In accordance with the Hong Kong Listing Rules, the Board set up the Audit Committee in August 1999. It comprises five members, including three independent non-executive Directors and two non-executive Directors. One of the five members is an independent non-executive director who is an accounting professional. In addition to carrying out duties in accordance with the Hong Kong Listing Rules and requirements stipulated in the “A Guide for Effective Operation of an Audit Committee” issued by Hong Kong Institute of Certified Public Accountants and the “Principle on Governance of Listed Companies” issued by the China Securities Regulatory Commission, the Audit Committee of the Board comprising such five members also formulated the “Working Rules for the Audit Committee of the Board of Directors of Huadian Power International Corporation Limited” by setting out the scope of their powers and functions in details.

The primary terms of reference of the Audit Committee include:

- (1) to make recommendations to the Board on the appointment, reappointment or replacement of the external auditor, and to review the remuneration and terms of engagement of the external auditor, and handle any matters relating to the resignation or dismissal of such auditor;
- (2) to review, monitor and assess the external auditor’s independence and objectivity as well as the effectiveness of the audit process, and to discuss with the auditor over issues relating to the nature and scope of the audit and relevant reporting obligations before the audit commences;
- (3) to formulate and implement policies on the provision of non-audit services by the external auditors, report to the Board making recommendations on any actions or matters for improvement as it deemed necessary, as well as the steps to be taken;
- (4) to act as the key representative body for the communication between the Company and the external auditor, and oversee their relationships;
- (5) to examine, monitor and supervise integrity of the Company’s financial statements and regular reports then express opinions on them, and to review any significant financial reporting judgements contained in them, to consider any significant or unusual matters that are, or may need to be, reflected in such reports and accounts, and to give due consideration to any matters that have been raised by the Company’s qualified accountants, auditors, and heads of the supervision, and to review the major judgements and decisions on financial reporting in such statements and reports;
- (6) to review the Company’s financial controls, internal control and risk management systems; to guide and supervise the formulation and implementation of the Company’s internal audit systems.

The terms of reference of the Audit Committee are published on the webpage of the Company at <http://www.hdpi.com.cn/>. During the reporting period, the Audit Committee of the Company is chaired by independent non-executive Director Ms. Shen Ling, and is comprised of members including non-executive Directors Ms. Cao Min and Mr. Wang Xiaobo, independent non-executive Directors Mr. Li Xingchun and Mr. Wang Yuesheng. They are responsible for the communication between the Company’s internal and external auditors, supervision and examination while giving advice to the Board on audit, risk management, internal control and corporate governance. In particular, Ms. Shen Ling is an accounting professional.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The Audit Committee held six meetings respectively on 26 March 2024, 26 April 2024, 1 August 2024, 21 August 2024, 15 October 2024 and 30 October 2024 with the average attendance rate of 100%. All of the Directors of the committee attended all of the meetings in person instead of by proxy.

During the reporting period, the Audit Committee considered and approved the financial reports of the Company for 2023, the resolution on the provision for impairment of assets for 2023, the resolution on continuing related party transactions of the Company, the resolution on the report on risk continuation assessment of related party transactions between Huadian Power International Corporation Limited and China Huadian Finance Corporation Limited, the resolution on the engagement of the auditors of the Company for 2024 in respect of the Company's financial reports and internal control and submission to the general meeting for consideration, the resolution on the 2023 assessment report on internal control, the resolution on the compliance with the relevant laws and regulations by the purchase of assets by share issuance and cash payment and raising ancillary funds and connected transaction of the Company, the resolution on the plan for the purchase of assets by share issuance and cash payment and raising ancillary funds and connected transaction of the Company, the resolution on the proposal for Huadian Power International Corporation Limited to purchase assets by share issuance and cash payment and raising ancillary funds and connected transaction and its summary, the resolution on the constitution of connected transaction by the purchase of assets by share issuance and cash payment and raising ancillary funds by the Company, the resolution on the purchase of assets by share issuance and cash payment and raising ancillary funds and connected transaction of the Company that are not expected to constitute a materiel asset restructuring and restructuring for listing, the resolution on the Company signing the agreement with preconditions, the resolution on the continuing connected transaction of the Company, the risk management plan in relation to the related party transaction with China Huadian Finance Corporation Limited, the report on risk continuation assessment of related party transactions with China Huadian Finance Corporation Limited, the resolution on the acquisition of 35% equity of Huadian Kazakhstan Energy Co., Ltd. (華電哈薩克斯坦能源有限公司), the resolution on the connected transaction involving issuance of REITs, the 2024 third quarter report of the Company, the resolution on the compliance with the relevant laws and regulations by the purchase of assets by share issuance and cash payment and raising ancillary funds and connected transaction, the resolution on the plan for the purchase of assets by share issuance and cash payment and raising ancillary funds and connected transaction, the resolution on the report for Huadian Power International Corporation Limited to purchase assets by share issuance and cash payment and raising ancillary funds and connected transaction (Draft) and its summary, the resolution on the constitution of connected transaction by the purchase of assets by share issuance and cash payment and raising ancillary funds, the resolution on the purchase of assets by share issuance and cash payment and raising ancillary funds and connected transaction that do not constitute a materiel asset restructuring and restructuring for listing, the resolution on the Company signing the agreement with preconditions, the resolution on the independence of the appraiser, the reasonableness of the appraisal assumptions, the correlation of the appraisal methods with the appraisal objectives and the fairness of the appraised value for the transaction, the resolution on the approval of the relevant review report, auditor's report and assets appraisal report of the transaction, the resolution on measures to make up for the dilution of current return as a result of the transaction.

The Audit Committee considered and approved the work of the Audit Department for the year 2023 and the work arrangement for 2024, the report on the work of the Audit Committee for the year 2023, the explanation for the review of the relevant financial information of the 2024 Interim Report, the list of related parties, the interim report on the work of the Audit Committee.

In respect of corporate governance, the Audit Committee has developed and reviewed the Company's policies and practices on corporate governance and made recommendations to the Board; reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements; developed, reviewed and monitored the code of conduct and compliance manual applicable to the Company's employees and Directors; and reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### RISK MANAGEMENT AND INTERNAL CONTROL

#### Main Features of the Risk Management and Internal Control Systems

The Board is responsible for the ongoing supervision on the Company's risk management and internal control systems. The Board has developed the Group's risk management and internal control systems and reviewed and confirmed that the Board bears the overall responsibility for the effectiveness of the Group's risk management and internal control systems to safeguard the interest of the shareholders and the assets of the Group. It reviews the effectiveness of the systems at least annually to ensure the adequacy of resources, staff qualifications and experience on accounting, internal audit, financial reporting functions and training programs received by staffs and budget of the Group.

The Company has established its special department to regularly review the adequacy and effectiveness of the Group's risk management and internal control systems, and the Audit Committee will review the work report and suggestions made by the such department on the effectiveness of the key control system.

The Company's risk management and internal control systems are designed to manage rather than eliminate risks, and can only provide reasonable but not absolute assurance against material misstatement or loss. We have employed a bottom-up approach to identify, assess and mitigate risk to the largest extent at all business unit levels and across functional areas.

#### Process Used to Identify, Evaluate and Manage Major Risks

The Company's risk management and internal control systems are mainly responsible for tracking and recording identified major risks, assessing and evaluating major risks, developing and continuing to update counter-measures, as well as continuing to test risk management and internal control procedures to ensure their effectiveness.

The Company has put in place appropriate policies and monitoring procedures to ensure that no asset will be used or disposed of without authorisation. The Company maintains reliable financial and accounting records in accordance with the relevant accounting standards and regulatory reporting regulations, and properly identifies and manages major risks which may affect the Company's performance, and reasonably ensures that the level of risk is within the acceptable scope of the Company.

#### Process Used to Review the Effectiveness of the Risk Management and Internal Control Systems and to Resolve Material Internal Control Defects

During the risk evaluation process, each business department and major subsidiaries which face risks are the first responsible persons to identify the major risks that have reached target. They should assess the residual risks and report to the management, the Audit Committee and the Board of the Company after considering the counter-measures against major risks.

The audit department of the Company carries out its work based on risks and defects. The audit department of the Company formulates the annual internal control evaluation work plan covering the Company's operation, business and finance and major procedures of its affiliated entities, and reports the evaluation findings to the management and the Board of the Company. The audit department of the Company urges relevant entities to rectify the internal control defects and reports the progress of rectification to the Audit Committee and the management on a regular basis.

The audit department of the Company reports the adequacy and effectiveness of its monitoring to the management, the Audit Committee and the Board of the Company.

The management of the Company, with assistance of the corporate legal department, the finance department, the audit department and other departments, is responsible for the design, implementation, supervision and evaluation of the risk management and internal control systems, and reports the effectiveness of risk management and internal control to the Audit Committee and the Board.

The Company has adopted various policies and procedures to evaluate and enhance the effectiveness of the risk management and internal control systems, including requiring the management to conduct assessment on a regular basis and control the risks at a level which is acceptable to the Company to ensure that the risk management and internal control systems of the Company operate effectively, which the Company believes will enhance the corporate governance in the future and improve the risk management and internal control capacities of the Company.

The Company has integrated risk management and internal control into its daily operations. The functional departments and affiliated entities of the Company continuously conduct risk assessment, formulate risk management strategies and risk counter-measures, assess residual risks and report risk events and counter-measures implemented to the relevant business management departments of the Company on a timely basis. The relevant business departments of the Company summarize the possibility and effect of risk events, analyze the effectiveness of its risk management and internal control strategies and counter-measures, and report to the management and the Board of the Company on a regular basis.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Procedures and Internal Control for the Handling and Dissemination of Inside Information

The Board has already established a policy on the procedures and internal control for the handling and dissemination of inside information. The policy stipulated the duty and responsibility of publishing inside information, restrictions on sharing nonpublic information, handling of rumours, unintentional selective disclosure, exemption and waiver from the disclosure of inside information, and also compliance and reporting procedures. Every senior management of the Company must take all reasonable measures to prevent the breach of the disclosure requirement in relation to the Company. They must promptly bring any possible leakage or divulgence of inside information to the attention of the management, who will notify the Board accordingly and take appropriate actions promptly. For any material violation of this policy, the Board will decide, or designate appropriate persons to decide the course of actions for rectifying the problem and avoiding reoccurrence.

In 2024, the effectiveness assessment on risk management and internal control of the Company and its subsidiaries was conducted using the "Internal Control and Risk Management-A Basic Framework" issued by Hong Kong Institute of Certified Public Accountants as guidance, and in accordance with requirements of the "Standard Regulations on Corporate Internal Control" jointly issued by five PRC ministries and commissions including the Ministry of Finance of the PRC, specifically covering various material aspects including operational control, finance control, compliance control and risk management. Based on the assessment results, the Audit Committee of the Board prepared the draft 2024 assessment report on internal control which was approved at the nineteenth meeting of the tenth session of the Board of the Company. The 2024 assessment report on internal control of the Board concluded that no material and important internal control defect was found from the assessment, and therefore confirmed that the Company has fully complied with provisions of risk management and internal control set out in the CG Code in 2024, and confirmed that the existing risk management and internal control systems of the Company were in line with the relevant PRC laws and requirements of securities regulators, and it could effectively perform the role of controlling and preventing in areas of major enterprise risks, serious management fraud and important procedures. The Board and the Audit Committee considered that the Company has adequate resources, staff qualifications and experience of employees in accounting and financial reporting, and that the relevant employees have received adequate trainings, and the Company has adequate budget. The Company handled and disseminated the inside information according to the information disclosure management system and the stipulated procedures to ensure that inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made after obtaining the appropriate approval.

In 2024, the Company has performed its duties in accordance with the latest requirements of Hong Kong Listing Rules on risk management and internal control of listed companies. The Board considers that the risk management and internal control systems of the Group in 2024 were effective and adequate.

### REMUNERATION AND APPRAISAL COMMITTEE

The Company has set up a Remuneration and Appraisal Committee. The Remuneration and Appraisal Committee is a specialised committee of the Board established under the resolution of the general meeting of the Company. It is responsible for studying the performance appraisal standards for the Directors and the senior management of the Company, performing appraisal and giving its advice. It is also responsible for research and review of the remuneration policy and scheme for the Directors and the senior management of the Company. The Remuneration and Appraisal Committee is accountable to the Board. It has reviewed the current remuneration policy and proposed to the Board to improve the remuneration policy and system. After each meeting, the Committee will report to the Board. None of the Directors shall participate in the determination of his/her own remuneration.

The primary terms of reference of the Remuneration and Appraisal Committee of the Board include:

- (1) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (2) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board;
- (3) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with contractual terms, and is otherwise fair and reasonable;
- (4) to supervise the execution of the Company's remuneration system;
- (5) to review duty performance by directors (independent non-executive directors) and senior management and carry out performance appraisal of them.

The terms of reference of the Remuneration and Appraisal Committee are published on the Company's webpage: <http://www.hdpi.com.cn/>. During the reporting period, the Remuneration and Appraisal Committee was chaired by independent non-executive Director Mr. Wang Yuesheng, and is comprised of members including non-executive Director Mr. Zeng Qinghua and Mr. Wang Xiaobo, independent non-executive Directors Mr. Li Xingchun and Ms. Shen Ling.

The Remuneration and Appraisal Committee held two meetings on 26 March 2024 and 21 August 2024 respectively. All Directors who were members of the Committee were present at all of the meetings in person instead of by proxy.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

During the reporting period, the Remuneration and Appraisal Committee considered and approved the resolution on the Work Plan on Tenure System and Contract-based Management of Management Members of Huadian Power International Corporation Limited.

The Remuneration and Appraisal Committee considered and approved the resolution on the plans for review and payment of annual salaries of the general manager and other senior management members for 2023, the work report of the Remuneration and Appraisal Committee for 2023 and the resolution on matters relating to the adjustment to the Work Plan on Tenure System and Contract-based Management of Management Members of the Company.

The Remuneration and Appraisal Committee reviewed and monitored the training and continuous professional development of Directors and senior management of the Company during the reporting period. The remuneration of the General Manager, the Chief Financial Officer and other senior management members of the Company were determined based on their calibre, education level and commitment to work with reference to the Company's results and profit, industry comparables and market conditions.

### ANNUAL SALARY SCHEME FOR THE DIRECTORS IN 2024

In order to provide the necessary safeguard for the accomplishment of the strategic development targets for the year 2024 and to ensure completion of the annual missions of the Board, the Company linked the annual salary scheme for the independent non-executive Directors with the annual operating performance of the Company with reference to the Company's actual circumstances. Except for the independent non-executive Directors, other directors will not receive any emoluments or allowances from the Company for their directorship in the Company.

### ANNUAL SALARY SCHEME FOR THE GENERAL MANAGER IN 2024

In order to provide the necessary safeguard for the accomplishment of the strategic development targets for the year 2024 and to ensure completion of the annual plans of the Company, the Company linked the annual salary scheme for the General Manager with the annual operating performance with reference to the Company's actual circumstances.

Based on the Company's development strategies, external environmental changes, annual performance results, salary level of employees and other factors, and with reference to the salary level of the listed peers and the Company's actual circumstances, the Remuneration and Appraisal Committee determined the annual salary plan for the General Manager of the Company in 2024 in line with principles such as integration of incentives and constraints, priority to efficiency while giving considerations to impartiality, and combination of material and ideological incentives, subject to the approval of the Board before implementation of such plan.

### MOTIVATION AND APPRAISAL METHODS FOR OTHER SENIOR MANAGEMENT IN 2024

In order to secure the accomplishment of the strategic development targets of the Company in 2024 and to ensure completion of the annual missions of the Board, the Remuneration and Appraisal Committee formulated the motivation and assessment methods for other senior management members (including the Deputy General Managers, Chief Financial Officer, Secretary to the Board and General Counsel) in 2024 with reference to the Company's actual circumstances, and the annual salary scheme for the General Manager, and in line with the performance-based and integration of incentives and constraints principles. The motivation and appraisal methods are carried out by the Remuneration and Appraisal Committee upon approval of the Board.

### EMPLOYEE REMUNERATION POLICY FOR THE GROUP

As of 31 December 2024, the total number of the Group's official staff amounted to 25,093. Consistently complying with State regulations, the Group determines the salary of the employees at various levels based on its economic benefits, and adheres to the concept of "identify talents through performance, select talents through competition and award talents through remuneration", thus establishing the objective, impartial, scientific and effective remuneration distribution mechanism and performance appraisal mechanism for its employees.

### ALLOWANCES OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company paid the allowance of RMB180,000 per annum to the independent non-executive Directors, namely, Mr. Feng Zhenping, Mr. Li Xingchun, Mr. Wang Yuesheng and Ms. Shen Ling in 2024.



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### REMUNERATION (ALLOWANCE) OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY IN 2024

Name	Position in the Company	Remuneration (allowance) (RMB'000)
Dai Jun	Chairman, Executive Director	—
Chen Bin	Vice Chairman, Executive Director, General Manager	100.81
Zhu Peng	Vice Chairman, Non-executive Director	—
Zhao Bing	Former Vice Chairman, Former Non-executive Director	—
Zhang Zhiqiang	Former Non-executive Director	—
Li Qiangde	Former Non-executive Director	—
Zhao Wei (Note 2)	Non-executive Director	—
Zeng Qinghua	Non-executive Director	—
Cao Min	Non-executive Director	—
Wang Xiaobo	Non-executive Director	—
Li Guoming	Executive Director, Chief Financial Officer	89.81
Feng Zhenping	Independent Non-executive Director	18
Li Xingchun	Independent Non-executive Director	18
Wang Yuesheng	Independent Non-executive Director	18
Shen Ling	Independent Non-executive Director	18
Liu Shujun	Chairman of the Supervisory Committee	—
Ma Jing'an	Supervisor	90.59
Tang Xiaoping (Note 2)	Employee Supervisor	82.95
Qin Jiehai	Secretary to the Board, Company Secretary, Former General Legal Counsel, Former Deputy General Manager	88.79
Wu Yuejie	Former Deputy General Manager	74.24
Zhu Yueguang	Deputy General Manager	43.06
Gao Mingcheng	General Legal Counsel	62.36

Note 1: Above remuneration (allowance) are all before individual income tax

Note 2: The emoluments received by Mr. Tang Xiaoping are the remunerations he received for serving as the deputy chief economist of the Company; the remunerations received by Mr. Zhao Wei from Huadian Power International Corporation Limited Hebei Branch (華電國際電力股份有限公司河北分公司) from April to December 2024 was RMB927,200.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### NOMINATION COMMITTEE

On 28 March 2012, the Company set up a Nomination Committee, which is a body specifically set up by the Board according to the resolution of the general meeting, and mainly responsible for making recommendations to the Board on the procedures, standards and qualifications of electing and appointing Directors and senior management of the Company.

In 2024, the Nomination Committee strictly implemented the nomination policy of the Company. The standards relating to the selection and recommendation of Director candidates include the Director's appropriate professional knowledge and background, personal ethics, as well as their time commitment. In order to achieve sustainable and balanced development, the Company will take into account many aspects concerning the diversity of members of the Board, including but not limited to gender, age, cultural and educational background, race, professional expertise, skills, knowledge and terms of service, when determining the composition of the Board. Based on the Company's existing business model and specific needs, the current composition of the Board satisfies the Board Diversity Policy in 2024.

If the term of office of the Board expires or the Board proposes to add new Directors or to fill vacancies of the Board, the Nomination Committee shall recommend to the Board the candidates. Upon being considered and approved by the Board, relevant proposals will be submitted at the general meeting for approval and then take effect. Other Director candidates other than the independent non-executive Director shall be nominated by the Board, the Supervisory Committee, shareholders individually or collectively holding over 3% of the total voting shares of the Company, and elected at the general meeting of the Company. The candidates for the independent non-executive Director of the Company shall be nominated by the Board, the Supervisory Committee of the Company, shareholders individually or collectively holding over 1% of the total voting shares of the Company, and elected at the general meeting of the Company.

The primary terms of reference of the Nomination Committee include:

- (1) to regularly review (at least once a year) the structure, size and composition (including skills, knowledge and experience) of the Board with a view to achieving diversity on the Board, provide a variety of perspectives and make recommendations on any proposed changes to the Board to complement the corporate strategy;
- (2) to study and make recommendations on the standards and procedures for selecting the directors and senior management, and extensively identify individuals qualified to become directors and senior management when appropriate, and examine and make recommendations on such candidates based on a variety of diverse criteria;
- (3) to verify the personal information of all the candidates for election or re-election of the directors and senior management, and submit the verification result and appointment recommendations to the Board or the general meeting for reference;
- (4) in case of resignation or removal of a director, to present the Board the reasons for such resignation or removal and other matters that need to be specified to shareholders; to conduct prior assessment on the skills, knowledge, experience and working background of the director candidates to be appointed to fill in a temporary vacancy based on a range of diversity criteria to achieve diversity on the Board with the skills to provide a variety of perspectives, and submit the assessment result to the general meeting for shareholders' reference after consideration and approval by the Board;
- (5) to assess the independence of the independent non-executive Director;
- (6) to formulate and review (at least once a year) the standards for establishing the special committees under the Board and provide proposed amendments to the Board when appropriate.

During the reporting period, the Nomination Committee of the Company is chaired by independent non-executive Director Mr. Feng Zhenping, and is comprised of members including executive Director Mr. Chen Bin, non-executive Director Mr. Wang Xiaobo, independent non-executive Directors Mr. Li Xingchun and Mr. Wang Yuesheng.

The Nomination Committee held four meetings on 29 February 2024, 26 March 2024, 1 August 2024 and 20 December 2024 respectively. All Director members of the committee attended the meetings in person instead of by proxy.

During the reporting period, the Nomination Committee considered and approved the resolution on the nomination of candidates for directors of the Company (Mr. Zhao Wei, Mr. Zeng Qinghua) to be submitted to the general meeting for consideration, the resolution on the appointment of the general legal counsel of the Company, the resolution on the appointment of the deputy general manager, the resolution on the nomination of the candidate for director of the Company (Mr. Zhu Peng) to be submitted to the general meeting for consideration, the resolution on the nomination of the candidate for director (Mr. Liu Lei) to be submitted to the general meeting for consideration.

The Nomination Committee considered and approved the work report of the Nomination Committee for the year 2024.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### DIVERSITY

#### Diversity of Directors

According to the goal of the Board diversity policy, the Board of the Company includes two female directors in 2024. The Company will continue to comply with the requirements of the Board Diversity in the future, provided that (i) the Director candidates meet the requirements on the ability and experience of a Director, as confirmed by the performance of comprehensive investigation and audit procedures under reasonable standards; and (ii) in considering the appointments, there shall be assurance that the Director candidates will earnestly perform their responsibilities and act according to the principle of safeguarding the best interests of the Company and its shareholders as a whole.

The Company will internally identify and train capable, experienced and competent female employees, and invest more resources in training, so as to form an effective channel for promoting potential Director successors with gender diversity. In evaluating the best composition of the Board, the Nomination Committee will consider the Board diversity from many aspects, including but not limited to gender, age, culture, educational background, race, professional experience, skills, knowledge and service term.

#### Diversity of Employees

		Data for 2024 (person)	Data for 2023 (person)
<b>Total number of regular employees</b>		25,093	24,778
<b>By gender</b>	Male	19,690	19,341
	Female	5,403	5,437

As at 31 December 2024, the male and female regular employees of the Group accounted for 78.47% and 21.53% respectively. The Group implemented the principle of fair employment and adopted the merit-based recruitment method, without discrimination. The Group attached importance to the principles of fairness, justice and openness in recruiting and promoting suitable employees, and never discriminated against employees on the grounds of gender.

### DIVIDEND DISTRIBUTION POLICY

The Company implements active profit distribution measures, gives priority to cash dividends and pays attention to the reasonable investment returns to the investors. The Company shall distribute cash dividends provided that the Company has no significant cash outlay required for its operation and development in the foreseeable future, that the net profit of the Company for the year is positive, that the accumulated and undistributed profit at the end of the year is positive, that the cash flow generated from operating activities of the Company is positive and that the Company's normal operation will not be affected.

Pursuant to a resolution passed at the eleventh meeting of the tenth session of the Board, the Board proposed to declare an interim cash dividend of RMB0.08 per share (tax inclusive) based on the total share capital of 10,227,561,133 shares for the six months ended 30 June 2024, totaling approximately RMB818,204.89 thousand (tax inclusive). The distribution was completed after consideration and approval at the second extraordinary general meeting for 2024.

Pursuant to a resolution passed at the nineteenth meeting of the tenth session of the Board, the Board proposes to declare an annual cash dividend of RMB0.21 per share (tax inclusive), including the interim dividend of RMB0.08 per share (tax inclusive) paid in 2024, for the financial year ended 31 December 2024. The proposed final dividend of RMB0.13 per share (tax inclusive) is based on the total share capital of 10,227,561,133 shares, totaling approximately RMB1,329,582.95 thousand (tax inclusive). The final dividend distribution proposal is subject to approval by the shareholders at the upcoming 2024 annual general meeting. The circular of the 2024 annual general meeting of the Company, containing details of the time of meeting, the period of the closure of the register of members and procedures of the register of members, will be published and despatched to shareholders of the Company in due course.

Interest payments on equity financing instruments shall be implemented in accordance with the relevant regulations on the issuance of equity financing instruments. If the total share capital of the Company changes due to the reorganisation of conventional energy assets before the record date for dividend distribution, the Company will maintain the payment of final dividend of RMB0.13 per share (tax inclusive), and the total cash dividends to be paid will be adjusted accordingly based on the total amount of RMB1,329,582.95 thousand (tax inclusive).

If the above proposal for profit distribution is considered and approved at the upcoming 2024 annual general meeting, the Company expects to pay such cash dividends on or before 30 August 2025.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### AUDITORS

During the year ended 31 December 2024, the Company paid an aggregate of RMB7.50 million of audit service fees to its auditors, ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited, including fees for audit of internal control provided by ShineWing Certified Public Accountants (Special General Partnership) to the Company. The audit service fees were considered by the Audit Committee and the Board and were approved at the annual general meeting of the Company.

### SHAREHOLDERS' RIGHTS

Shareholders individually or jointly holding 10% or more of the Company's shares may request the convening of an extraordinary general meeting by signing one or more counterpart requisition(s) in writing stating the meeting agenda and requiring the Board to convene the meeting. The Board shall give a reply in writing, as to whether or not it agrees to convene the meeting within 10 days after receiving the aforementioned requisition.

Shareholders individually or jointly holding 3% or more of the Company's shares shall have the right to submit proposals at a general meeting of the Company. Shareholders individually or jointly holding 3% or more of the Company's shares may submit extraordinary proposals to the convener in writing 10 days prior to the general meeting. The convener shall issue a supplemental notice of the general meeting and announce the contents of such extraordinary proposals within 2 days after receipt thereof.

### INVESTOR RELATIONS

The Company undertakes that it shall make impartial disclosure and full and transparent reporting. The ultimate duty of the Chairman is to ensure effective communication with the investors and the Board's understanding of the opinions of substantial shareholders. In this regard, the Chairman shall meet with the shareholders. The Secretary to the Board is responsible for the day-to-day contacts between the Board and substantial shareholders.

The previous annual general meeting of the Company was the 2023 annual general meeting held in Jinan, Shandong Province on 17 June 2024, at which the Chairman of the Board attended the meeting and answered questions. At the annual general meeting, each matter was put forward in form of a separate proposal and voted by way of poll.

The senior management of the Company shall preside over presentations and attend the meetings with institutional investors and financial analysts for intercommunication in respect of the Company's results and business prospects, which is a regular function of investor relations. Investors and the public may access the Company's website which also sets out the detailed information on the Company's businesses.

For any enquiry addressed to the Board, investors can contact the Board through shareholder hotlines (010) 8356 7905 or by email (hdpi@hdpi.com.cn) or by fax (8610) 8356 7963, and shareholders may raise questions at annual or extraordinary general meetings of the Company. The Company maintained smooth channels of communication with investors by reception of shareholders, roadshow and reverse roadshow activities, online communication via telephone and Internet, etc., to answer inquiries from investors in a timely and accurate manner. During the reporting period, the Company assessed and reviewed various communication channels and believed that the above policy was effectively implemented in 2024.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES AND PERFORMANCE

The Company complied with the "comply or explain" provisions set out in the Environmental, Social and Governance Reporting Guide and other relevant laws and regulations in 2024. The information relating to the environmental, social and governance policies and performance of the Company in 2024 is set out in the Environmental, Social and Governance Report of the Company.

By order of the Board  
Huadian Power International Corporation Limited  
**Liu Lei**  
Chairman

Beijing, the PRC  
27 March 2025

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

*Liu Lei (Chairman, Executive Director), Chen Bin (Vice Chairman, Executive Director), Zhu Peng (Vice Chairman, Non-executive Director), Zhao Wei (Non-executive Director), Zeng Qinghua (Non-executive Director), Cao Min (Non-executive Director), Wang Xiaobo (Non-executive Director), Li Guoming (Executive Director), Feng Zhenping (Independent Non-executive Director), Li Xingchun (Independent Non-executive Director), Wang Yuesheng (Independent Non-executive Director) and Shen Ling (Independent Non-executive Director).*

# CORPORATE INFORMATION

## CORPORATE INFORMATION

<b>Legal address</b>	14800 Jingshi Road Jinan, Shandong Province The People's Republic of China
<b>Authorised representatives</b>	Liu Lei Qin Jiehai
<b>Joint Company Secretaries</b>	Qin Jiehai Ng Ka Man
<b>Hong Kong share registrar and transfer office</b>	Hong Kong Registrars Limited 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
<b>Auditors</b>	SHINEWING (HK) CPA Limited 17/F, Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong  ShineWing Certified Public Accountants (Special General Partnership) 9/F, Block A, Fuhua Mansion, 8 Chaoyangmen Beidajie, Dongcheng District, Beijing The People's Republic of China
<b>Legal advisers to the Company as to Hong Kong law</b>	Zhong Lun Law Firm LLP 4/F, Jardine House 1 Connaught Place, Central, Hong Kong PRC
<b>as to PRC law</b>	Haiwen & Partners 20/F, Fortune Financial Center, 5 Dong San Huan Central Road, Chaoyang District, Beijing The People's Republic of China

## COMPANY PUBLICATIONS

The Company's 2024 annual report was published in April 2025. Copies of the annual report are available for inspection at:

<b>PRC</b>	Huadian Power International Corporation Limited No. 2 Xuanwumennei Street, Xicheng District, Beijing Tel: (8610) 8356-7888 Fax: (8610) 8356-7963
<b>Hong Kong</b>	Toppan Nexus Holdings Limited 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong Tel: (852) 2973-8600 Fax: (852) 2877-9978



# INDEPENDENT AUDITOR'S REPORT



SHINEWING (HK) CPA Limited  
17/F, Chubb Tower, Windsor House,  
311 Gloucester Road,  
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司  
香港銅鑼灣告士打道311號  
皇室大廈安達人壽大樓17樓

TO THE SHAREHOLDERS OF  
HUADIAN POWER INTERNATIONAL CORPORATION LIMITED  
(incorporated in People's Republic of China with limited liability)

## OPINION

We have audited the consolidated financial statements of Huadian Power International Corporation Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 63 to 142, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Accuracy on operating costs

Key audit matter	How our audit addressed the key audit matter
<p>During the year ended 31 December 2024, the Group incurred operating costs with the amount of RMB102,839 million (2023: RMB109,492 million) which is mainly represented the fuel costs, costs of coals sold, depreciation and amortisation charges, etc.</p> <p>We identified the accuracy for operating costs as a key audit matter due to the significance of the amount to the Group’s consolidated financial statements as a whole.</p>	<p>Our procedures in relation to the accounting for the Group’s operating costs included:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding, evaluating the design, and testing the operating effectiveness of key controls over the Group’s operating costs;</li> <li>Performing analytical reviews and comparing the composition of operating costs with prior year to assess the reasonableness on the fluctuations and understanding the material fluctuation if any.</li> <li>Performing industry analysis and historical analysis to assess the reasonableness of the purchase price of the coals as well as the standard unit consumption of coals and understanding the material fluctuations if any;</li> <li>Reviewing, on sampling basis, the supporting documents on purchases and consumption of fuel costs and coals to ensure the operating costs are recorded accurately and in the correct period;</li> <li>Reviewing the sufficiency and appropriateness on the disclosures of operating costs in the consolidated financial statements.</li> </ul>

# INDEPENDENT AUDITOR’S REPORT (CONTINUED)

## KEY AUDIT MATTERS (Continued)

### Measurement on property, plant and equipment

Key audit matter	How our audit addressed the key audit matter
<p>As set out in note 17 to the consolidated financial statements, as at 31 December 2024, property, plant and equipment is amounted to RMB132,191 million (2023: RMB134,617 million).</p> <p>We identified the measurement of property, plant and equipment as a key audit matter due to the significance of the amount to the Group’s consolidated financial statements as a whole.</p>	<p>Our procedures in relation to the review of the property, plant and equipment included:</p> <ul style="list-style-type: none"><li>• Obtaining an understanding, evaluating the design, and testing the operating effectiveness of controls over the management’s key process of the Group’s measurement process of property, plant and equipment;</li><li>• Evaluating the appropriateness of the use of useful lives and residual value of the property, plant and equipment to ensure the application is complied with the relevant accounting standard;</li><li>• Reviewing the relevant supporting documents, on sampling basis, on addition and disposal of property, plant and equipment; reperforming depreciation charges of property, plant and equipment; and calculation of capitalised finance charges on significant components to ensure the accuracy of the movements of the property, plant and equipment;</li><li>• Performing physical count on property, plant and equipment as at year end date and inspecting the relevant property certificates, if any, to ensure the existence of property, plant and equipment;</li><li>• Evaluating the appropriateness of the management’s identification of impairment indicators, if any, with reference to the internal and external sources of information; If impairment indicator exists, reviewing valuation reports prepared by the external valuers appointed by the management, if any; challenging the assumptions and basis applied and the management’s appropriateness in measurement of the recoverable amount of the property, plant and equipment; and</li><li>• Reviewing the sufficiency and appropriateness on the disclosures of property, plant and equipment in the consolidated financial statements.</li></ul>

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Hon Kei, Anthony.

#### **SHINEWING (HK) CPA Limited**

Certified Public Accountants

**Wong Hon Kei, Anthony**

Practising Certificate Number: P05591

Hong Kong

27 March 2025

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024 (Expressed in Renminbi)

	Notes	2024 RMB'000	2023 RMB'000
<b>Turnover</b>	5	<b>112,391,667</b>	116,376,064
<b>Operating expenses</b>			
Fuel costs		(70,567,051)	(75,462,402)
Costs of coal sold		(6,800,854)	(9,732,932)
Depreciation and amortisation		(10,813,228)	(10,504,666)
Repairs, maintenance and inspection		(4,558,514)	(4,416,710)
Personnel costs	6	(8,628,920)	(8,063,985)
Administration expenses		(1,676,464)	(1,807,802)
Taxes and surcharges	7	(1,254,550)	(974,934)
Other operating expenses	11(b)	(1,470,451)	(1,311,763)
		<b>(105,770,032)</b>	(112,275,194)
<b>Operating profit</b>		<b>6,621,635</b>	4,100,870
Investment income	8	243,594	17,846
Other revenue	9	1,725,751	1,154,131
Other net income	9	208,438	433,511
Interest income from bank deposits		49,340	72,494
Fair value gain (loss) on financial assets at fair value through profit or loss		37,311	(18,621)
Finance costs	10	(3,274,946)	(3,676,131)
Share of results of associates		3,136,879	3,758,608
<b>Profit before taxation</b>	11(a)	<b>8,748,002</b>	5,842,708
Income tax expense	14	(1,983,227)	(974,263)
<b>Profit for the year</b>		<b>6,764,775</b>	4,868,445
<b>Other comprehensive (expense) income:</b>			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Share of other comprehensive (expense) income of investees accounted for under the equity method (with nil tax effect)		(15,330)	18,426
<i>Items that will not be reclassified to profit or loss:</i>			
Share of other comprehensive income (non-recycling) of investees accounted for under the equity method (with nil tax effect)		12,274	64,113
<b>Other comprehensive (expense) income for the year (net of tax)</b>	15	<b>(3,056)</b>	82,539
<b>Total comprehensive income for the year</b>		<b>6,761,719</b>	4,950,984
<b>Profit for the year attributable to:</b>			
Equity holders of the Company		5,669,855	4,601,094
Non-controlling interests		1,094,920	267,351
		<b>6,764,775</b>	4,868,445
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the Company		5,666,910	4,682,464
Non-controlling interests		1,094,809	268,520
		<b>6,761,719</b>	4,950,984
<b>Earnings per share</b>	16		
<b>Basic earnings per share</b>		<b>RMB0.459</b>	RMB0.355
<b>Diluted earnings per share</b>		<b>N/A</b>	RMB0.353

The accompanying notes form part of these consolidated financial statements.



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2024 (Expressed in Renminbi)

	Notes	2024 RMB'000	2023 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	17	132,191,490	134,616,966
Right-of-use assets	18(a)	5,712,667	5,355,393
Construction in progress	19	6,930,611	7,352,868
Investment properties		73,580	70,881
Intangible assets	20	1,835,920	1,892,131
Goodwill	21	1,032,483	1,032,483
Interests in associates	22	47,382,450	44,240,623
Financial assets at fair value through profit or loss	23	263,279	351,434
Other non-current assets	24	937,323	471,640
Deferred tax assets	34(a)	1,690,747	2,510,363
		<b>198,050,550</b>	197,894,782
<b>Current assets</b>			
Inventories	26	5,160,041	4,500,583
Trade debtors and bills receivables	27	11,504,312	12,336,707
Deposits, other receivables and prepayments	28	6,504,695	6,196,940
Tax recoverable		67,888	92,329
Restricted deposits	29	229,892	284,880
Cash and cash equivalents	30	5,621,212	5,170,277
		<b>29,088,040</b>	28,581,716
<b>Current liabilities</b>			
Bank loans	31(a)	35,409,723	26,789,426
Loans from shareholders	31(b)	930,945	737,354
State loans	31(c)	1,821	1,886
Other loans	31(d)	5,903,144	4,402,494
Short-term debentures payable	31(f)	1,001,884	–
Long-term debentures payable-current portion	31(e)	4,726,883	14,196,421
Amount due to the parent company		3,495	13,269
Lease liabilities	18(b)	99,908	24,635
Trade creditors and bills payable	32	10,959,312	11,282,248
Other payables and contract liabilities	33	5,764,687	5,570,645
Tax payable		326,703	178,289
		<b>65,128,505</b>	63,196,667
<b>Net current liabilities</b>		<b>(36,040,465)</b>	(34,614,951)
<b>Total assets less current liabilities</b>		<b>162,010,085</b>	163,279,831

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

	Notes	2024 RMB'000	2023 RMB'000
<b>Non-current liabilities</b>			
Bank loans	31(a)	40,934,651	49,678,407
Loans from shareholders	31(b)	3,580,710	5,020,370
State loans	31(c)	41,859	45,631
Other loans	31(d)	5,303,801	6,856,509
Long-term debentures payable	31(e)	17,892,058	9,794,241
Lease liabilities	18(b)	79,480	46,621
Provisions	36	153,236	147,142
Deferred government grants		1,442,527	1,465,681
Deferred income	35	2,532,465	2,753,802
Deferred tax liabilities	34(a)	1,525,872	1,560,912
Retirement benefit obligations		6,579	8,240
		<b>73,493,238</b>	77,377,556
<b>Net assets</b>		<b>88,516,847</b>	85,902,275
<b>Capital and reserves</b>			
Share capital	37(b)	10,227,561	10,227,561
Perpetual capital securities	37(e)	25,019,956	30,656,009
Reserves	37(c)	33,923,415	30,755,089
<b>Equity attributable to equity holders of the Company</b>		<b>69,170,932</b>	71,638,659
<b>Non-controlling interests</b>		<b>19,345,915</b>	14,263,616
<b>Total equity</b>		<b>88,516,847</b>	85,902,275

The consolidated financial statement on pages 63 to 142 were approved and authorised for issue by the board of directors on 27 March 2025 and are signed on its behalf by:

**Liu Lei**  
Director

**Li Guoming**  
Director

The accompanying notes form part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024 (Expressed in Renminbi)

	Attributable to equity owners of the Company											
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Revaluation reserve	Fair value reserve	Retained profits	Convertible bonds reserve	Perpetual capital securities	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
	(note 37(b))	(note 37(c)(i))	(note 37(c)(ii))	(note 37(c)(iii))	(note 37(c)(iv))	(note 37(c)(v))	(note 37(c)(vi))	(note 37(c)(vii))	(note 37(c)(viii))			
Balance at 1 January 2023 (Restated)	9,869,858	14,952,439	4,716,596	68,089	44,726	93,026	8,116,650	41,250	23,506,213	61,408,847	11,597,593	73,006,440
Profit for the year	-	-	-	-	-	-	3,593,620	-	1,007,474	4,601,094	267,351	4,868,445
Other comprehensive income for the year (note 15)	-	-	-	-	-	81,370	-	-	-	81,370	1,169	82,539
Total comprehensive income for the year	-	-	-	-	-	81,370	3,593,620	-	1,007,474	4,682,464	268,520	4,950,984
Conversion of convertible bonds	357,703	1,159,931	-	-	-	-	-	(41,250)	-	1,476,384	-	1,476,384
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,790,125	2,790,125
Issue of perpetual capital securities	-	(12,594)	-	-	-	-	-	-	19,500,000	19,487,406	-	19,487,406
Redemption of perpetual capital securities	-	-	-	-	-	-	-	-	(12,350,000)	(12,350,000)	-	(12,350,000)
Dividends recognised as distribution (note 37(a))	-	-	-	-	-	-	(2,045,512)	-	-	(2,045,512)	-	(2,045,512)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(276,891)	(276,891)
Distributions payable to holders of perpetual capital securities (note 37(e))	-	-	-	-	-	-	-	-	(1,007,678)	(1,007,678)	-	(1,007,678)
Appropriation of general reserve	-	-	387,875	-	-	-	(387,875)	-	-	-	-	-
Appropriation of specific reserve	-	-	805,661	-	-	-	(805,661)	-	-	-	-	-
Utilisation of specific reserve	-	-	(966,189)	-	-	-	966,189	-	-	-	-	-
Share of reserve of associates	-	123,208	-	-	-	-	-	-	-	123,208	7,045	130,253
Others	-	(134,969)	-	-	-	-	(1,491)	-	-	(136,460)	(122,776)	(259,236)
Balance at 31 December 2023	10,227,561	16,088,015	4,943,943	68,089	44,726	174,396	9,435,920	-	30,656,009	71,638,659	14,263,616	85,902,275

	Attributable to equity owners of the Company											
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Revaluation reserve	Fair value reserve	Retained profits	Perpetual capital securities	Total	Non-controlling interests	Total equity	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	(note 37(b))	(note 37(c)(i))	(note 37(c)(ii))	(note 37(c)(iii))	(note 37(c)(iv))	(note 37(c)(v))	(note 37(c)(vi))	(note 37(c)(vii))	(note 37(c)(viii))	(note 37(c)(ix))	(note 37(c)(x))	
Balance at 1 January 2024	10,227,561	16,088,015	4,943,943	68,089	44,726	174,396	9,435,920	30,656,009	71,638,659	14,263,616	85,902,275	
Profit for the year	-	-	-	-	-	-	4,698,019	971,836	5,669,855	1,094,920	6,764,775	
Other comprehensive expense for the year (note 15)	-	-	-	-	-	-	(2,945)	-	(2,945)	(111)	(3,056)	
Total comprehensive income for the year	-	-	-	-	-	-	(2,945)	4,698,019	971,836	5,666,910	1,094,809	6,761,719
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	126,198	126,198	
Deemed partial disposal of interests in subsidiaries without losing control (note 46)	-	624,475	-	-	-	-	-	-	624,475	4,407,525	5,032,000	
Issue of perpetual capital securities	-	(1,698)	-	-	-	-	-	2,000,000	1,998,302	-	1,998,302	
Redemption of perpetual capital securities	-	-	-	-	-	-	-	(7,500,000)	(7,500,000)	-	(7,500,000)	
Dividends recognised as distribution (note 37(a))	-	-	-	-	-	-	(2,352,339)	-	(2,352,339)	-	(2,352,339)	
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(584,618)	(584,618)	
Distributions payable to holders of perpetual capital securities (note 37(e))	-	-	-	-	-	-	-	(1,107,889)	(1,107,889)	-	(1,107,889)	
Appropriation of general reserve	-	-	408,076	-	-	-	(408,076)	-	-	-	-	
Appropriation of specific reserve	-	-	782,906	-	-	-	(782,906)	-	-	-	-	
Utilisation of specific reserve	-	-	(764,151)	-	-	-	764,151	-	-	-	-	
Share of reserve of associates	-	238,499	-	-	-	-	-	-	238,499	414	238,913	
Others	-	(42,608)	-	-	-	-	6,923	-	(35,685)	37,971	2,286	
Balance at 31 December 2024	10,227,561	16,906,683	5,370,774	68,089	44,726	171,451	11,361,692	25,019,956	69,170,932	19,345,915	88,516,847	

The accompanying notes form part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024 (Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
<b>Cash flows from operating activities</b>			
Cash received from customers and others		132,265,627	134,951,314
Cash paid to suppliers, employees and others		(114,903,407)	(121,247,355)
<b>Cash generated from operations</b>		<b>17,362,220</b>	13,703,959
Interest paid		(3,446,267)	(3,791,740)
PRC enterprise income tax paid		(1,025,846)	(452,311)
<b>Net cash generated from operating activities</b>		<b>12,890,107</b>	9,459,908
<b>Cash flows from investing activities</b>			
Payment of purchase of property, plant and equipment, construction in progress, investment properties, land use rights and intangible assets		(9,067,553)	(10,488,433)
Proceeds from disposal of property, plant and equipment, land use rights and intangible assets		146,595	268,402
Net cash inflow on disposal of a subsidiary		58,042	–
Payment of purchase of financial assets through profit or loss		(24,550)	–
Payment of investments in associates		(184,571)	(270,187)
Interest received		57,367	74,530
Withdrawal of restricted deposits		155,420	229,522
Placement of restricted deposits		(100,432)	(139,578)
Dividends received		1,152,940	841,884
Other investing activities		95,980	190,333
<b>Net cash used in investing activities</b>		<b>(7,710,762)</b>	(9,293,527)
<b>Cash flows from financing activities</b>			
Debentures			
– Net proceeds from debentures		19,100,000	2,000,000
– Repayment of debentures		(19,300,000)	(4,000,000)
Loans			
– Proceeds from loans		90,540,680	87,927,435
– Repayment of loans		(91,779,532)	(91,922,983)
Lease liabilities			
– Repayment of principal portion of the lease liabilities		(103,534)	(232,762)
Bills financing			
– Proceeds from bank acceptance bills discounted		2,937,866	2,396,796
– Repayment of bank acceptance bills		(1,764,446)	(3,822,617)
Capital injection from non-controlling interests		126,198	2,788,625
Deemed partial disposal of interests in subsidiaries without losing control		5,032,000	–
Issue of perpetual capital securities		2,000,000	19,500,000
Repayment of perpetual capital securities		(7,500,000)	(12,350,000)
Dividends paid to non-controlling interests		(682,952)	(276,383)
Dividends distribution		(2,307,519)	(2,004,632)
Dividends paid to holders of perpetual capital securities		(1,002,350)	(845,775)
Other financing activities		(24,821)	(61,423)
<b>Net cash used in financing activities</b>		<b>(4,728,410)</b>	(903,719)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>450,935</b>	(737,338)
<b>Cash and cash equivalents at beginning of the year</b>		<b>5,170,277</b>	5,907,615
<b>Cash and cash equivalents at end of the year</b>	30	<b>5,621,212</b>	5,170,277

The accompanying notes form part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 (Expressed in Renminbi)

## 1. BACKGROUND OF THE COMPANY

Huadian Power International Corporation Limited (the “**Company**”) was established in Shandong province of the People’s Republic of China (the “**PRC**”) on 28 June 1994 as a joint stock limited company and the office address is No. 2 Xuanwumennei Street, Xicheng District, Beijing, the PRC. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company and its subsidiaries (together referred to as the “**Group**”) are principally engaged in the generation and sale of electricity, heat and coal in the PRC. The majority of electricity generated is supplied to the local power grid companies where the power plants are located.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange and by the Hong Kong Companies Ordinance.

The IASB has issued certain new and amendments to IFRSs that are first effective or available for early adoption for the current year of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current year reflected in the consolidated financial statements.

The material accounting policies are set out below.

### (b) Basis of preparation of consolidated financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Group and its interests in associates.

At 31 December 2024, the Group had net current liabilities of approximately RMB36,040 million (2023: RMB34,615 million) and certain capital commitments (see note 40). The directors of the Company are of the opinion that, taking into account the current operation of the Group, the unutilised banking facilities available to the Group as well as debentures and bonds registered in the PRC interbank debenture market which has not been issued, the Group has sufficient working capital to enable it to meet in full its financial obligations as and when they fall due in the coming twelve months from the end of the reporting period. Therefore, these consolidated financial statements have been prepared on a going concern basis.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for certain financial instruments, which are measured at fair value (see note 2(k)).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 *Leases* (“**IFRS 16**”), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* (“**IAS 2**”), or value in use in IAS 36 *Impairment of Assets* (“**IAS 36**”).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### (b) Basis of preparation of consolidated financial statements *(Continued)*

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equal the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgement made by management in the application of IFRSs that have significant effects on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 4.

#### (c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder's meetings.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

#### (c) Subsidiaries and non-controlling interests (*Continued*)

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity holders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income or expense for the year between non-controlling interests and the equity holders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of the Group's relevant components of equity and non-controlling interests within consolidated equity to reflect the change in relative interests, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

#### (d) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(l)(ii)).

Costs includes expenditures that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss. The costs of those items are measured in accordance with the measurement requirements of IAS 2. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodies within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

When proved and probable coal reserves have been determined, costs incurred to develop coal mines are capitalised as part of the cost of the mining structures. When stripping activities can be shown to give rise to future benefits from the mineral property, the Group capitalises the related production stripping costs into property, plant and equipment as mining structure, including production stripping costs for surface mining activities.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

#### (d) Property, plant and equipment (*Continued*)

Depreciation is calculated to write off the cost of items of property, plant and equipment, other than mining structures and mining rights, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Building	20 – 45 years
Generators, machinery and equipment	5 – 20 years
Motor vehicles, furniture, fixtures, equipment and others	5 – 10 years

Mining structures and mining rights are depreciated on a units-of-production method utilising only proved and probable coal reserves in the depletion base.

The Group's mining rights are of sufficient duration (or convey a legal right to renew for sufficient duration) to enable all reserves to be mined in accordance with current production schedules.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

#### (e) Leases

##### As a lessee

All leases are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

##### (i) Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses.

The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follows:

Building	20 – 45 years
Generators, machinery and equipment	5 – 20 years
Land use rights and sea use rights	10 – 70 years

##### (ii) Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

#### (e) Leases (*Continued*)

##### As a lessee (*Continued*)

##### (ii) Lease liability (*Continued*)

Subsequent to the commencement date, the Group measures the lease liability by:

- (i) increasing the carrying amount to reflect interest on the lease liability;
- (ii) reducing the carrying amount to reflects the lease payments made; and
- (iii) remeasuring the carrying amount to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payments.

##### (iii) Sale and leaseback transaction

##### The Group acts as a seller-lessee

The Group applies the requirements of IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") to assess whether sale and leaseback transaction constitutes a sale by the Group as a seller lessee. For a transfer that does not satisfy the requirements as a sale, the Group accounts for the transfer proceeds as borrowings within the scope of IFRS 9 *Financial Instruments* ("IFRS 9").

#### (f) Construction in progress

Construction in progress is stated at cost, which comprises construction expenditure, including interest costs and foreign exchange differences on related borrowed funds to the extent that they are regarded as an adjustment to interest costs during the construction period, and the cost of related equipment, less impairment losses (see note 2(l)(ii)).

The costs are transferred to property, plant and equipment and depreciation will be provided at the appropriate rates specified in note 2(d) above when the relevant assets are completed and ready for their intended use.

#### (g) Investment property

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses (note 2(l)(ii)).

Depreciation is recognised so as to write off the cost of investment properties after taking into account of their estimated residual value, using the straight-line method over their estimated useful lives of 20 to 45 years. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

#### (h) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses (see note 2(l)(ii)), if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than operating segment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

#### (h) Goodwill (*Continued*)

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or groups of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

#### (i) Intangible assets (other than goodwill)

When the Group has a right to charge for usage of the concession infrastructure as consideration for providing construction services in a service concession arrangement, it recognises an intangible asset at fair value upon initial recognition. Subsequent to initial recognition, the intangible asset is carried at cost less accumulated amortisation and impairment losses (see note 2(l)(ii)).

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses (see note 2(l)(ii)). Expenditure on internally generated goodwill and brands is recognised as Financial assets at FVTPL expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the asset's estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Concession rights	the shorter of remaining concession period or 25 years
Development right of hydropower	45 years
Others	5 – 10 years

Both the period and method for amortisation are reviewed annually.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### (j) Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the associate's accounting policies to those of the Group. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

#### (j) Interests in associates (*Continued*)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

When there is an objective evidence indicating that the net investments in associates may be impaired, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss is recognised in profit or loss.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

#### (k) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, and associates, are as follows:

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVTPL"), for which transaction costs are recognised directly in profit or loss.

##### Investments other than equity securities

Non-equity securities held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held within a business model with the objective of collecting the contractual cash flows; and the contractual terms of the non-equity securities give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A gain or loss on an investment that is subsequently measured at amortised cost is recognised in profit or loss when the investment is derecognised or impaired. Interest income from these investments is included in investment income using the effective interest method.

The Group assesses on a forward looking basis the expected credit losses associated with its non-equity securities carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk (see note 2(l)(i)).

- FVTPL, if the investments does not meet the criteria for being measured at amortised cost or financial assets at fair value through other comprehensive income ("FVTOCI") (recycling). Changes in the fair value of the investment are recognised in profit or loss.

##### Equity securities

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition. The Group makes an irrevocable election to designate the investment at FVTOCI such that subsequent change in fair value is recognised in other comprehensive income. Dividends from an investment in equity securities classified as at FVTPL are recognised in profit or loss as other income in accordance with the policy set out in note 2(s)(iv).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

#### (I) Impairment of assets

##### (i) Impairment of financial asset

The Group recognises loss allowances for expected credit loss (the "ECL") on trade debtors and bills receivables related to sales of electricity, heat and coal, other receivables, restricted deposits, cash and cash equivalents and other financial assets measured at amortised cost and debt instruments measured at FVTOCI. The ECLs are measured on either of the following bases:

- (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and
- (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

For trade debtors and bills receivables related to sale of electricity, heat and coal, the Group applies the simplified approach to providing for ECLs prescribed by IFRS 9, which requires the use of the lifetime expected losses provision for all debtors. The Group performs impairment assessment based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For restricted deposits and cash and cash equivalents placed in high credit-rated financial institutions are considered to be low credit risk. Thus, the impairment provision recognised during the year was limited to 12-month ECLs.

For all other instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial asset since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers a financial asset to be credit-impaired when:

- (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- (2) the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criteria is more appropriate.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non-credit – impaired financial assets, interest income is calculated based on the gross carrying amount.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

#### (I) Impairment of assets (*Continued*)

##### (ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets;
- construction in progress;
- investment properties;
- intangible assets;
- goodwill;
- investments in subsidiaries, associates and in the Company's statement of financial position; and
- other non-current assets (other than financial assets).

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

##### – Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

##### – Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying amount of an asset will not be reduced below its individual fair value less costs of disposal, if measurable, or value in use, if determinable.

##### – Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

#### (m) Inventories

Inventories, comprising coal, stalk, fuel oil, gas, materials, components and spare parts for consumption, are carried at the lower of cost and net realisable values. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable values is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated conversion costs during power generation, and the estimated costs necessary to make the sale.

When inventories are used or sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### (n) Trade debtors and bills receivables, deposits and other receivables ("Trade and other receivables")

Trade and other receivables that do not contain a significant financing component are initially measured at their transaction price. If the Group holds the trade and other receivables with the objective to collect the contractual cash flows, they are subsequently stated at amortised cost using the effective interest method, less allowance for credit loss (see note 2(l)(i)).

For certain bills receivable that are managed with a business model under which bills receivable are held to collect contractual cash flows or endorsed to suppliers prior to their expiry date, they are initially recognised at fair value and thereafter stated at fair value through other comprehensive income. Subsequent changes in the carrying amounts of bills receivable as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these receivables, if any, are recognised in other comprehensive income and accumulated under fair value reserve (recycling).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

#### (o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

Cash and cash equivalents are assessed for ECL in accordance with the accounting policy as stated in note 2(l)(i).

#### (p) Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### (i) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Perpetual capital securities is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any interests are discretionary. Interest on perpetual capital securities classified as equity are recognised as distributions within equity.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

#### (p) Financial liabilities and equity instruments (*Continued*)

##### (ii) Convertible bonds that contain equity component

The component parts of the convertible bonds are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to capital reserve. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

##### (iii) Other financial liabilities

Other financial liabilities including bank loans, loans from shareholders, state loans, other loans, short-term debentures payable, amount due to the parent company, trade creditors and bills payable, other payables and long-term debentures payable, are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

#### (q) Derecognition of financial assets or financial liabilities

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

#### (r) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (s) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Revenue is recognised at a point in time when the customer obtains control of the goods or services.

Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

#### (i) Electricity Income

For sales of electricity, each unit sold is generally considered a distinct good and the related performance obligation is generally satisfied at a point in time when control of electricity is transferred to the customer. Revenue is thus recognised upon when the power grid companies received each unit of electricity. A standard tariff which is established by the government is charged for each unit of electricity.

#### (ii) Heat Income

For sales of heat, each unit sold is generally considered a distinct good and the related performance obligation is generally satisfied at a point in time when control of heat is transferred to the customer. Revenue is thus recognised upon the customers received each unit of heat.

#### (iii) Sale of coal

Revenue is recognised when control of the goods has transferred, being when the goods are delivered to and have been accepted by customers.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

#### (s) Revenue recognition (*Continued*)

##### (iv) Other income

###### *Dividend income*

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

###### *Interest income*

Interest income is recognised as it accrues using the effective interest method.

###### *Government grants*

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred government grants in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in which they become receivable.

###### *Upfront installation fees*

Upfront installation fee received for connecting the customers' premises to the heat network of the Group is deferred and recognised on a straight-line basis over the expected useful life of the relevant assets installed, which approximates to the expected service terms of the relevant contracts of sale of heat.

#### (t) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

#### (t) Income tax (*Continued*)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle current tax liabilities and assets on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### (u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset which necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost that of asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are interrupted or complete

#### (v) Employee benefits

##### Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

#### (w) Related parties

##### (a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

#### (w) Related parties (*Continued*)

##### (b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (vii) The entity, or any member of a group of which it is part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

#### (x) Segment reporting

The Group's most senior executive management ("the chief operating decision makers") review the Group's revenue and profits as a whole for the purposes of allocating resources and assessing the performance (note 5).

#### (y) Dividends

Dividends are recognised as a liability in the period in which they are declared.

### 3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

#### (a) New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the International Accounting Standards Board ("IASB") which are effective for the Group's financial year beginning on 1 January 2024:

IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

##### Impact on application of Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require a seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee would not recognize a gain or loss that relates to the right of use retained by the seller-lessee.

The application of the amendments has had no material impact on the consolidated financial statements of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (*Continued*)

#### (a) New and amendments to IFRSs that are mandatorily effective for the current year (*Continued*)

##### Impact on application of Amendments to IAS 1 Classification of Liabilities as Current or Non-current and Amendments to IAS 1 – Non-current Liabilities with Covenants

The amendments to IAS 1 clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

Upon adoption of the amendments, the Group has reassessed the terms and conditions of its loan arrangements, the application of the amendments has no material impact on the classification of the Group's liabilities.

##### Impact on application of Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements

The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

As a result of implementing the amendments, the Group has provided additional disclosures about its supplier finance arrangements in note 33.

#### (b) Amendments to IFRSs issued but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
IFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of other new and amendments to IFRSs will have no material impact on the results and the financial position of the Group.

##### IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (*Continued*)

#### (b) Amendments to IFRSs issued but not yet effective (*Continued*)

##### IFRS 18 – Presentation and Disclosure in Financial Statements (*Continued*)

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of IFRS 18 on the consolidated financial statements of the Group.

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

#### *Critical judgements in applying accounting policies*

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

#### (a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the availability of funding from various sources to enable the Group to operate as a going concern and meet its liabilities as they fall due. Details are explained in note 2(b).

#### (b) Controls in subsidiaries

Although the Group does not hold over 50% equity interests, directly or indirectly, in certain subsidiaries, the directors of the Company assessed the Group's control over those on the basis of its practical ability to direct the relevant activities unilaterally. In making their judgment, the directors of the Company consider the Group has sufficient representation in the board of directors of those subsidiaries, so the Group has the power over those subsidiaries.

#### (c) Significant influence over the associates

As per note 22, the directors of the Company considered certain associates in which the Group has less than 20% equity interests, as associates of the Group. The Group has representations in the board of directors and therefore can participate in the financial and operating policy decisions of these investees so as to have significant influence in their activities.

#### *Key sources of estimation uncertainty*

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### (a) Estimated impairment of goodwill

The Group performs impairment assessment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Recoverable amount is the higher of its value in use and fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU(s) in which the goodwill is allocated, and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, further impairment loss may arise. As at 31 December 2024, the carrying amount of goodwill is RMB1,032,483,000 (2023: RMB1,032,483,000) (net of accumulated impairment loss of RMB805,868,000 (2023: RMB805,868,000)). Details of the impairment assessment are disclosed in note 21.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

#### *Key sources of estimation uncertainty (Continued)*

#### **(b) Estimated impairment of property, plant and equipment, intangible assets, right-of-use assets and construction in progress**

In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset's recoverable amount; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or fair value less costs of disposal; and (3) the appropriate key assumptions, including future sales volumes and selling price, future fuel prices and discount rate applied in preparing cash flow projections. Changing the assumptions selected by management to determine the level of impairment, including the discount rate in the cash flow projections, could materially affect net present value used in the impairment test. Impairment loss of property, plant and equipment, intangible assets, right-of-use assets and construction in progress amounting to RMB62,701,000 (2023: RMB483,668,000), nil (2023: RMB14,698,000), nil (2023: nil), RMB40,296,000 (2023: RMB15,037,000), respectively, were recognised in the consolidated statements of profit or loss (Note 11(a)) and details of the impairment assessment are set out in notes 17 and 19.

#### **(c) Provision of ECLs on trade and other receivables**

The provision of ECLs is made based on the assessment of their recoverability and the ageing analysis of the trade and other receivables as well as other quantitative and qualitative information and on management's judgement and assessment of the forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. Information about the ECLs on the Group's trade and other receivables are disclosed in notes 27, 28 and 42(b).

#### **(d) Depreciation and amortisation**

Property, plant and equipment, right-of-use assets, investment properties and intangible assets are depreciated or amortised over their estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amortisation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account upgrading and improvement work performed, and anticipated technological changes. If there have been significant changes in the factors used to determine the depreciation or amortisation, the rate of depreciation or amortisation is revised prospectively.

#### **(e) Deferred tax assets**

As disclosed in note 34(a), a deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. The Group uses all readily available information which includes reasonable and supportable assumptions and projections of sales volume, tariff and relevant operating costs to estimate whether there will be sufficient available future taxable profits to utilise deductible temporary differences. Any significant change in estimates would result in adjustment in the amount of deferred tax assets and income tax in future years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 5. TURNOVER AND SEGMENT INFORMATION

#### (a) Disaggregation of turnover

Turnover represents the sale of electricity, heat and coal. Major components of the Group's turnover are as follows:

	2024 RMB'000	2023 RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
– Sale of electricity	94,744,208	96,151,641
– Sale of heat	9,742,888	9,623,874
– Sale of coal	7,904,571	10,600,549
	<b>112,391,667</b>	116,376,064

The revenue from sale of electricity, heat and coal is recognised at a point in time.

#### (b) Segment information

The chief operating decision makers review the Group's revenue and profit as a whole, which are determined in accordance with the Group's accounting policies, for resources allocation and performance assessment. Therefore, the Group has only one operating and reportable segment and no further segment information is presented in the consolidated financial statements.

#### Geographical information

The Group's non-current assets are mainly located in the PRC. The Group's major customers are based in the PRC which are the power grid operators in relation to the sale of electricity.

#### Information about major customers

In 2024, the revenue from two (2023: two) regional and provincial power grid operators accounted for 39% (2023: 39%) of external revenue, each of which contributing to over 10% of the total sales of the Group. Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2024 RMB'000	2023 RMB'000
Customer A*	32,658,358	33,337,419
Customer B *	11,640,512	11,752,489

\* Revenue from sale of electricity.

### 6. PERSONNEL COSTS

	2024 RMB'000	2023 RMB'000
Wages, welfare and other benefits	5,516,838	5,194,659
Retirement benefits (note 39)	2,232,090	2,087,668
Other staff costs	879,992	781,658
	<b>8,628,920</b>	8,063,985

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

## 7. TAXES AND SURCHARGES

During the year, taxes and surcharges of the Group with the amount of approximately RMB1,255 million (2023: RMB975 million) mainly represent city maintenance and construction tax, education surcharge, urban land use tax, real estate tax and other taxes and surcharges.

## 8. INVESTMENT INCOME

	2024 RMB'000	2023 RMB'000
Dividend income from financial assets measured at FVTPL	3,910	4,540
Interest on loans and receivables	14,919	14,878
Gain on disposal of a subsidiary (Note 44(a)(v))	223,176	7,278
Gain (loss) on disposal of financial assets measured at FVTOCI	1,589	(8,850)
	<b>243,594</b>	17,846

## 9. OTHER REVENUE AND NET INCOME

	2024 RMB'000	2023 RMB'000
<b>Other revenue</b>		
Government grants (Note i)	671,716	686,491
Revenue from upfront installation fees for heating networks (note 35)	235,487	232,880
Others (Note ii)	818,548	234,760
	<b>1,725,751</b>	1,154,131
<b>Other net income</b>		
Gain on disposal of property, plant and equipment, right-of-use assets and intangible assets	429,118	159,137
Net income from sale of materials	91,151	458,079
Others	(311,831)	(183,705)
	<b>208,438</b>	433,511

Note:

- (i) Government grants mainly represent the grants from government for purchase of coal, power generation, heat supply and environmental protection. There is no unfulfilled condition relating to those grants.
- (ii) Included in others, income arising from sales of carbon emission quota is incurred with the amount of approximately RMB578,273,000 (2023: RMB75,882,000).

## 10. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Interest on loans and other financial liabilities	3,288,160	3,763,708
Interest on lease liabilities	9,864	8,825
Interest on convertible bonds	–	15,137
Other finance costs	33,686	27,291
Net foreign exchange (gain) loss	(456)	6,441
Less: interest capitalised	(56,308)	(145,271)
	<b>3,274,946</b>	3,676,131

The borrowing costs have been capitalised at an average rate of 2.56% (2023: 3.27%) per annum for construction in progress.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 11. PROFIT BEFORE TAXATION

#### (a) Profit before taxation is arrived at after charging:

	2024 RMB'000	2023 RMB'000
Amortisation		
– Intangible assets	111,165	119,702
Depreciation		
– Property, plant and equipment	10,421,147	10,078,768
– Right-of-use assets	278,574	304,004
– Investment properties	2,342	2,192
Total depreciation and amortisation	10,813,228	10,504,666
Auditor's remuneration		
– Audit services	6,250	6,250
– Non-audit services	1,250	1,250
Cost of inventories recognised	81,926,419	85,195,334
Reversal of impairment losses under expected credit loss model, net (included in administration expenses)		
– Trade debtors and bills receivables	(7,616)	(5,482)
– Deposits, other receivables and prepayments	(5,283)	(215,958)
(Reversal of) write down of inventories, net	(801)	13,277
Impairment losses on non-financial assets (included in administration expenses):		
– Property, plant and equipment	62,701	483,668
– Construction in progress	40,296	15,037
– Intangible assets	–	14,698
Expense relating to short-term leases	61,027	57,245

#### (b) Other operating expenses

	2024 RMB'000	2023 RMB'000
Heating	594,644	557,614
Power charges	255,848	272,037
Water charges	584,460	454,525
Others	35,499	27,587
Total other operating expenses	1,470,451	1,311,763



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 12. DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' EMOLUMENTS

Details of directors', chief executives' and supervisors' emoluments are as follows:

2024	Directors' and supervisors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Retirement benefits RMB'000	Bonuses RMB'000	Total RMB'000
<b>Executive directors</b>					
Liu Lei (Note i)	—	—	—	—	—
Dai Jun (Note ii)	—	—	—	—	—
Chen Bin *	—	314	67	627	1,008
Li Guoming	—	282	68	548	898
<b>Non-executive directors</b>					
Zhu Peng (Note iii)	—	—	—	—	—
Zhao Wei (Note iv)	—	—	—	—	—
Zeng Qinghua (Note v)	—	—	—	—	—
Zhao Bing (Note vi)	—	—	—	—	—
Zhang Zhiqiang (Note vii)	—	—	—	—	—
Li Qiangde (Note viii)	—	—	—	—	—
Cao Min	—	—	—	—	—
Wang Xiaobo	—	—	—	—	—
<b>Independent non-executive directors</b>					
Feng Zhenping	180	—	—	—	180
Li Xingchun	180	—	—	—	180
Wang Yuesheng	180	—	—	—	180
Shen Ling	180	—	—	—	180
<b>Supervisors</b>					
Liu Shujun	—	—	—	—	—
Ma Jingan	—	282	62	562	906
Tang Xiaoping	—	261	67	502	830
	<b>720</b>	<b>1,139</b>	<b>264</b>	<b>2,239</b>	<b>4,362</b>

\* Mr. Chen Bin, executive director, was also general manager of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

Notes:

- (i) Mr. Liu Lei was elected as executive director at the company's especial general meeting of shareholders on 14 January 2025.
- (ii) Mr. Dai Jun was resigned as executive director on 18 December 2024 and such resignation has become effective from at the company's especial general meeting of shareholders on 14 January 2025.
- (iii) Mr. Zhu Peng was elected as non-executive director at the company's especial general meeting of shareholders on 5 September 2024.
- (iv) Mr. Zhao Wei was elected as non-executive director at the company's especial general meeting of shareholders on 26 March 2024.
- (v) Mr. Zeng Qinghua was elected as non-executive director at the company's especial general meeting of shareholders on 26 March 2024.
- (vi) Mr. Zhao Bing was resigned as non-executive director on 1 August 2024 and such resignation has become effective from at the company's especial general meeting of shareholders on 5 September 2024.
- (vii) Mr. Zhang Zhiqiang was resigned as non-executive director on 29 February 2024 and such resignation has become effective from at the company's especial general meeting of shareholders on 26 March 2024.
- (viii) Mr. Li Qiangde was resigned as non-executive director on 29 February 2024 and such resignation has become effective from at the company's especial general meeting of shareholders on 26 March 2024.
- (ix) No directors, supervisors, or the chief executive of the Company waived emoluments in 2024 (2023: Nil) and their emoluments shown above were mainly for their services as directors of the Company.
- (x) The discretionary bonus is determined by the Remuneration Committee having regard to his performance and the Company's performance and profitability and the prevailing market conditions.
- (xi) No payment is made as compensation to terminate the service as directors for both years.
- (xii) No performance related incentive payment is made for the years ended 31 December 2024 and 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 12. DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' EMOLUMENTS (Continued)

Details of directors', chief executives' and supervisors' emoluments are as follows: (Continued)

2023	Directors' and supervisors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Retirement benefits RMB'000	Bonuses RMB'000	Total RMB'000
<b>Executive directors</b>					
Dai Jun	—	—	—	—	—
Chen Bin (Note i)*	—	307	90	572	969
Li Guoming	—	272	95	503	870
<b>Non-executive directors</b>					
Ni Shoumin (Note vi)	—	—	—	—	—
Peng Xingyu (Note iii)	—	—	—	—	—
Zhao Bing (Note ii)	—	—	—	—	—
Zhang Zhiqiang	—	—	—	—	—
Li Pengyun (Note iii)	—	—	—	—	—
Li Qiangde (Note ii)	—	—	—	—	—
Cao Min (Note ii)	—	—	—	—	—
Wang Xiaobo	—	—	—	—	—
<b>Independent non-executive directors</b>					
Feng Zhenping	163	—	—	—	163
Li Xingchun	163	—	—	—	163
Li Menggang (Note v)	54	—	—	—	54
Wang Yuesheng	163	—	—	—	163
Shen Ling (Note iv)	105	—	—	—	105
<b>Supervisors</b>					
Chen Wei (Note vii)	—	—	—	—	—
Liu Shujun (Note viii)	—	—	—	—	—
Ma Jingan	—	272	82	503	857
Zhang Peng (Note ix)	—	215	58	379	652
Tang Xiaoping (Note x)	—	43	11	76	130
	648	1,109	336	2,033	4,126

\* Mr. Chen Bin, executive director, was also general manager of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

Notes:

- (i) Mr. Chen Bin was elected as executive director at the company's annual general meeting of shareholders on 31 May 2023.
- (ii) Mr. Zhao Bing, Mr. Li Qiangde and Mr. Cao Min were elected as non-executive directors at the company's annual general meeting on 31 May 2023.
- (iii) Mr. Li Pengyun and Mr. Peng Xingyu resigned as non-executive directors on 31 May 2023.
- (iv) Mr. Shen Ling was elected as an independent non-executive director at the company's annual general meeting on 31 May 2023.
- (v) Mr. Li Menggang resigned as independent non-executive Director on 31 May 2023.
- (vi) Mr. Ni Shoumin resigned as Vice Chairman and Non-executive Director on 31 May 2023.
- (vii) Mr. Chen Wei resigned as Chairman of the Supervisory Committee on 31 May 2023.
- (viii) Mr. Liu Shujun was elected as a Supervisor at the Company's Annual General Meeting of Shareholders on 31 May 2023, and was elected as the Chairman of the Supervisory Board at the first meeting of the 10th Supervisory Board on 31 May 2023.
- (ix) Zhang Peng resigned as supervisor on 3 November 2023.
- (x) Mr. Tang Xiaoping was elected as supervisor in the employee election on 3 November 2023.
- (xi) No directors, supervisors, or the chief executive of the Company waived emoluments in 2023 (2022: Nil) and their emoluments shown above were mainly for their services as directors of the Company.
- (xii) The discretionary bonus is determined by the Remuneration Committee having regard to his performance and the Company's performance and profitability and the prevailing market conditions.
- (xiii) No payment is made as compensation to terminate the service as directors for both years.
- (xiv) No performance related incentive payment is made for the years ended 31 December 2023 and 2022.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 13. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five highest paid employees of the Group during the year included two directors (2023: two directors), details of whose remuneration are set out in note 12 above. Details of the remuneration for the year of the remaining three (2023: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 RMB'000	2023 RMB'000
Salaries and other emoluments	825	815
Retirement benefits	186	233
Bonus	1,612	1,514
	2,623	2,562

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within following bands is as follows:

	2024 Number of Individuals	2023 Number of Individuals
Nil-Hong Kong Dollars ("HK\$") 1,000,000	3	3

### 14. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2024 RMB'000	2023 RMB'000
<b>Current tax – PRC Enterprise Income Tax</b>		
Charge for the year	1,181,415	553,903
Under (over) provision in respect of prior years	17,236	(1,724)
	1,198,651	552,179
<b>Deferred tax (note 34(a))</b>		
Origination and reversal of temporary differences and tax losses	784,576	422,084
Income tax expense in the consolidated statement of profit or loss and other comprehensive income	1,983,227	974,263

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 14. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (*Continued*)

#### (b) Reconciliation between income tax and accounting profit at applicable tax rates:

	2024 RMB'000	2023 RMB'000
Profit before taxation	8,748,002	5,842,708
Notional PRC enterprise income tax at statutory tax rate of 25% (2023: 25%)	2,187,001	1,460,677
Tax effect of non-deductible expenses	94,738	85,941
Tax effect of non-taxable income	(977)	(13,037)
Preferential tax rate on subsidiaries' profit or loss (Note a)	(3,253)	(13,345)
Tax effect of share of results of associates	(784,220)	(939,652)
Tax effect of tax losses and deductible temporary differences not recognised	631,770	546,772
Utilisation of tax losses and deductible temporary differences previously not recognised	(112,775)	(21,470)
Additional deduction of environmental friendly equipments (Note b)	(46,293)	(129,899)
Under (over) provision in respect of prior years	17,236	(1,724)
	1,983,227	974,263

Notes:

- (a) The charge for PRC Enterprise Income Tax is calculated at the statutory rate of 25% (2023: 25%) on the estimated assessable profit or loss for the year determined in accordance with relevant enterprise income tax rules and regulations, except for certain subsidiaries of the Group, which are taxed at preferential rate of either 15% or 20% (2023: 15% or 20%)
- (b) In accordance with relevant enterprise income tax rules and regulations, additional tax deduction is granted to the PRC company which acquires for environmental friendly equipment during the financial year.

### 15. OTHER COMPREHENSIVE (EXPENSE) INCOME

	2024 RMB'000	2023 RMB'000
Share of other comprehensive (expense) income of investees accounted for under the equity method	(15,330)	18,426
Share of other comprehensive income (non-recycling) of investees accounted for under the equity method	12,274	64,113
Other comprehensive (expense) income, net of income tax	(3,056)	82,539

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

## 16. EARNINGS PER SHARE

### (a) Basic and diluted earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company for the year and divided by the weighted average number of ordinary shares in issue during the year.

	2024 RMB'000	2023 RMB'000
Profit attributable to equity holders of the Company	5,669,855	4,601,094
Less: Profit attributable to holders of perpetual capital securities (note 37(e))	(971,836)	(1,007,474)
Profit attributable to equity shareholders (Earnings for the purpose of basic earnings per share)	4,698,019	3,593,620
Weighted average number of ordinary shares in issue (Rounded to the nearest thousand)	10,227,561	10,122,960
Basic earnings per share (RMB)	0.459	0.355
Diluted earnings per share (RMB) (Note 16(b))	N/A	0.353

### (b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume exercise/conversion of all dilutive potential ordinary shares. During the year ended 31 December 2023, the Company has one category of dilutive potential ordinary shares which is the convertible bonds. They are assumed to have been converted into ordinary shares, and profits attributable to the equity shareholders of the Company is adjusted to eliminate the interest expenses of the convertible bonds.

	2023 RMB'000
Profit attributable to equity shareholders	3,593,620
Add: interest expense on liability component of convertible bonds	15,137
Earnings for the purpose of diluted earnings per share	3,608,757
	2023 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	10,122,960
Effect of dilutive potential ordinary shares: convertible bonds	104,601
Weighted average number of ordinary shares for the purpose of diluted earnings per share	10,227,561
Diluted earnings per share (RMB)	0.353

No diluted earning per share is presented for the year ended 31 December 2024 as there is no dilutive potential ordinary share in issue during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

## 17. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Generators machinery and equipment RMB'000	Mining structures and mining rights RMB'000	Motor vehicles furniture, fixtures, equipment and others RMB'000	Total RMB'000
<b>Cost</b>					
At 1 January 2023	70,194,705	153,074,576	6,021,573	5,321,003	234,611,857
Additions	7,934	2,720,891	614,934	139,861	3,483,620
Transferred from construction in progress (note 19)	3,697,152	11,550,578	–	622,633	15,870,363
Disposals/write-offs	(2,164,729)	(1,621,394)	–	(146,689)	(3,932,812)
<b>At 31 December 2023 and 1 January 2024</b>	<b>71,735,062</b>	<b>165,724,651</b>	<b>6,636,507</b>	<b>5,936,808</b>	<b>250,033,028</b>
Additions	2,210	5,914	135,886	204,002	348,012
Transferred to investment property	(19,516)	–	–	–	(19,516)
Transferred from construction in progress (note 19)	2,633,494	5,075,739	–	610,194	8,319,427
Disposals/write-offs	(118,040)	(2,055,384)	(466)	(211,509)	(2,385,399)
<b>At 31 December 2024</b>	<b>74,233,210</b>	<b>168,750,920</b>	<b>6,771,927</b>	<b>6,539,495</b>	<b>256,295,552</b>
<b>Accumulated depreciation and impairment</b>					
At 1 January 2023	23,525,354	74,677,506	4,898,568	3,339,426	106,440,854
Charge for the year	2,224,537	7,165,162	36,131	652,938	10,078,768
Written back on disposals	(132,410)	(1,313,581)	–	(141,237)	(1,587,228)
Impairment loss (note (i))	86,490	396,037	–	1,141	483,668
<b>At 31 December 2023 and 1 January 2024</b>	<b>25,703,971</b>	<b>80,925,124</b>	<b>4,934,699</b>	<b>3,852,268</b>	<b>115,416,062</b>
Charge for the year	2,359,813	7,331,393	52,773	677,168	10,421,147
Written back on disposals	(114,800)	(1,457,588)	–	(209,161)	(1,781,549)
Transferred to investment property	(14,299)	–	–	–	(14,299)
Impairment loss (note (i))	–	60,919	–	1,782	62,701
<b>At 31 December 2024</b>	<b>27,934,685</b>	<b>86,859,848</b>	<b>4,987,472</b>	<b>4,322,057</b>	<b>124,104,062</b>
<b>Net book value</b>					
At 31 December 2024	46,298,525	81,891,072	1,784,455	2,217,438	132,191,490
At 31 December 2023	46,031,091	84,799,527	1,701,808	2,084,540	134,616,966

Notes:

(i) Impairment loss

Each power generation plant or coal mining company constitutes a CGU. During both reporting periods, certain property, plant and equipment became damaged, idle or obsolete due to government policies on environmental protection, energy conservation and/or emission reduction. The management assessed the recoverable amount of the property, plant and equipment and other relevant non-current assets (including allocated goodwill) within the CGU relating to power generation plants, after taking into account the Group's future power generation operating plans and the outlook for the industry. In addition, in the assessment of the recoverable amount of the property, plant and equipment relating to coal mining companies, the management takes into account the changes in the external market, the coal production and operation efficiency of the Group. Based on the impairment testing results, the carrying value of property, plant and equipment and intangible assets of the Group were impaired by approximately RMB63 million and nil respectively (2023: RMB484 million and RMB15 million), with impairment losses recognised in profit or loss accordingly.

The recoverable amount of the relevant CGUs had been determined based on value in use calculations. These calculations use cash flow projections based on financial forecasts prepared by the management covering a five-year period (2023: five-year period). Cash flows beyond the five-year period are projected using zero growth rates (2023: zero growth rates). The cash flows are discounted using a discount rate from 6.18% to 10.32% (2023: 7.25% to 11.37%). The discount rates used are pre-tax and reflect specific risks relating to the relevant group of assets.

Other assumptions for the value in use calculations include the expected sales price of electricity, demands of electricity in specific regions where the power plants are located and fuel cost. Management determined these key assumptions based on past performance and its expectations on market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of these units.

(ii) Certain of the Group's interest-bearing bank borrowings were secured by certain of the Group's property, plant and equipment, which had an aggregate net book value of approximately RMB889 million as at 31 December 2024 (2023: RMB964 million).

(iii) As at 31 December 2024, the carrying value of property, generators and related machinery of property, plant and equipment held as collateral of the sales and leaseback agreement signed by the Group for financing purposes (note 31(d)) during the year was approximately RMB907 million (2023: RMB828 million).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

## 18. LEASE

### The Group as a lessee

The Group has lease contracts for various items of buildings, generators, machinery and equipment, land use rights and sea use rights that were used in its operations. Leases of buildings, generators, machinery and equipment generally have lease terms between 6 months and 50 years (2023: between 6 months and 50 years), while land use rights and sea use rights generally have lease terms between 4 and 70 years (2023: between 10 and 70 years). Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

### (a) Right-of-use assets

(i) The carrying amounts of the Group's right-of-use assets are as follows:

	2024 RMB'000	2023 RMB'000
Buildings	84,905	52,593
Generators, machinery and equipment	5,772	—
Land use rights and sea use rights	5,621,990	5,302,800
Total	5,712,667	5,355,393

During the year ended 31 December 2024, additions to new buildings, new machineries and land use rights are amounted to RMB106,268,000 RMB7,762,000 and RMB530,061,000, respectively.

(ii) Depreciation charge of right-of-use assets is as follows:

	2024 RMB'000	2023 RMB'000
Buildings	67,715	62,554
Generators, machinery and equipment	1,990	44,907
Land use rights and sea use rights	208,869	196,543
Total	278,574	304,004

### (b) Lease liabilities

Amounts payable under lease liabilities

	2024 RMB'000	2023 RMB'000
Within one year	99,908	24,635
After one year and within two years	56,638	16,921
After than two years and within five years	7,521	13,542
After five years	15,321	16,158
	179,388	71,256
	2024 RMB'000	2023 RMB'000
Analysed into:		
Current portion	99,908	24,635
Non-current portion	79,480	46,621

The weighted average incremental borrowing rates applied to lease liabilities range from 2.18% to 4.75% (2023: 2.27% to 4.90%). The total cash outflow for leases for the year ended 31 December 2024 was RMB103,534,000 (2023: RMB363,131,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 19. CONSTRUCTION IN PROGRESS

	2024 RMB'000	2023 RMB'000
At 1 January	7,352,868	14,842,864
Additions	7,937,466	8,395,404
Transferred to property, plant and equipment (note 17)	(8,319,427)	(15,870,363)
Impairment loss (Note)	(40,296)	(15,037)
At 31 December	6,930,611	7,352,868

Note:

During both reporting years, it was identified that certain preliminary projects of the Group have no economic value for further development or remote possibility of obtaining relevant approval from the National Development and Reform Commission or its local agencies. As a result, the gross carrying amount of these projects of approximately RMB166 million (2023: RMB192 million) was written down to its recoverable amount of RMB126 (2023: RMB177 million) as of 31 December 2024. The recoverable amounts of these assets are based on their fair value less costs of disposal. In addition, certain preliminary projects with a gross amount of RMB8.99 million (2023: RMB0.43 million) which had previously been fully impaired, were written off in 2024. As of 31 December 2024, the accumulated impairment loss of construction in progress was approximately RMB711 million (2023: RMB910 million).

### 20. INTANGIBLE ASSETS

	Concession rights RMB'000	Development right of hydropower RMB'000	Others RMB'000	Total RMB'000
<b>Cost</b>				
At 1 January 2023	66,456	1,382,954	1,015,632	2,465,042
Additions	–	–	90,081	90,081
Disposals	–	–	(11,900)	(11,900)
<b>At 31 December 2023 and 1 January 2024</b>	<b>66,456</b>	<b>1,382,954</b>	<b>1,093,813</b>	<b>2,543,223</b>
Additions	–	–	109,266	109,266
Disposals	–	–	(123,327)	(123,327)
<b>At 31 December 2024</b>	<b>66,456</b>	<b>1,382,954</b>	<b>1,079,752</b>	<b>2,529,162</b>
<b>Accumulated amortisation</b>				
At 1 January 2023	6,548	51,152	467,483	525,183
Charge for the year	5,552	20,075	94,075	119,702
Impairment loss	–	14,698	–	14,698
Written back on disposals	–	–	(8,491)	(8,491)
<b>At 31 December 2023 and 1 January 2024</b>	<b>12,100</b>	<b>85,925</b>	<b>553,067</b>	<b>651,092</b>
Charge for the year	2,655	19,888	88,622	111,165
Written back on disposals	–	–	(69,015)	(69,015)
<b>At 31 December 2024</b>	<b>14,755</b>	<b>105,813</b>	<b>572,674</b>	<b>693,242</b>
<b>Net book value</b>				
<b>At 31 December 2024</b>	<b>51,701</b>	<b>1,277,141</b>	<b>507,078</b>	<b>1,835,920</b>
<b>At 31 December 2023</b>	<b>54,356</b>	<b>1,297,029</b>	<b>540,746</b>	<b>1,892,131</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 20. INTANGIBLE ASSETS (*Continued*)

Intangible assets mainly represent concession rights to operate power plants granted by the government under service concession arrangements and development right of hydropower.

The amortisation recognised for the year amounting to approximately RMB111 million (2024: RMB120 million) is included in "Depreciation and amortisation" in the consolidated statement of profit or loss and other comprehensive income.

### 21. GOODWILL

	2024 RMB'000	2023 RMB'000
<b>Cost</b>		
At 1 January and 31 December	1,838,351	1,838,351
<b>Impairment losses</b>		
At 1 January and 31 December	805,868	805,868
<b>Net book value</b>		
At 31 December	1,032,483	1,032,483

The carrying amount of goodwill at the end of the reporting period is attributable to below subsidiaries or power plants:

	2024 RMB'000	2023 RMB'000
Huadian Weifang Power Generation Company Limited	20,845	20,845
Hangzhou Huadian Banshan Power Generation Company Limited	59,322	59,322
Hebei Huarui Energy Group Corporation Limited	38,491	38,491
Lixian Star River Hydropower Company Limited	89,184	89,184
Hubei Power Generation	427,679	427,679
Hunan Area Companies	389,538	389,538
Others	7,424	7,424
<b>Total</b>	<b>1,032,483</b>	<b>1,032,483</b>

During the year ended 31 December 2024, no impairment loss is recognised (2023: Nil).

The basis of the recoverable amounts of the CGUs containing goodwill and their major underlying assumptions are summarised below:

The recoverable amounts of the CGUs are determined based on value in use calculations. These calculations use cash flow projections based on financial forecasts prepared by management covering a five-year period (2023: a five-year period). Cash flows beyond the five-year period are projected using zero growth rate (2023: zero growth rates). The cash flows are discounted using a discount rate of 7.07% to 9.25% (2023: 7.25% to 11.37%). The discount rates used are pre-tax and reflect specific risks relating to the relevant CGUs. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount to exceed the recoverable amount of these units.

Other assumptions for the value in use calculations include the expected sales price of electricity, demands of electricity in specific regions where these power plants are located and fuel cost. Management determined these key assumptions based on past performance and its expectations on market development.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 22. INTERESTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Share of net assets	47,481,740	44,339,913
Less: impairment loss	(99,290)	(99,290)
	47,382,450	44,240,623
Fair value of listed investment (Note)	368,929	343,388

Note: The fair value of the listed investment is determined based on the quoted market bid price at the Shenzhen Stock Exchange in the PRC multiplied by the quantity of share held by the Group.

#### (a) General information of associates

The following list contains only the particulars of associates as at 31 December 2024 and 2023, all of which are limited liability companies established and operating in the PRC, which principally affected the results, assets or liabilities of the Group:

Name of company	Registered ordinary share capital RMB'000	Proportion of ownership interest and voting rights		Principal activities
		Held by the Company %	Held by subsidiaries %	
Otog Front Banner Changcheng No.3 Mining Company Limited ("Changcheng No.3 Mining") 鄂托克前旗長城三號礦業有限公司	1,727,133 (2023: 1,246,307)	35.00	–	Production and sale of coal
China Huadian Finance Corporation Limited ("China Huadian Finance") 中國華電集團財務有限公司	5,541,117	14.85 (Note (i))	–	Provision of corporate financial service to its group companies
Huadian Coal Industry Group Company Limited ("Huadian Coal") 華電煤業集團有限公司	3,695,085 (2023: 3,657,143) (Note (iii))	11.82 (Note (i))	1.16	Provision of coal procurement service
Ningxia Yinxing Coal Company Limited ("Yinxing Coal") 寧夏銀星煤業有限公司	1,069,950	50.00 (Note (ii))	–	Production and sale of coal
Otog Front Banner Changcheng No. 5 Mining Company Limited ("Changcheng No.5 Mining") 鄂托克前旗長城五號礦業有限公司	972,914 (2023: 653,995)	35.00	–	Production and sale of coal
Huadian Property Company Limited 華電置業有限公司	2,697,500	8.31 (Note (i))	1.07	Property development
Huadian Jinsha River Upstream Hydropower Development Company Limited ("Jinsha River Hydropower Company") 華電金沙江上游水電開發有限公司	9,684,922 (2023: 7,907,392) (Note (iii))	12.00 (Note (i))	–	Generation and sale of electricity
Otog Front Banner Changcheng Mine Company Limited ("Changcheng Mine") 鄂托克前旗長城煤礦有限公司	997,043 (2023: 756,270)	35.00	–	Sale of mines machinery and accessory
Inner Mongolia Fucheng Mining Company Limited ("Fucheng Mining Company") 內蒙古福城礦業有限公司	937,369	35.00	–	Sale of ores steels products
Ningxia Western Venture Industrial Co., Ltd. ("Ningxia West") 寧夏西部創業實業股份有限公司	1,458,375	4.87 (Note (i))	–	Railway development and management

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 22. INTERESTS IN ASSOCIATES (*Continued*)

#### (a) General information of associates (*Continued*)

Name of company	Registered ordinary share capital RMB'000	Proportion of ownership interest and voting rights		Principal activities
		Held by the Company %	Held by subsidiaries %	
CNNP CHD Hebei Nuclear Power Company Limited ("Hebei Nuclear Power") 中核華電河北核電有限公司	546,702 (2023: 474,302) (Note (iii))	39.00	–	Generation and sale of electricity
Huadian New Energy Group Corporation Limited ("Huadian New Energy") 華電新能源集團股份有限公司	36,011,136 (2023: 36,000,000)	31.03	–	Generation and sale of electricity and heat

Notes:

- (i) According to the articles of association of these companies, the Company has representations in the board of directors and therefore can participate in the financial and operating policy decisions of these companies so as to have significant influence in their activities.
- (ii) The Group holds 50% ownership of Yinxing Coal. According to the articles of associations of Yinxing Coal, the financial and operating policy decisions do not require unanimous consent of the parties sharing control. Thus, Yinxing Coal is accounted for as an associate of the Company.
- (iii) During the year ended 31 December 2024, the Group has made capital injections in certain associates and there are no changes in ownership interests and voting rights after the injection. In addition, the above mentioned capital injections into the associates is offset by the dividends paid from those associates.
- (iv) The English translation of the names is for identification only. The official names of these entities are in Chinese.

#### (b) Summarised financial information of material associates

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs.

##### (i) Huadian Coal

	2024 RMB'000	2023 RMB'000
Current assets	15,626,277	15,349,847
Non-current assets	75,480,775	73,026,023
Current liabilities	(24,811,136)	(22,642,209)
Non-current liabilities	(27,931,030)	(27,349,982)
	2024 RMB'000	2023 RMB'000
Revenue	42,660,799	44,373,196
Profit for the year	7,847,446	8,375,590
Other comprehensive income for the year	177,049	495,914
Total comprehensive income for the year	8,024,495	8,871,504
Dividends received during the year	539,397	401,544

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 22. INTERESTS IN ASSOCIATES (Continued)

#### (b) Summarised financial information of material associates (Continued)

##### (i) Huadian Coal (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Huadian Coal recognised in the consolidated financial statements:

	2024 RMB'000	2023 RMB'000
Net assets	38,364,886	38,383,679
Non-controlling interests of Huadian Coal	(13,396,180)	(14,147,223)
Proportion of the Group's ownership interest	12.98%	12.98%
Carrying amount of the Group's interest	3,240,938	3,145,892

##### (ii) Huadian New Energy

	2024 RMB'000	2023 RMB'000
Current assets	64,634,403	46,870,621
Non-current assets	377,193,909	298,572,682
Current liabilities	(102,804,474)	(82,654,089)
Non-current liabilities	(221,611,603)	(162,352,417)

	2024 RMB'000	2023 RMB'000
Revenue	33,967,751	29,543,155
Profit for the year	9,479,614	10,109,827
Other comprehensive income for the year	285	216,287
Total comprehensive income for the year	9,479,899	10,326,114

Reconciliation of the above summarised financial information to the carrying amount of the interest in Huadian New Energy recognised in the consolidated financial statements:

	2024 RMB'000	2023 RMB'000
Net assets	117,412,235	100,436,797
Non-controlling interests of Huadian New Energy	(14,039,180)	(6,039,981)
Proportion of the Group's ownership interest	31.03%	31.03%
Carrying amount of the Group's interest	32,076,659	29,291,332

#### (c) Aggregate information of associates that are not individually material

	2024 RMB'000	2023 RMB'000
The Group's share of (loss) profit and total comprehensive (expense) income for the year	(82,142)	228,808
Aggregate carrying amount of the Group's interests in these associates	12,064,853	11,803,399



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 22. INTERESTS IN ASSOCIATES (*Continued*)

#### (d) Unrecognised share of losses of associates

	2024 RMB'000	2023 RMB'000
The unrecognised share of losses of associates for the year	(1,259,655)	(263,926)
Cumulative unrecognised share of losses of associates	(1,821,132)	(561,477)

### 23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB'000	2023 RMB'000
Unlisted equity securities, at FVTPL	263,279	351,434

The above unlisted equity securities are issued by private entities incorporated in the PRC.

The fair value of unlisted equity securities is measured using valuation technique with significant unobservable inputs and hence was classified as Level 3 of the fair value hierarchy.

### 24. OTHER NON-CURRENT ASSETS

	2024 RMB'000	2023 RMB'000
Financial assets		
– Other long-term receivables with fixed-rate and non-current feature (Note)	269,452	155,045
Deductible Value Added Tax and other tax	624,743	279,859
Other	43,128	36,736
	937,323	471,640

Note:

Other long-term receivables are balances due from an associate and carry interest at 4.75% (2023: 4.75%) and will be repaid in 2026 and 2027 (2023: 2025 and 2026) (note 38(a)).

### 25. SERVICE CONCESSION ARRANGEMENT

The Group entered into certain service concession agreements with local governments (the “Grantors”) to construct and operate power plants during the concession period, which is normally for 25 years of operation. The Group is responsible for construction and maintenance of the power plants during the concession period. At the end of the concession period, the Group needs to dispose of the power plants to local government at nil consideration. Service concession construction revenue represents the revenue recognised during the construction stage of the service concession period, and it approximates to the same amount of cost incurred since substantially all construction activities are sub-contracted. No additions to concession rights were recognised for service concession arrangements in both 2024 and 2023 (note 20).

The Group has recognised intangible assets (note 20) relating to the service concession arrangements, which represent the Group’s rights to charge a fee for sales of electricity. The Group has not recognised service concession receivables as the Grantor will not provide the Group with any guaranteed minimum payment for the operating period of the power plants.

The Group recognises the intangible assets at the fair value of the concession construction service and amortises the intangible assets over the operating period of the service concession projects.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 26. INVENTORIES

	2024 RMB'000	2023 RMB'000
Coal, gas and stalk	4,606,958	3,889,783
Fuel oil	46,552	53,626
Materials, components and spare parts	506,531	557,174
	5,160,041	4,500,583

All of the inventories for future usage and sales are expected to be utilised within one year.

### 27. TRADE DEBTORS AND BILLS RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade debtors and bills receivables for the sale of electricity	10,294,449	11,014,323
Trade debtors and bills receivables for the sale of heat	1,152,536	1,045,354
Trade debtors and bills receivables for the sale of coal	403,712	631,877
	11,850,697	12,691,554
Less: allowance for impairment	(346,385)	(354,847)
	11,504,312	12,336,707

	2024 RMB'000	2023 RMB'000
Analysed into:		
– At amortised cost	11,718,876	12,326,729
– At FVTOCI (Note (i))	131,821	364,825
	11,850,697	12,691,554

Notes:

- (i) The Group's bills receivables are managed with a business model under which bills receivable are held to collect contractual cash flows or endorsed to suppliers prior to their expiry date. Accordingly, these bills receivable are classified as financial assets at FVTOCI.
- (ii) During the year ended 31 December 2024, bank acceptance bills discounted of approximately RMB3,290 million (2023: RMB3,078 million) were derecognised by the Group (the "Derecognised Bills"). In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. In the opinion of the directors, the fair values of the Group's Continuing Involvements in the Derecognised Bills are not significant.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 27. TRADE DEBTORS AND BILLS RECEIVABLES (*Continued*)

#### (a) Ageing analysis

As at 31 December 2024, the ageing analysis of trade debtors and bills receivables (net of allowance for impairment), presented based on the invoice date, which approximated to the revenue recognition date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	11,270,815	12,201,336
1 to 2 years	131,511	117,309
2 to 3 years	83,924	17,660
Over 3 years	18,062	402
	<b>11,504,312</b>	12,336,707

#### (b) Impairment of trade debtors and bills receivables

Impairment loss in respect of trade debtors and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivables directly. The movement in allowance for impairment during the year is as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	354,847	361,332
Impairment loss recognised	268	5,783
Reversal of impairment loss	(7,884)	(11,265)
Write-off	(846)	(1,003)
At 31 December	<b>346,385</b>	354,847

The Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances, the Group determines the ECL on these items on a collective basis.

At 31 December 2024, the Group's trade debtors and bills receivables totalling of approximately RMB0.27 million (2023: RMB6 million) were individually determined to be credit-impaired and loss allowance of the same amount has been recognised during the year. A write-off of trade debtors and bills receivables with a gross carrying amount of approximately RMB0.9 million (2023: RMB1 million) resulted in a decrease in loss allowance of approximately RMB0.9 million (2023: RMB1 million). The Group does not hold any collateral over these balances.

The information about the ECLs on the Group's trade debtors and bills receivables are disclosed in note 42(b).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 28. DEPOSITS, OTHER RECEIVABLES AND PREPAYMENTS

	2024 RMB'000	2023 RMB'000
Financial assets		
– Dividends receivable	145,105	728,639
– Deposits	52,836	56,688
– Machinery and equipment related receivables	221,270	211,404
– Other receivables	1,007,206	655,433
	1,426,417	1,652,164
Less: allowance for impairment (Note)	(258,212)	(262,998)
	1,168,205	1,389,166
Deductible Value Added Tax	1,259,347	1,449,812
Prepayments	4,018,650	3,185,062
Others	58,493	172,900
	6,504,695	6,196,940

Note:

ECLs are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

As at 31 December 2024, ECLs of deposits and other receivables of the Group amounted to approximately RMB258 million (2023: RMB263 million). The information about the ECLs on the Group's deposits and other receivables are disclosed in note 42(b).

### 29. RESTRICTED DEPOSITS

Restricted deposits mainly represent performance bonds at banks and other financial institutions with maturity of over three months.

### 30. CASH AND CASH EQUIVALENTS

	2024 RMB'000	2023 RMB'000
Cash at bank and in hand	21,117	52,953
Cash at other financial institutions	5,600,095	5,117,324
	5,621,212	5,170,277

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 31. BORROWINGS

#### (a) Bank loans

	2024 RMB'000	2023 RMB'000
Due:		
Within 1 year		
– short-term bank loans	23,304,005	15,884,273
– current portion of long-term bank loans	12,105,718	10,905,153
	35,409,723	26,789,426
After 1 year but within 2 years	15,290,246	13,712,953
After 2 years but within 5 years	12,046,509	20,667,583
After 5 years	13,597,896	15,297,871
	40,934,651	49,678,407
	76,344,374	76,467,833

As at 31 December 2024, all of the bank loans are unsecured, except for amounts of approximately RMB7,793 million (2023: RMB9,252 million) which are secured by the income stream in respect of the sale of electricity and heat and trade debtors for the sale of electricity and heat of certain subsidiaries; and amounts of approximately RMB1,005 million (2023: RMB1,114 million) which are secured by property, plant and equipment with an aggregate carrying amount of approximately RMB889 million (2023: RMB964 million). None of the bank loans contain financial covenants.

Details of the currencies, interest rates and maturity dates of bank loans are as follows:

	2024 RMB'000	2023 RMB'000
<b>RMB loans</b>		
Floating interest rates ranging from 1.20% to 3.96% (2023: 1.55% to 4.55%) per annum with maturities up to 2043	58,125,701	55,316,002
Fixed interest rates ranging from 1.55% to 3.50% (2023: 1.75% to 3.96%) per annum with maturities up to 2036	18,218,673	21,151,831
	76,344,374	76,467,833

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 31. BORROWINGS (Continued)

#### (b) Loans from shareholders

	2024 RMB'000	2023 RMB'000
Due:		
Within 1 year		
– short term loans from shareholders	–	200,223
– current portion of long-term loans from shareholders	930,945	537,131
	930,945	737,354
After 1 year but within 2 years	43,910	1,026,460
After 2 years but within 5 years	3,126,800	3,193,910
After 5 years	410,000	800,000
	3,580,710	5,020,370
	4,511,655	5,757,724

All of the loans from shareholders are unsecured and denominated in RMB. Details of the interest rates and maturity dates of loans from shareholders are as follows:

	2024 RMB'000	2023 RMB'000
<b>Loans from China Huadian</b>		
Floating interest rates at 3% (2023: 3%) per annum, with maturities up to 2027	200,183	300,274
Fixed interest rates ranging from 2.06% to 5.00% (2023: 2.69% to 5.00%) per annum, with maturities up to 2030	4,311,472	5,457,191
<b>Others</b>		
Fixed interest rate of 4.65% (2024: nil) per annum, with maturities up to 2024	–	259
	4,511,655	5,757,724

#### (c) State loans

	2024 RMB'000	2023 RMB'000
Due:		
Within 1 year		
– current portion of long-term state loans	1,821	1,886
After 1 year but within 2 years	1,821	1,885
After 2 years but within 5 years	5,464	5,659
After 5 years	34,574	38,087
	41,859	45,631
	43,680	47,517



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 31. BORROWINGS (Continued)

#### (c) State loans (Continued)

Details of the currencies, interest rates and maturity dates of state loans are as follows:

	2024 RMB'000	2023 RMB'000
<b>Euro loan</b>		
Fixed interest rate of 0.75% (2023: 0.75%) per annum, with maturities up to 2048	<b>43,680</b>	47,517

The Euro state loan represents a loan facility maximum of approximately Euro14.50 million granted by the KfW Bankengruppe of Germany to the PRC State Government pursuant to a loan agreement entered into in December 2008 based on a series of bilateral financial cooperation agreements between The Federal Republic of Germany and the PRC State Government. The loan is to finance the Qingdao central heating system under the Energy Efficiency programme. The PRC State Government on-lent the loan facility to Qingdao Heat Company through China Agricultural Bank and is guaranteed by Qingdao Finance Bureau.

#### (d) Other loans

	2024 RMB'000	2023 RMB'000
Due:		
Within 1 year		
– short-term other loans	<b>4,586,768</b>	2,883,281
– current portion of long-term other loans	<b>1,316,376</b>	1,519,213
	<b>5,903,144</b>	4,402,494
After 1 year but within 2 years	<b>1,775,241</b>	1,898,175
After 2 years but within 5 years	<b>2,066,956</b>	2,593,161
After 5 years	<b>1,461,604</b>	2,365,173
	<b>5,303,801</b>	6,856,509
	<b>11,206,945</b>	11,259,003

The Group has signed sales and leaseback agreements with a fellow subsidiary of the Company (note 38) and with an independent third-party financial leasing company, with contract terms of 8 years and 3 years respectively (2023: both 1 year). The Group sold certain property, generator and related machinery and equipment (note 17) and in the meantime, leased back those assets. According to the agreements, the Group has an option to buy back the equipment at a nominal price of RMB1 (2023: RMB1) when the lease term expires. Meanwhile, the Group has certain financing agreements with fellow subsidiaries (note 38). The substance of the transaction was to obtain financing secured by relevant assets within the leasing period and repaid them in instalment.

As at 31 December 2023, the other loans borrowed from China Huadian Finance, a fellow subsidiary and a third party financial leasing company totalling of approximately RMB684 million are secured by the income stream in respect of the sale of electricity. As at 31 December 2024, the other loans borrowed from China Huadian Finance and a fellow subsidiary totalling of approximately RMB569 million are secured by the income stream in respect of the sale of electricity.

Apart from the aforementioned secured loans, all of the other loans are unsecured. All of the other loans are denominated in RMB. Details of the interest rates and maturity dates of other loans are as follows:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 31. BORROWINGS (Continued)

#### (d) Other loans (Continued)

	2024 RMB'000	2023 RMB'000
<b>Loans from China Huadian Finance</b>		
Floating interest rates ranging from 2.05% to 3.96% (2023: 2.29% to 4.06%) per annum, with maturities up to 2035	5,315,879	5,905,797
Fixed interest rates ranging from 2.30% to 2.95% (2023: 2.30% to 3.10%) per annum, with maturities up to 2036	3,935,786	3,607,057
<b>Others</b>		
Floating interest rates ranging from 2.85% to 4.55% (2023: 3.40% to 4.05%) per annum, with maturities up to 2038	716,517	1,109,254
Fixed interest rates of ranging from 0.10% to 3.60% (2023: 3.10% to 4.65%) per annum, with maturities up to 2029	1,238,763	636,895
	<b>11,206,945</b>	<b>11,259,003</b>

#### (e) Long-term debentures payable

	2024 RMB'000	2023 RMB'000
First tranche of medium-term notes for the year of 2019	–	3,091,624
Second tranche of medium-term notes for the year of 2021	–	2,527,578
First tranche of green mid-term notes for the year of 2021	–	2,323,335
Third tranche of medium-term notes for the year of 2021	–	2,017,758
Fourth tranche of medium-term notes for the year of 2021	1,815,499	1,814,864
Fifth tranche of medium-term notes for the year of 2021	–	2,514,694
First tranche of medium-term notes for the year of 2022 (Revolutionary Base Area Bond)	2,055,431	2,054,668
First tranche of company debentures for the year of 2022 (Energy Supply Bond)	–	2,571,281
Second tranche of medium-term notes for the year of 2022 (Type 1)	1,020,549	1,020,322
Second tranche of medium-term notes for the year of 2022 (Type 2)	1,023,061	1,022,842
Third tranche of medium-term notes for the year of 2022	–	1,521,438
Second tranche of company debentures for the year of 2022	1,510,865	1,510,258
Second tranche of medium-term notes for the year of 2024	1,516,848	–
Third tranche of medium-term notes for the year of 2024	2,525,198	–
Fourth tranche of medium-term notes for the year of 2024 (Type 1)	1,007,708	–
Fourth tranche of medium-term notes for the year of 2024 (Type 2)	1,007,984	–
Fifth tranche of medium-term notes for the year of 2024	1,309,577	–
Sixth tranche of medium-term notes for the year of 2024 (Type 1)	1,006,207	–
Sixth tranche of medium-term notes for the year of 2024 (Type 2)	1,006,150	–
Seventh tranche of medium-term notes for the year of 2024	1,609,722	–
Eighth tranche of medium-term notes for the year of 2024	2,004,387	–
Ninth tranche of medium-term notes for the year of 2024	2,199,755	–
	<b>22,618,941</b>	<b>23,990,662</b>
Less: Long-term debentures due within one year	<b>(4,726,883)</b>	<b>(14,196,421)</b>
	<b>17,892,058</b>	<b>9,794,241</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 31. BORROWINGS (Continued)

#### (e) Long-term debentures payable (Continued)

On 14 June 2024, the Group issued the second tranche of medium-term notes for the year of 2024 in PRC interbank debenture market. The medium-term note was issued at a total par value of RMB1,500 million with a maturity period of 3 years and bears interest at 2.13% per annum. The tranche is unsecured.

On 9 July 2024, the Group issued the third tranche of medium-term notes for the year of 2024 in PRC interbank debenture market. The medium-term note was issued at a total par value of RMB2,500 million with a maturity period of 3 years and bears interest at 2.17% per annum. The tranche is unsecured.

On 8 August 2024, the Group issued the fourth tranche of medium-term notes for the year of 2024 (type 1) in PRC interbank debenture market. The medium-term note was issued at a total par value of RMB1,000 million with a maturity period of 3 years and bears interest at 2.05% per annum. The tranche is unsecured.

On 8 August 2024, the Group issued the fourth tranche of medium-term notes for the year of 2024 (type 2) in PRC interbank debenture market. The medium-term note was issued at a total par value of RMB1,000 million with a maturity period of 5 years and bears interest at 2.17% per annum. The tranche is unsecured.

On 13 August 2024, the Group issued the fifth tranche of medium-term notes for the year of 2024 in PRC interbank debenture market. The medium-term note was issued at a total par value of RMB1,300 million with a maturity period of 3 years and bears interest at 2.07% per annum. The tranche is unsecured.

On 5 September 2024, the Group issued the sixth tranche of medium-term notes for the year of 2024 (type 1) in PRC interbank debenture market. The medium-term note was issued at a total par value of RMB1,000 million with a maturity period of 3 years and bears interest at 2.10% per annum. The tranche is unsecured.

On 5 September 2024, the Group issued the sixth tranche of medium-term notes for the year of 2024 (type 2) in PRC interbank debenture market. The medium-term note was issued at a total par value of RMB1,000 million with a maturity period of 5 years and bears interest at 2.20% per annum. The tranche is unsecured.

On 10 September 2024, the Group issued the seventh tranche of medium-term notes for the year of 2024 in PRC interbank debenture market. The medium-term note was issued at a total par value of RMB1,600 million with a maturity period of 2 years and bears interest at 2.09% per annum. The tranche is unsecured.

On 14 November 2024, the Group issued the eighth tranche of medium-term notes for the year of 2024 in PRC interbank debenture market. The medium-term note was issued at a total par value of RMB2,000 million with a maturity period of 2 years and bears interest at 2.12% per annum. The tranche is unsecured.

On 19 December 2024, the Group issued the ninth tranche of medium-term notes for the year of 2024 in PRC interbank debenture market. The medium-term note was issued at a total par value of RMB2,200 million with a maturity period of 3 years and bears interest at 1.83% per annum. The tranche is unsecured.

During the year ended 31 December 2024, the Group repaid 6 tranches of medium-term notes debentures with principal amount of RMB16,300 million (2023: repaid 1 tranche of medium-term notes with principal amount of RMB2,000 million) at par value.

At 31 December 2024, the effective interest rates of the long-term debentures are ranged from 1.85% to 3.61% (2023: from 2.63% to 4.08%) per annum after considering the effect of issue costs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 31. BORROWINGS (Continued)

#### (f) Short-term debentures payable

	2024 RMB'000	2023 RMB'000
As at 1 January	–	–
Addition during the year	4,015,347	–
Settlement during the year	(3,013,463)	–
As at 31 December	1,001,884	–

On 12 June 2024, the Group issued the first short-term debenture of 2024 in PRC interbank debenture market. The short-term debenture was issued at a par value of RMB1,500 million with a maturity period of 90 days and bears interest at 1.70% per annum. The tranche is unsecured. During the current year, the Group has redeemed the above mentioned short-term debenture.

On 26 August 2024, the Group issued the second short-term debenture of 2024 in PRC interbank debenture market. The short-term debenture was issued at a par value of RMB1,500 million with a maturity period of 90 days and bears interest at 1.94% per annum. The tranche is unsecured. During the current year, the Group has redeemed the above mentioned short-term debenture.

On 25 November 2024, the Group issued the third short-term debenture of 2024 in PRC interbank debenture market. The short-term debenture was issued at a par value of RMB1,000 million with a maturity period of 90 days and bears interest at 1.93% per annum. The tranche is unsecured..

### 32. TRADE CREDITORS AND BILLS PAYABLE

	2024 RMB'000	2023 RMB'000
Trade creditors	9,025,768	10,440,380
Trade payables – supplier finance arrangements (note i)	5,444	–
Bills payables (note ii)	1,928,100	841,868
	10,959,312	11,282,248

Notes:

- (i) The Group has entered into reverse factoring arrangements, under which some of the Group's key suppliers may elect to receive early payment on the invoice amount with a discount from a factoring company. Payments to suppliers ahead of the invoice due date are processed by the factoring company and, in all cases, the Group settles the original invoice by paying the factoring company in line with the original invoice maturity date. Payment terms with suppliers have not been renegotiated in conjunction with the arrangement. The Group provides no security to the factoring company. As the arrangements do not permit the Group to extend finance from the factoring company by paying factoring company later than the Group would have paid its supplier, the Group considers amounts payable to the factoring company should be classified as trade payables.

	2024 RMB'000	2023 RMB'000
Financial liabilities that are subject to supplier finance arrangements presented as trade and other payables	5,444	N/A*
– Of which suppliers have already received payment from the banks	2,139	N/A*

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulted from purchases of goods and service and subsequent cash settlement. There were no material significant non-cash changes in these liabilities.

- \* The Group applied transitional relief available under Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements and has not provided comparative information in the first year of adoption.

- (ii) The amounts relate to payables in which the Group has issued bills to the relevant suppliers for future settlement trade payables. The Group continues to recognise these payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 32. TRADE CREDITORS AND BILLS PAYABLE (*Continued*)

The following is an aged analysis of trade creditors and bills payable, presented based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	8,961,554	9,165,850
1 to 2 years	1,076,077	1,089,175
Over 2 years	921,681	1,027,223
	<b>10,959,312</b>	11,282,248

### 33. OTHER PAYABLES AND CONTRACT LIABILITIES

	2024 RMB'000	2023 RMB'000
Financial liabilities		
– Construction deposits	1,008,661	1,114,601
– Consideration payables on acquisitions of subsidiaries	296,634	296,644
– Wages payable	186,556	215,801
– Payables for sewage charges	–	1,740
– Dividend payables to non-controlling interests	3,589	110,146
– Distribution payables to holder of perpetual capital securities	518,080	412,541
– Others (Note (i))	671,975	581,190
	<b>2,685,495</b>	2,732,663
Other tax payables	416,766	671,065
Contract liabilities	2,657,826	2,157,646
Receipts in advance	4,600	9,271
	<b>5,764,687</b>	5,570,645

Notes:

- (i) Others mainly include payables on service fees, water charges and other miscellaneous items.
- (ii) All of the other payables of the Group are expected to be settled within one year or are repayable on demand.

#### Contract liabilities

	2024 RMB'000	2023 RMB'000
Contract liabilities arising from:		
Sale of heat	2,095,383	1,972,436
Sale of coal	503,316	101,718
Others	59,127	83,492
	<b>2,657,826</b>	2,157,646

Contract liabilities mainly relate to the deposits received from customers for sale of heat, coal and others. The Group expects to deliver the goods to satisfy the performance obligations of these contract liabilities within one year or less.

For the total contract liabilities of approximately RMB2,158 million as of 31 December 2023 (2022: approximately RMB2,029 million), approximately RMB2,158 million has been recognised as revenue for the year ended 31 December 2024 (2023: approximately RMB1,791 million) from performance obligations satisfied.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 34. INCOME TAX IN THE CONSOLIDATION STATEMENT OF FINANCIAL POSITION

#### (a) Deferred tax assets and liabilities recognised:

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	At 1 January 2023 <i>RMB'000</i>	Credited/ (charged) to profit or loss <i>RMB'000</i> <i>(note 14(a))</i>	Derecognised through closure of a subsidiary <i>RMB'000</i>	At 31 December 2023 and 1 January 2024 <i>RMB'000</i> <i>(note 14(a))</i>	Credited/ (charged) to profit or loss <i>RMB'000</i> <i>(note 14(a))</i>	At 31 December 2024 <i>RMB'000</i>
Impairment of assets	191,527	(43,404)	–	148,123	(7,137)	140,986
Accelerated tax depreciation	(1,279,014)	(61,261)	–	(1,340,275)	41,704	(1,298,571)
Fair value adjustments on assets arising from business combinations	(833,874)	90,118	–	(743,756)	50,602	(693,154)
Accrued staff cost	8,486	(17)	–	8,469	(2,527)	5,942
Tax losses	3,215,328	(555,143)	–	2,660,185	(868,014)	1,792,171
Right-of-use assets	(35,524)	17,187	–	(18,337)	4,801	(13,536)
Lease liabilities	13,055	443	–	13,498	(1,277)	12,221
Others (Note)	74,092	129,993	17,459	221,544	(2,728)	218,816
	1,354,076	(422,084)	17,459	949,451	(784,576)	164,875

Note: Others represent deferred tax arising from provision or utilization of miscellaneous expenses.

Reconciliation to the consolidated statement of financial position is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position	1,690,747	2,510,363
Net deferred tax liabilities recognised in the consolidated statement of financial position	(1,525,872)	(1,560,912)
	164,875	949,451



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 34. INCOME TAX IN THE CONSOLIDATION STATEMENT OF FINANCIAL POSITION *(Continued)*

#### (a) Deferred tax assets and liabilities recognised: *(Continued)*

The Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately RMB15,725 million (2023: RMB13,557 million) and deductible temporary differences of approximately RMB5,215 million (2023: RMB5,397 million) due to the unpredictability of future profit streams. The expiration of tax losses under current tax legislation is as follows:

	2024 RMB'000	2023 RMB'000
2024	–	654,383
2025	10,920	141,772
2026	7,556,253	6,870,111
2027	3,372,780	3,376,543
2028	2,425,091	2,514,306
2029	2,359,474	–
	<b>15,724,518</b>	13,557,115

### 35. DEFERRED INCOME

Deferred income represents the unearned portion of upfront installation fees received for connecting the customers' premises to the heat network of the Group. The amount is deferred and recognised in profit or loss on a straight-line basis over the expected useful life of the relevant assets installed, which approximates to the expected service terms of the relevant contracts of sale of heat. The upfront installation fee recognised for the year amounting to approximately RMB235 million (2023: RMB233 million) is included in "Other revenue" in the consolidated statement of profit or loss and other comprehensive income (note 9).

### 36. PROVISIONS

The provisions represent the Group's best estimate of the remediation costs for Group's liability on mine disposal and environmental restoration, which is based on industry standards and historical experience.

	2024 RMB'000	2023 RMB'000
At 1 January	147,142	59,733
Additions	10,070	87,409
Settlement	(3,976)	–
At 31 December	<b>153,236</b>	147,142

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 37. SHARE CAPITAL, RESERVES AND DIVIDENDS

#### (a) Dividends

##### (i) Dividends payable to equity shareholders of the Company attributable to the year:

	2024 RMB'000	2023 RMB'000
Final dividend proposed after the end of reporting period of RMB0.13 per share (2023: RMB0.15 per share)	1,329,583	1,534,134

Pursuant to a resolution passed at the directors' meeting held on 27 March 2025, a final dividend of RMB0.13 per share (2023: RMB0.15) is proposed to be payable to shareholders for 2024, subject to the approval of the shareholders at the coming annual general meeting.

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

##### (ii) Dividend approved and paid to the shareholders of the Company during the year:

	2024 RMB'000	2023 RMB'000
2024 Interim – RMB0.08 (2023: 2023 interim dividend: nil) per share	818,205	–
2023 Final – RMB0.15 (2023: 2022 final dividend RMB0.20) per share	1,534,134	2,045,512
	2,352,339	2,045,512

#### (b) Share capital

Movement of the Company's registered, issued and fully paid up capital is tabled below.

	Number of shares		Nominal value	
	2024 '000	2023 '000	2024 RMB'000	2023 RMB'000
A shares of RMB1 each				
At beginning of year	8,510,327	8,152,624	8,510,327	8,152,624
Issues of shares	–	357,703	–	357,703
At end of year	8,510,327	8,510,327	8,510,327	8,510,327
H shares of RMB1 each				
At beginning and end of year	1,717,234	1,717,234	1,717,234	1,717,234
Total of A and H shares:				
At end of year	10,227,561	10,227,561	10,227,561	10,227,561
At beginning of year	10,227,561	9,869,858	10,227,561	9,869,858

During the year ended 31 December 2024, no ordinary shares (2023: 357,702,918) are issued due to the conversion of convertible bonds. All A shares and H shares rank pari passu in all material aspects.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 37. SHARE CAPITAL, RESERVES AND DIVIDENDS (*Continued*)

#### (c) Reserves

##### (i) Capital reserve

Capital reserve represents premium received from issuance of shares, share of associates' capital reserve movements which are required to be included in this reserve by the PRC regulations and the difference between the fair value of the interest-free loans provided by the parent company initially recognised in the financial statements and the nominal amount of loans received by the Group.

##### (ii) Statutory surplus reserve

###### *General reserve*

According to the Company's Articles of Association, the Company is required to transfer at least 10% (at the discretion of the board of directors) of its profit after taxation, as determined under PRC accounting rules and regulations, to a statutory general surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

The statutory general surplus reserve can be used to make good previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

###### *Specific reserve*

Pursuant to the relevant PRC regulations for power generation companies and coal mining companies, the Group is required to set aside an amount to maintenance and production funds. The funds can be used for maintenance of production and improvements of safety at the power plants and mines, and are not available for distribution to shareholders.

##### (iii) Revaluation reserve

Revaluation reserve represents the fair value adjustment of acquisition of Huadian Weifang Power Company Limited ("**Weifang Company**") relating to the previously held interest of the Group.

##### (iv) Fair value reserve

The fair value reserve comprises the Group's share of the cumulative net change in other comprehensive income of associates at the end of the reporting period and is dealt with in accordance with the accounting policies in note 2(j).

#### (d) Distributability of reserve

According to the Company's Articles of Association, the retained profits available for distribution are the lower of the amount as determined under PRC accounting rules and regulations and the amount determined under IFRSs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 37. SHARE CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

#### (e) Perpetual capital securities

During the year ended 31 December 2024, the Company issued the follows tranches of public perpetual capital securities.

*For the year ended 31 December 2024*

Type of securities	Issuance date	Category	Issue price RMB'000	Number	Par value RMB'000
1st tranche of medium-term note for the year of 2024	March 2024	Equity Instrument	0.1	20,000,000	2,000,000

During the year ended 31 December 2023, the Company issued the follows tranches of perpetual capital securities.

*For the year ended 31 December 2023*

Type of securities	Issuance date	Category	Issue price RMB'000	Number	Par value RMB'000
1st tranche of medium-term note for the year of 2023	January 2023	Equity Instrument	0.1	20,000,000	2,000,000
2nd tranche of medium-term note for the year of 2023	February 2023	Equity Instrument	0.1	25,000,000	2,500,000
3rd tranche of medium-term note for the year of 2023	March 2023	Equity Instrument	0.1	25,000,000	2,500,000
4th tranche of medium-term note for the year of 2023	April 2023	Equity Instrument	0.1	15,000,000	1,500,000
5th tranche of medium-term note for the year of 2023	May 2023	Equity Instrument	0.1	20,000,000	2,000,000
6th tranche of medium-term note for the year of 2023	June 2023	Equity Instrument	0.1	10,000,000	1,000,000
7thA tranche of medium-term note for the year of 2023	July 2023	Equity Instrument	0.1	15,000,000	1,500,000
7thB tranche of medium-term note for the year of 2023	July 2023	Equity Instrument	0.1	10,000,000	1,000,000
8thA tranche of medium-term note for the year of 2023	July 2023	Equity Instrument	0.1	10,000,000	1,000,000
8thB tranche of medium-term note for the year of 2023	July 2023	Equity Instrument	0.1	10,000,000	1,000,000
9th tranche of medium-term note for the year of 2023	August 2023	Equity Instrument	0.1	15,000,000	1,500,000
10th tranche of medium-term note for the year of 2023	September 2023	Equity Instrument	0.1	20,000,000	2,000,000
					19,500,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 37. SHARE CAPITAL, RESERVES AND DIVIDENDS (Continued)

#### (e) Perpetual capital securities (Continued)

The perpetual capital securities issued at par value with a range of initial distribution rate from 2.80% to 3.99% (2023: 2.49% to 4.60%). The interests of perpetual capital securities are recorded as distributions, which are payable annually after the approval of the directors of the Company and may be deferred at the discretion of the Company unless compulsory distribution payment events (distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) occurred.

The perpetual capital securities have no fixed maturity date and are redeemable at the Company's discretion in whole in accordance with their terms. The Company is entitled to redeem the perpetual capital securities at par value plus payable interest (including all deferred interest) on the 2, 3 or 5 years and each of the subsequent interest payment dates of the perpetual bonds.

The applicable distribution rate will be reset on first call date and each renewal period after first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum.

The directors of the Company are of the opinion that the Group has no contractual obligation to repay the principal or to pay any distribution for the perpetual capital securities. Therefore, the perpetual capital securities are classified as equity instrument and recorded in equity in the consolidated statement of financial position. As at 31 December 2024, the profit attributable to holders of perpetual capital securities, based on the applicable distribution rate, was approximately RMB972 million (2023: RMB1,007 million).

The above financial instruments do not have a definite maturity period, and will exist until the right of redemption is exercised. The Company has the rights to deferred payment of principal and deferred payment of interest.

Movement of the perpetual capital securities is as follows:

	Principal RMB'000	Distribution RMB'000	Total RMB'000
As at 1 January 2023	23,350,001	156,212	23,506,213
Issue of perpetual capital securities	19,500,000	–	19,500,000
Profit attributable to holders of perpetual capital securities (note 16(a))	–	1,007,474	1,007,474
Distributions payable to holders of perpetual capital securities	–	(1,007,678)	(1,007,678)
Redemption of perpetual capital securities	(12,350,000)	–	(12,350,000)
As at 31 December 2023 and 1 January 2024	<b>30,500,001</b>	<b>156,008</b>	<b>30,656,009</b>
Issue of perpetual capital securities	<b>2,000,000</b>	–	<b>2,000,000</b>
Profit attributable to holders of perpetual capital securities (note 16(a))	–	<b>971,836</b>	<b>971,836</b>
Distributions payable to holders of perpetual capital securities	–	<b>(1,107,889)</b>	<b>(1,107,889)</b>
Redemption of perpetual capital securities	<b>(7,500,000)</b>	–	<b>(7,500,000)</b>
As at 31 December 2024	<b>25,000,001</b>	<b>19,955</b>	<b>25,019,956</b>

#### (f) Capital management

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern;
- to provide an adequate return to shareholders; and
- to maintain an optimal capital structure to reduce cost of capital

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 37. SHARE CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

#### (f) Capital management *(Continued)*

In order to maintain and improve the capital structure, the Group may, for the purpose of business expansion, issue new shares to reduce its liabilities to assets ratio.

The Group monitors its capital structure on the basis of liabilities to assets ratio. This ratio is calculated as total liabilities divided by total assets.

The liabilities to assets ratios as at 31 December 2024 and 2023 were as follows:

	2024 RMB'000	2023 RMB'000
Total liabilities	138,621,743	140,574,223
Total assets	227,138,590	226,476,498
Liabilities to assets ratio	61%	62%

### 38. MATERIAL RELATED PARTY TRANSACTIONS

#### (a) Transactions with shareholders, fellow subsidiaries and associates

Shareholders, fellow subsidiaries and associates that had material transactions with the Group are as follows:

Name of related parties	Nature of relationship
China Huadian Corporation Limited	Immediate parent and ultimate holding company of the Company
China Huadian Finance	An associate of the Group
Huadian Coal	An associate of the Group
Huadian Property Company Limited	An associate of the Group
Beijing Huabin Investment Company Limited	A subsidiary of an associate of the Group
Beijing Huabin Property Management Company Limited	A subsidiary of an associate of the Group
Fucheng Mining Company	An associate of the Group
Hebei Nuclear Power	An associate of the Group
Changcheng No.3 Mining	An associate of the Group
Changcheng No.5 Mining	An associate of the Group
Changcheng Mine	An associate of the Group
Jinsha River Hydropower Company	An associate of the Group
Guodian Inner Mongolia Dongsheng Co-Generation Power Co., Ltd.	An associate of the Group
Yanchang Petroleum (Hubei) Power Generation Co., Ltd.	An associate of the Group
Hubei Xianfeng Chaoyang Temple Electric Power Co., Ltd.	An associate of the Group
Guoneng Hebei Handan Thermal Power Co., Ltd.	An associate of the Group
Hebei Jianshe Renqiu Thermal Power Co., Ltd.	An associate of the Group
China Huadian Engineering Corporation and its subsidiaries	Fellow subsidiaries of the Company
Guodian Nanjing Automation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Group Beijing Energy Co., Ltd. and its subsidiaries (formerly known as "CHD Power Plant Operation Company Limited and its subsidiaries")	Fellow subsidiaries of the Company
Huadian Xinjiang Power Generation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Materials Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Group Industry and Finance Holdings Co., Ltd. and its subsidiaries (formerly known as "China Huadian Capital Holdings Company Limited and its subsidiaries")	Fellow subsidiaries of the Company
China Huadian Clean Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 38. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

#### (a) Transactions with shareholders, fellow subsidiaries and associates *(Continued)*

Shareholders, fellow subsidiaries and associates that had material transactions with the Group are as follows:  
*(Continued)*

Name of related parties	Nature of relationship
Huadian Shanxi Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Jiangsu Energy Limited Company and its subsidiaries	Fellow subsidiaries of the Company
Huadian Shaanxi Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Sichuan Power Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Electrical Construction Technical and Economic Consulting Centre	A fellow subsidiary of the Company
Huadian Inner Mongolia Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Advanced Training Centre	A fellow subsidiary of the Company
Fujian Huadian Furui Energy Development Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian HongKong Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Guizhou Wujiang Hydroelectric Development Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Electric Power Research Institute Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Liaoning Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Tibet Energy Company Limited	A fellow subsidiary of the Company
Huadian Asset Management (Tianjin) Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Group Carbon Assets Operation Company Limited	A fellow subsidiary of the Company
Huadian Yunnan Power Generation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Commercial Factoring (Tianjin) Company Limited	A fellow subsidiary of the Company
Huadian Gas Turbine Technology (Shanghai) Co., Limited	A fellow subsidiary of the Company
China Huadian Group Xiongan Energy Company Limited	A fellow subsidiary of the Company
Huadian Qicheng Energy Management (Tianjin) Partnership (Limited Partnership)	A fellow subsidiary of the Company
Yankuang Energy Group Company Limited (" <b>Yankuang Energy</b> ") (note (i))	A connected person of the Group

Notes:

- (i) Yankuang Energy is a substantial minority shareholder of a non-wholly owned subsidiary of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 38. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (Continued)

The Group had the following material transactions with related parties during the years ended 31 December 2024 and 2023:

	2024 RMB'000	2023 RMB'000
<i>Sale of electricity to</i>		
Fellow subsidiaries	19,022	9,797
<i>Purchase of electricity from</i>		
A fellow subsidiary	508,253	141,095
<i>Sales of coal to</i>		
Associates	1,035,733	662,051
Fellow subsidiaries	7,077,551	9,921,955
<i>Purchase of coal from</i>		
China Huadian	8,679,419	9,830,342
An associate	5,808,999	2,115,854
Fellow subsidiaries	1,210,782	1,157,991
Connected persons	2,766,757	2,827,109
<i>Purchase of natural gas from</i>		
A fellow subsidiary	23,290	1,456
<i>Purchase of construction service and equipment from</i>		
China Huadian	1,161	481
Associates	3,842	3,175
Fellow subsidiaries	1,059,428	1,388,176
<i>Sales of equipment to</i>		
An associate	–	2,808
Fellow subsidiaries	36,868	23,277
<i>Other services income from</i>		
An associate	–	1,871
Fellow subsidiaries	248,911	112,346
<i>Loan provided to</i>		
An associate	172,650	96,412

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 38. MATERIAL RELATED PARTY TRANSACTIONS (*Continued*)

#### (a) Transactions with shareholders, fellow subsidiaries and associates (*Continued*)

The Group had the following material transactions with related parties during the years ended 31 December 2024 and 2023: (*Continued*)

	2024 RMB'000	2023 RMB'000
<i>Income from the transfer of energy storage capacity indicators collected by</i>		
Fellow subsidiaries	41,557	25,120
<i>Loans repayment from</i>		
An associate	172,650	96,412
<i>Loans proceeds obtained from</i>		
China Huadian	36,800	1,383,910
An associate	21,863,337	30,389,159
Fellow subsidiary	4,318,053	4,467,021
<i>Loans repaid to</i>		
China Huadian	1,279,400	1,380,000
An associate	22,124,230	32,472,354
A fellow subsidiary	3,441,976	2,775,604
<i>Bills receivable discounted to</i>		
An associate	369,427	885,556
<i>Derecognised bills receivable collected by</i>		
An associate	149,427	1,914,384
<i>Interest paid to</i>		
China Huadian	191,351	204,487
An associate	237,445	280,818
A fellow subsidiary	50,729	48,745
<i>Interest received from</i>		
Associates	55,135	70,355

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 38. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

#### (a) Transactions with shareholders, fellow subsidiaries and associates *(Continued)*

The Group had the following material transactions with related parties during the years ended 31 December 2024 and 2023: *(Continued)*

	2024 RMB'000	2023 RMB'000
<i>Rental and property management service expenses paid to</i>		
China Huadian	108	—
Associates	75,858	64,866
Fellow subsidiaries	21,604	21,366
<i>Rental and property management service income from</i>		
An associate	2,051	809
Fellow subsidiaries	8,390	2,732
<i>Other service expenses paid to</i>		
China Huadian	22,548	75,813
Fellow subsidiaries	527,364	530,332
<i>Additional capital injection in</i>		
Associates	1,015,472	740,104
<i>Construction in progress-construction and construction material prepayments</i>		
Fellow subsidiaries	84,677	45,326
<i>Trade debtors and bills receivables</i>		
Associates	3	3,451
Fellow subsidiaries	276,410	559,457
<i>Deposits, other receivables and prepayments</i>		
China Huadian	345,877	340,553
Associates	168,104	99,094
Fellow subsidiaries	35,207	73,772

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 38. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

#### (a) Transactions with shareholders, fellow subsidiaries and associates *(Continued)*

The Group had the following material transactions with related parties during the years ended 31 December 2024 and 2023: *(Continued)*

	2024 RMB'000	2023 RMB'000
<i>Other long-term receivables</i>		
An associate (note 24)	269,452	155,045
<i>Cash and cash equivalents and restricted deposits</i>		
An associate	5,792,156	5,383,662
<i>Loans from a shareholder</i>		
China Huadian	(4,511,655)	(5,757,466)
<i>Other loans</i>		
An associate	(9,251,665)	(9,512,855)
A fellow subsidiary	(1,757,023)	(1,381,532)
<i>Trade creditors and bills payable</i>		
China Huadian	(244,407)	(332)
Associates	(741)	(8,199)
Fellow subsidiaries	(1,374,673)	(1,924,722)
A Connected person	(7,608)	(106,251)
<i>Other payables</i>		
China Huadian	(719)	(5,741)
An associate	(2,444)	(940)
Fellow subsidiaries	(68,637)	(117,084)
<i>Contract liabilities</i>		
An associate	(1,154)	(21,275)
Fellow subsidiaries	(509,289)	(85,573)

#### (b) Transactions with key management personnel

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in note 12 and certain highest paid employees as disclosed in note 13, is as follows:

	2024 RMB'000	2023 RMB'000
Salaries and other emoluments	2,709	2,487
Retirement benefits	454	545
Bonuses	3,883	3,389
	7,046	6,421

Total remuneration is included in "personnel costs" (see note 6).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 38. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

#### (c) Contributions to defined contribution retirement plans

The Group participates in various defined contribution retirement plans organised by municipal and provincial governments and China Huadian for its staff. As at 31 December 2024 and 2023, there was no material outstanding contribution to post-employment benefit plans.

#### (d) Transactions with other government-related entities in the PRC

China Huadian is a PRC state-owned enterprise. Government-related entities, other than entities under China Huadian, over which the PRC government has control, joint control or significant influence are also considered as related parties of the Group ("**other government-related entities**"). The majority of the business activities of the Group are conducted with other government-related entities.

The transactions between the Group and other government-related entities are conducted in the ordinary course of the Group's business within normal business operations. The Group has established its approval process for sales of electricity, purchase of products and services and its financing policy for borrowing. Such approval processes and financing policy do not depend on whether the counterparties are government-related entities or not.

Having considered the potential for transactions to be impacted by related party relationships, the Group's approval processes and financing policy, and information that would be necessary for an understanding of the potential effect of the relationship on the consolidated financial statements, the directors believe that the following transactions are collectively significant for disclosure purpose:

- sale of electricity to the grid

The Group sells substantially all its electricity to local government-related power grid companies, and the tariff of electricity is regulated by relevant government. For the year ended 31 December 2024, management estimates that the aggregate amount of the Group's significant transactions with other government-related entities are at least 99% (2023: 99%) of its sale of electricity.

- depositing and borrowing

The Group deposits most of its cash in government-related financial institutions, and also obtains most of short-term and long-term loans from these financial institutions in the ordinary course of business. The interest rates of the bank deposits and loans are regulated by the People's Bank of China.

- other transactions

Other collectively significant transactions with other government-related entities include a large portion of fuel purchases and property, plant and equipment construction. The pricing and the selection of suppliers and service providers are not dependent on whether the counterparties are government-related entities or not.

#### (e) Commitment with related parties

	2024 RMB'000	2023 RMB'000
Capital commitment	434,254	200,797
Commitment on properties rental and management fees	11,047	119,003

### 39. RETIREMENT PLANS

The Group is required to make contributions to retirement plans operated by the State at range from 15% to 20% (2023: 15% to 20%) of the staff salaries. A member of the plan is entitled to receive from the State a pension equal to a fixed proportion of his or her salary prevailing at the retirement date. In addition, the Group participates in a retirement plan managed by China Huadian to supplement the abovementioned plan. The Group has no other material obligation to make payments in respect of pension benefits associated with these plans other than the annual contributions described above.

Contributions to the plans vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

The Group's contribution to these plans amounted to approximately RMB2,232 million during the year (2023: RMB2,088 million) which was charged to the consolidated statement of profit or loss and other comprehensive income (note 6).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 40. COMMITMENTS

#### Capital commitments

The Group had capital commitments at 31 December as follows:

	2024 RMB'000	2023 RMB'000
Contracted for but not provided in the financial statements		
– Development of power plants	5,561,952	4,369,950
– Improvement projects and others	2,537,083	594,100
	8,099,035	4,964,050

### 41. CONTINGENT LIABILITIES

At the end of reporting period, the lawsuits were in progress whose final outcomes cannot be determined at present. The directors of the Company considered that the outcome of these outstanding lawsuits will not result in significant adverse effect on the financial position and operating results of the Group.

Apart from the above, the Group has no other material contingent liabilities as at 31 December 2024 (2023: nil).

### 42. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

#### Categories of financial instruments

	2024 RMB'000	2023 RMB'000
<b>Financial assets</b>		
At amortised cost		
– Other non-current assets	269,452	155,045
– Trade debtors and bills receivables	11,718,876	12,326,729
– Other receivables	1,226,698	1,562,066
– Restricted deposits	229,892	284,880
– Cash and cash equivalents	5,621,212	5,170,277
At FVTOCI		
– Trade debtors and bills receivables	131,821	364,825
At FVTPL		
– Financial assets at FVTPL	263,279	351,434
	19,461,230	20,215,256
<b>Financial liabilities</b>		
At amortised cost	128,517,250	130,753,928

Exposure to interest rate, credit, liquidity and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 42. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (*Continued*)

#### (a) Interest rate risk

The interest rates and terms of repayment of the outstanding interest-bearing liabilities of the Group are disclosed in note 31. As at 31 December 2024, fixed rate borrowings comprise 30% of total borrowings of the Group (2023: 33%).

#### Sensitivity analysis

As at 31 December 2024, it is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would have decreased the Group's profit after tax and decreased the Group's total equity by approximately RMB492 million (2023: decreased the Group's profit after tax and decreased the Group's total equity by approximately RMB481 million).

The sensitivity analysis above indicates the Group's exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period. The impact on the Group's profit after tax (and equity) and consolidated equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for prior year.

#### (b) Credit risk

The Group's credit risk is primarily attributable to trade debtors, bills receivable, deposits and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade debtors and bills receivables, individual credit evaluations are performed regularly on all customers granted with credit period. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer. Trade debtors are due within 30 to 90 days from the date of billing. For bills received from customers, the Group generally accepts only bank acceptance bills in order to minimise the risk of default payment. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 26% and 56% (2023: 27% and 57%) of the total trade debtors and bills receivables were due from the Group's largest customer and the five largest customers respectively.

The Group measures loss allowances for trade debtors and bills receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases, which are based on days past due for groupings of various customer segments that have similar loss patterns. ECLs rates are based on actual loss experience. These rates are adjusted to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Over 87% (2023: 60%) of trade debtors with past due more than 3 years are related to the local government-related power grid companies. After considering the historical loss patterns, the management considers that the impairment loss provided is adequate. No further impairment for trade debtors and bills receivables is provided as the amount of additional impairment measured under the ECLs model is immaterial.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 42. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

#### (b) Credit risk *(Continued)*

In respect of other receivables, the Group adopts individual credit evaluations continuously assessing the credit risk and financial condition of different customers. Movement in the loss allowance account in respect of other financial assets measured at amortised cost (i.e. deposits and other receivables) during the year is as follows:

Loss allowance	2024			Total RMB'000
	12-month ECLs (Stage 1) RMB'000	Lifetime ECL, non-credit impaired (Stage 2) RMB'000	Lifetime ECL, credit-impaired (Stage 3) RMB'000	
At 1 January	–	–	262,998	262,998
Impairment loss recognised	–	–	3,375	3,375
Reversal of impairment loss	–	–	(8,658)	(8,658)
Write-off	–	–	497	497
At 31 December	–	–	258,212	258,212

Loss allowance	2023			Total RMB'000
	12-month ECLs (Stage 1) RMB'000	Lifetime ECL, non-credit impaired (Stage 2) RMB'000	Lifetime ECL, credit-impaired (Stage 3) RMB'000	
At 1 January	–	–	482,429	482,429
Impairment loss recognised	–	–	3,858	3,858
Reversal of impairment loss	–	–	(219,815)	(219,815)
Write-off	–	–	(3,474)	(3,474)
At 31 December	–	–	262,998	262,998

The Group does not provide any guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade debtors and bills receivables are set out in note 27.

#### (c) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long-term.

At the end of the reporting period, the Group had net current liabilities of approximately RMB36,040 million (2023: RMB34,615 million). With regards to its future capital commitments and other financing requirements, the Group has unutilised banking facilities of approximately RMB159.0 billion (2023: RMB157.6 billion) and an aggregate amount of debentures and bonds of approximately RMB15.6 billion (2023: RMB17.4 billion) registered in the PRC interbank debenture market which has not been issued as at 31 December 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 42. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

#### (c) Liquidity risk (Continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	2024						2023					
	Contractual undiscounted cash outflow						Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	36,989,809	16,182,652	13,620,534	16,089,418	82,882,413	76,344,374	28,659,973	15,038,088	22,811,566	18,839,080	85,348,707	76,467,833
Loans from shareholders	1,050,787	160,668	3,267,578	415,612	4,894,645	4,511,655	925,516	1,166,631	3,470,531	845,258	6,407,936	5,757,724
State loans	2,149	2,135	6,324	39,504	50,112	43,680	2,243	2,228	6,600	43,803	54,874	47,517
Other loans	6,152,814	1,899,346	2,294,679	1,589,504	11,936,343	11,206,945	4,708,768	2,096,322	2,911,377	2,732,538	12,449,005	11,259,003
Trade creditors and bills payable	10,959,312	-	-	-	10,959,312	10,959,312	11,282,248	-	-	-	11,282,248	11,282,248
Amount due to the parent company	3,495	-	-	-	3,495	3,495	13,269	-	-	-	13,269	13,269
Lease liabilities	105,436	59,622	9,658	21,407	196,123	179,388	27,567	18,828	16,137	22,890	85,422	71,256
Other payables	1,977,270	-	-	-	1,977,270	1,977,270	1,994,175	-	-	-	1,994,175	1,994,175
Long-term debentures payable	5,179,073	5,780,856	12,752,292	-	23,712,221	22,618,941	14,754,304	7,138,413	2,891,827	-	24,784,544	23,990,662
Short-term debentures payable	1,004,792	-	-	-	1,004,792	1,001,884	-	-	-	-	-	-
Retirement benefit obligations	245	324	1,535	5,971	8,075	6,579	145	458	2,932	6,402	9,937	8,240
	63,425,182	24,085,603	31,952,600	18,161,416	137,624,801	128,853,523	62,368,208	25,460,968	32,110,970	22,489,971	142,430,117	130,891,927

#### (d) Currency risk

##### (i) Recognised assets and liabilities

The Group is exposed to currency risk primarily arising from cash and cash equivalents denominated in United States dollar ("US\$") and borrowings which are denominated in Euro. Depreciation or appreciation of US\$ and Euro against RMB would affect the financial position and operating results of the Group.

##### (ii) Exposure to currency risk

The following table details the Group's major exposure at the end of the reporting period to currency risk arising from monetary assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date.

	2024		2023	
	US\$ RMB'000	Euro RMB'000	US\$ RMB'000	Euro RMB'000
Cash and cash equivalents	26	-	25	-
State loans	-	(43,680)	-	(47,517)
Net exposure	26	(43,680)	25	(47,517)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 42. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

#### (d) Currency risk *(Continued)*

##### (iii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and consolidated equity in that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2024			2023		
	Decrease in foreign exchange rate %	Effect on results after tax RMB'000	Effect on consolidated equity RMB'000	Decrease in foreign exchange rate %	Effect on results after tax RMB'000	Effect on consolidated equity RMB'000
US\$	(10)	(1)	(1)	(10)	(2)	(2)
Euro	(10)	1,092	1,092	(10)	3,563	3,563

Note: Positive figures in the above table represent an increase in profit after tax/decrease in loss after tax and an increase in consolidated equity while negative figures represent corresponding opposite effects.

A 10% weakening of RMB against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2023.

#### (e) Fair values

##### (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable (note 2(b)).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	At 31 December 2024 RMB'000	At 31 December 2023 RMB'000		
Bills receivable measured at FVTOCI (included in trade debtors and bills receivables)	131,821	364,825	Level 2	Future cash flows are estimated based on discount rate observed in the available market.
Financial assets at FVTPL unlisted equity securities	263,279	351,434	Level 3	The fair value is measured by applying income approach and after considering the expected distributable profits of the investment discounted by a range of discount rate from 10.00% to 11.91% (2023: from 8.70% to 10.60%). The higher the lower of the fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 42. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (*Continued*)

#### (e) Fair values (*Continued*)

##### (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (*Continued*)

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

	2024 RMB'000	2023 RMB'000
Financial assets at FVTPL:	263,279	351,434

During the reporting period there is no transfer between instruments in Level 1 and Level 2.

##### (ii) Financial instruments carried at other than fair value

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	2024		2023	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000
Fixed rate borrowings and debentures payable	31,922,562	32,005,603	38,336,928	38,297,492

The fair value measurements of above financial liabilities are within the level 2 category, which have been determined based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of the Group entities.

### 43. IMMEDIATE PARENT AND ULTIMATE HOLDING COMPANY

The directors of the Company consider its immediate parent and ultimate holding company to be China Huadian, which is a state-owned enterprise established in the PRC.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

## 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

### (a) General information of subsidiaries

The following list contains only the particulars of subsidiaries as at 31 December 2024, all of which are limited liability companies established and operating in the PRC, which principally affect the results, assets or liabilities of the Group:

Name of company	Registered ordinary capital RMB'000	Proportion of ownership interest and voting rights		Principal activities
		Held by the Company %	Held by subsidiaries %	
Sichuan Huadian Luding Hydropower Company Limited 四川華電瀘定水電有限公司	1,516,090	100.00	–	Generation and sale of electricity
Huadian Zouxian Power Generation Company Limited ("Zouxian Company") 華電鄒縣發電有限公司	3,000,000	69.00	–	Generation and sale of electricity
Huadian Luohe Power Generation Company Limited 華電漯河發電有限公司	633,733	79.11	–	Generation and sale of electricity and heat
Huadian Qudong Power Generation Company Limited 華電渠東發電有限公司	568,000	90.00	–	Generation and sale of electricity and heat
Anhui Huadian Lu'an Power Plant Company Limited 安徽華電六安電廠有限公司	921,500	95.00	–	Generation and sale of electricity
Huadian Laizhou Power Generation Company Limited ("Laizhou Power Generation") 華電萊州發電有限公司	2,632,803	75.00	–	Generation and sale of electricity
Huadian Weifang Power Company Limited ("Weifang Company") 華電濰坊發電有限公司	930,222	64.29	–	Generation and sale of electricity and heat
Sichuan Huadian Power Investment Company Limited 四川華電電力投資有限公司	1,377,606	100.00	–	Electricity and power equipment production
Tianjin Huadian Fuyuan Thermal Power Company Limited ("Fuyuan Thermal") 天津華電福源熱電有限公司	407,004	100.00	–	Generation and sale of electricity and heat
Hangzhou Huadian Xiasha Thermal Power Company Limited 杭州華電下沙熱電有限公司	259,338	56.00	–	Generation and sale of electricity and heat
Huadian Zhejiang Longyou Thermal Company Limited 華電浙江龍遊熱電有限公司	292,500	100.00	–	Generation and sale of electricity and heat
Hangzhou Huadian Jiangdong Thermal Power Company Limited 杭州華電江東熱電有限公司	600,000	70.00	–	Generation and sale of electricity and heat
Huadian Group Beijing Fuel Logistics Company Limited 華電集團北京燃料物流有限公司	1,000,000	91.00	–	Coal wholesale business
Hebei Huadian Shijiazhuang Yuhua Thermal Power Company Limited ("Hebei Yuhua") 河北華電石家莊裕華熱電有限公司	1,026,020	– (note(ii))	20.80 (note(iii))	Generation and sale of electricity and heat
Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited 河北華電石家莊鹿華熱電有限公司	800,550 (note(iv))	90.00	–	Generation and sale of electricity and heat
Sichuan Guang'an Power General Company Limited 四川廣安發電有限責任公司	1,826,135	80.00	–	Generation and sale of electricity
Anhui Huadian Suzhou Power Generation Company Limited ("Anhui Suzhou") 安徽華電宿州發電有限公司	854,914 (note(iii))	97.00	–	Generation and sale of electricity
Anhui Huadian Wuhu Power Generation Company Limited 安徽華電蕪湖發電有限公司	1,658,733	65.00	–	Generation and sale of electricity and heat
Hangzhou Huadian Banshan Power Generation Company Limited 杭州華電半山發電有限公司	1,706,610	64.00	–	Generation and sale of electricity and heat



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

#### (a) General information of subsidiaries (Continued)

Name of company	Registered ordinary capital RMB'000	Proportion of ownership interest and voting rights		Principal activities
		Held by the Company %	Held by subsidiaries %	
Hebei Huadian Shijiazhuang Thermal Power Company Limited 河北華電石家莊熱電有限公司	1,132,530	82.00	–	Generation and sale of electricity and heat
Huadian Hubei Power Generation Company Limited ("Hubei Power Generation") 華電湖北發電有限公司	4,685,158	82.56	–	Generation and sale electricity and heat
Guangdong Huadian Pingshi Power Generation Company Limited 廣東華電坪石發電有限公司	1,910,490 (note (iv))	100.00	–	Generation and sale of electricity
Huadian Qingdao Thermal Power Company Limited 華電青島熱力有限公司	30,000	55.00	–	Generation and sale of electricity and heat
Huadian Zibo Thermal Power Company Limited 華電濰博熱電有限公司	1,173,850 (note (iv))	100.00	–	Generation and sale of electricity and heat
Huadian Zhangqiu Power Generation Company Limited 華電章丘發電有限公司	758,114	87.50	–	Generation and sale of electricity and heat
Huadian Tengzhou Xinyuan Thermal Power Company Limited 華電滕州新源熱電有限公司	884,151 (note (iv))	93.26	–	Generation and sale of electricity
Sichuan Huadian Zagunao Hydroelectric Development Company Limited 四川華電雜谷腦水電開發有限責任公司	200,000 (note (iv))	64.00	–	Generation and sale of electricity
Hebei Huarui Energy Group Corporation Limited 河北華瑞能源集團有限公司	938,000	100.00	–	Sale of electricity and investment on power resources
Huadian Longkou Power Generation Plant Company Limited 華電龍口發電有限公司	1,610,000 (note (iv))	100.00	–	Generation and sale of electricity and heat
Shijiazhuang Huadian Heat Corporation Limited 石家莊華電供熱集團有限公司	553,370	100.00	–	Sale of heat
Hebei Huadian Hybrid Storage Hydropower Company Limited 河北華電混合蓄能水電有限公司	88,500	100.00	–	Generation and sale of electricity
Huadian Zoucheng Thermal Power Company Limited 華電鄒城熱力有限公司	80,000	70.00	–	Generation and sale of electricity and heat
Guangdong Huadian Shaoguan Thermal Power Company Limited 廣東華電韶關熱電有限公司	1,515,019 (note (iv))	100.00	–	Sales of coal mine machinery equipment and accessories
Tianjin Huadian Nanjiang Thermal Power Company Limited 天津華電南疆熱電有限公司	660,000 (note (iv))	65.00	–	Generation and sale of electricity and heat
Qingdao Huatuo Technology Company Limited 青島華拓科技有限公司	100,000	100.00	–	Design and development
Guangdong Huadian Huizhou Energy Company Limited 廣東華電惠州能源有限公司	726,000 (note (iv))	100.00	–	Generation and sale of electricity and heat
Hunan Huadian Changde Power Generation Company Limited ("Changde Company") 湖南華電常德發電有限公司	990,944	48.98 (note (i))	–	Generation and sale of electricity and heat
Hunan Huadian Changsha Power Generation Company Limited 湖南華電長沙發電有限公司	928,571	70.00	–	Generation and sale of electricity and heat
Hunan Huadian Pingjiang Power Generation Company Limited 湖南華電平江發電有限公司	2,159,950 (note (iv))	100.00	–	Generation and sale of electricity and heat
Guangdong Huadian Qingyuan Energy Company Limited 廣東華電清遠能源有限公司	1,000,000 (note (iv))	100.00	–	Generation and sale of electricity and heat
Shantou Huadian Power Generation Co. Ltd. 汕頭華電發電有限公司	1,152,624	51.00	–	Generation and sale electricity and heat

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

## 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

### (a) General information of subsidiaries (Continued)

Name of company	Registered ordinary capital RMB'000	Proportion of ownership interest and voting rights		Principal activities
		Held by the Company %	Held by subsidiaries %	
Huadian Laizhou Port Co. Ltd. 華電萊州港務有限公司	215,130	65.00	–	Construction and operation of pier project
Huadian Foshan Energy Co., Ltd. 華電佛山能源有限公司	811,766	90.00	–	Generation and sale electricity and heat
Ningxia Huadian Yongli Power Co., Ltd. 寧夏華電永利發電有限公司	(2024: nil) 137,028 (note (v))	100.00	–	Generation and sale electricity and heat
Huadian Guangdong Energy Sales Co., Ltd. 華電廣東能源銷售有限公司	220,000	100.00	–	Consultancy and management of power project and project engineering services
Huadian Anhui Energy Sales Co., Ltd. 華電安徽能源銷售有限公司	210,000	100.00	–	Sale of electricity and heat
Huadian Henan Energy Sales Co., Ltd. 華電河南能源銷售有限公司	210,000	100.00	–	Sale of electricity and heat
Huadian Ningxia Energy Sales Co., Ltd. 華電寧夏能源銷售有限公司	210,000	100.00	–	Generation and sale of electricity and heat
Huadian Shangdong Energy Sales Co., Ltd. 華電山東能源銷售有限公司	210,000	100.00	–	Sale of electricity of heat
Huadian Chongqing Jiangjin Energy Co., Ltd. 華電重慶市江津區能源有限公司	64,000	100.00	–	Generation and sale of electricity and heat
Huadian Dongying Energy Co., Ltd. 華電東營能源有限公司	120,000	60.00	–	Generation and sale of electricity and heat
Huadian Jinan Zhangqiu Thermal Power Company Limited 華電濟南章丘熱電有限公司	696,000	70.00	–	Generation and sale of electricity and heat
Huadian Qingdao Power Generation Co., Ltd. 華電青島發電有限公司	847,436	55.00	–	Generation and sale of electricity and heat
Xingwang Coal Mine, Dalad Qi Wenwei Coal Co., Ltd. 內蒙古華通瑞盛能源有限公司	230,000	90.00	–	Production and sale of coal
Huadian International Shandong Project Management Co., Ltd. 華電國際項目管理有限公司	50,000	100.00	–	Consultancy and management of power supply
Huadian Shandong Material Company Limited 華電山東物資有限公司	50,000	100.00	–	Sales of supplies and materials
Anhui Wenhui New Product Promotion Co., Ltd. 安徽文匯新產品推廣有限公司	50,000	51.00	–	Production and sale of coal
Anhui Hualin International Energy Co., Ltd. 安徽華麟國際能源有限公司	50,000	51.00	–	Production and sale of coal
Chongqing Mingyang Coal Sales Co., Ltd. 重慶明陽煤炭銷售有限公司	10,000	70.00	–	Production and sale of coal
Huadian Zhanjiang Power Generation Co., Ltd. 華電湛江發電有限公司	305,692	65.00	–	Generation and sale of electricity and heat. machinery and equipment
Huadian (Zhejiang) Energy Sales Co., Ltd. 華電(浙江)能源銷售有限公司	20,000	100.00	–	Purchase and sale of Electricity of business

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

#### (a) General information of subsidiaries (Continued)

Name of company	Registered ordinary capital RMB'000	Proportion of ownership interest and voting rights		Principal activities
		Held by the Company %	Held by subsidiaries %	
Guangdong Huadian Shenzhen Energy Co., Ltd. 廣東華電深圳能源有限公司	460,000	100.00	–	Generation and sale of electricity
Huadian (Hunan) Energy Sales Co., Ltd. 華電(湖南)能源銷售有限公司	201,000	100.00	–	Purchase and sale of electricity business
Huadian Hebei Energy Sales Co., Ltd. 華電河北能源銷售有限公司	201,000	100.00	–	Purchase and sale of electricity business
Huadian Hebei Ruixin Investment Partnership (Limited Partnership) ("Hebei Ruixin") 華電河北瑞新投資合夥企業(有限合夥)	2,676,400	19.97 (note (i))	0.04 (note (i))	Management of investment and assets
Huadian Jingyu Pumped Storage Co., Ltd. 華電靖宇抽水蓄能有限公司	100,000	90.00	–	Generation and sale of electricity business
Jiangxi Huadian Pumped Storage Co., Ltd. 江西華電抽水蓄能有限公司	110,000	100.00	–	Generation and sale of electricity business
Shaanxi Huadian Jinshuihe Pumped Storage Co., Ltd. 陝西華電金水河抽水蓄能有限公司	200,000	95.00	–	Generation and sale of electricity business
Zhejiang Huadian Wuxijiang Hybrid Pumped Storage Power Generation Co., Ltd. 浙江華電烏溪江混合抽水蓄能發電有限公司	468,512	76.00	–	Generation and sale of electricity business
Ningxia Huadian Niushoushan Pumped Storage Power Generation Co., Ltd. 寧夏華電牛首山抽水蓄能發電有限公司	100,000	80.00	–	Generation and sale of electricity business
Anhui Huadian Xixing Chong Pumped Storage Power Generation Co., Ltd. 安徽華電西形沖抽水蓄能發電有限公司	200,000	90.00	–	Generation and sale of electricity business
Huadian Yongchang Pumped Storage Co., Ltd. 華電永昌抽水蓄能有限公司	100,000	100.00	–	Generation and sale of electricity business
Anhui Huadian Fuel Co., Ltd. 安徽華電燃料有限公司	10,000	100.00	–	Coal wholesale business
Huadian (Hunan) Fuel Co., Ltd. 華電(湖南)燃料有限公司	10,000	100.00	–	Coal wholesale business
Shantou Huadian Energy Co., Ltd. 汕頭華電能源有限公司	20,000	100.00	–	Generation and sale of electricity and heat
Huadian (Lingbao) Pumped Storage Co., Ltd. 華電(靈寶)抽水蓄能有限公司	100,000	100.00	–	Generation and sale of electricity business
Huadian (Chongqing) Gas Turbine Power Generation Co., Ltd. 華電(重慶)燃機發電有限公司	700,000	100.00	–	Generation and sale of electricity business
Huadian (Shandong) Fuel Co., Ltd. 華電(山東)燃料有限公司	10,000	100.00	–	Coal wholesale business
Huadian (Guangdong) Fuel Co., Ltd. 華電(廣東)燃料有限公司	5,000	100.00	–	Coal wholesale business
Huayu Phase I (Tianjin) Power Energy Partnership (Limited Partnership) 華豫一期(天津)電力能源合夥企業(有限合夥)	2,315,000	19.97 (note (vi))	0.03 (note (vi))	Management of investment and assets
Tianjin Huadian Jibei Pumped Storage Co., Ltd. 天津華電薊北抽水蓄能有限公司	20,000	100.00	–	Generation and sale of electricity business
Zhaoqing Huadian Yanshan Pumped Storage Co., Ltd. 肇慶華電譚山抽水蓄能有限公司	100,000	100.00	–	Generation and sale of electricity business
Hualu (Tianjin) Power Energy Partnership (Limited Partnership) 華鹿(天津)電力能源合夥企業(有限合夥)	2,357,000 (note (vii))	19.98	0.04	Management of investment and assets

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

#### (a) General information of subsidiaries (Continued)

Notes:

- (i) In the opinion of the directors of the Company, the Group controls Changde Company and Hebei Ruixin by virtue of having the power to direct the relevant activities of the investee, and is exposed, or has rights to variable returns from the involvement with the investee, and has the ability to use its power to affect the amount of those returns. Hebei Ruixin was newly set up during the year ended 31 December 2023.
- (ii) During the year ended 31 December 2023, the Group entered into sales and purchases agreements with a non-wholly owned subsidiary of the Group, 華電河北瑞裕能源有限責任公司 to dispose of the entire equity interests of Hebei Yuhua to an non-wholly owned subsidiary of Group with the aggregate amounts of approximately RMB1,075 million. After the transaction, the Group indirectly owns 20% of equity interests over Hebei Yuhua but does not lose control over Hebei Yuhua and it is classified as equity transactions. As such, the difference between the fair value of consideration that the Group received and the increase in non-controlling interests has been recorded in the capital reserve of the Group.
- (iii) During the year ended 31 December 2023, Huadian Power reduced the investment in Anhui Suzhou and thus, ownership interest held the Group is reduced accordingly. No loss of control after the reduction of investment.
- (iv) During the year ended 31 December 2023, the shareholders injected capital in those companies. No change of shareholdings held by the Group after the injections.
- (v) During the year ended 31 December 2024, the Group recorded a gain on the disposal of a subsidiary, Ningxia Huadian Yongli Power Co., Ltd., amounting to approximately RMB223 million. The Group transferred 100% of the equity in Ningxia Huadian Yongli Power Co., Ltd. to an independent third party, Ningxia Electric Power Investment Group Co., Ltd. (寧夏電力投資集團有限公司). The transaction was completed on 28 June 2024. The profit or loss and financial position of this entity is not material to the Group.
- (vi) Although the Company's share in Huabei Phase I (Tianjin) Energy Partnership Company Limited (Limited Partnership) does not exceed 50%, it can still exert control over the partnership's activities through its influence over the decisions made at the partnership's general partner meetings. As a result, the company is able to receive variable returns and can also impact the amount of returns received by the partnership. Consequently, the company's management has determined that it is able to control Huabei Phase I (Tianjin) Energy Partnership Company Limited (Limited Partnership) and has included it within the consolidated financial statements of the group.
- (vii) During the year ended 31 December 2024, the Group has established this limited partnership and according to the limited partnership agreement, the Group can exercise control over the relevant activities of the partnership. As a result, the Group is able to receive variable returns and can also impact the amount of returns received by the partnership. Consequently, the Company's management has determined that it is able to control the limited partnership and has included it within the consolidated financial statements of the group.
- (viii) The English translation of the names is for the identification only. The official names of these entities are in Chinese.

#### (b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of the subsidiary	Place of establishment and principal place of business	Proportion of ownership Interests and voting Rights held by Non-controlling interests		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	2024	2023	2024	2023
				RMB'000	RMB'000	RMB'000	RMB'000
Guangan Power Company	The PRC	20%	20%	109,758	37,495	754,702	703,416
Zouxian Company	The PRC	31%	31%	88,733	110,656	1,154,245	1,132,484
Hubei Power Generation	The PRC	17.44%	17.44%	16,892	(29,190)	927,596	843,589
Laizhou Power Generation	The PRC	25%	25%	193,166	140,423	1,031,495	964,710
Individually immaterial subsidiaries with non-controlling interests						15,477,877	10,619,417
Total						19,345,915	14,263,616

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

#### (b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information including goodwill and effect of fair value adjustments of assets and liabilities recognised upon acquisition of these subsidiaries but before inter-company eliminations is as follows:

##### (i) Guangan Power Company and its subsidiaries

	2024 RMB'000	2023 RMB'000
Current assets	1,566,775	1,585,566
Non-current assets	3,614,042	3,661,923
Current liabilities	(1,054,758)	(1,141,597)
Non-current liabilities	(351,528)	(588,888)
Total equity	3,774,531	3,517,004
	2024 RMB'000	2023 RMB'000
Revenue	6,220,868	5,849,100
Expenses	(5,672,079)	(5,630,943)
Profit for the year	548,789	174,917
Net cash inflow from operating activities	942,711	95,381
Net cash outflow from investing activities	(280,670)	(91,035)
Net cash outflow from financing activities	(812,311)	(315,038)
Net cash outflow	(150,270)	(310,692)

##### (ii) Zouxian Company

	2024 RMB'000	2023 RMB'000
Current assets	998,984	1,076,767
Non-current assets	3,320,331	3,679,603
Current liabilities	(519,007)	(624,678)
Non-current liabilities	(76,936)	(478,518)
Total equity	3,723,372	3,653,174
	2024 RMB'000	2023 RMB'000
Revenue	3,808,841	4,091,131
Expenses	(3,522,606)	(3,530,631)
Profit for the year	286,235	368,560
Net cash inflow from operating activities	513,959	1,160,127
Net cash outflow from investing activities	(46,636)	(218,118)
Net cash outflow from financing activities	(688,874)	(698,507)
Net cash (outflow) inflow	(221,551)	243,502

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

#### (b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

##### (iii) Hubei Power Generation and its subsidiaries

	2024 RMB'000	2023 RMB'000
Current assets	3,158,801	2,731,187
Non-current assets	12,697,514	11,910,415
Current liabilities	(5,623,315)	(4,284,153)
Non-current liabilities	(825,806)	(4,274,265)
Total equity	9,407,194	6,083,184
Non-controlling interests of Hubei Power Generation	(4,085,521)	(1,245,342)
	2024 RMB'000	2023 RMB'000
Revenue	12,144,458	12,316,565
Expenses	(12,000,448)	(12,098,697)
Profit (loss) for the year	144,010	(354,416)
Non-controlling interests of Hubei Power Generation	47,135	(135,089)
Net cash inflow from operating activities	1,298,468	1,193,551
Net cash outflow from investing activities	(2,310,374)	(377,461)
Net cash inflow (outflow) from financing activities	987,231	(1,168,262)
Net cash outflow	(24,675)	(352,172)

##### (iv) Laizhou Power Generation

	2024 RMB'000	2023 RMB'000
Current assets	1,056,788	1,051,601
Non-current assets	8,399,376	8,892,621
Current liabilities	(3,064,856)	(3,255,916)
Non-current liabilities	(2,265,338)	(2,829,480)
Total equity	4,125,970	3,858,826
	2024 RMB'000	2023 RMB'000
Revenue	6,766,372	6,852,471
Expenses	(5,993,708)	(5,682,773)
Profit for the year	772,664	557,042
Dividends paid to non-controlling interests	1,481,989	123,334
Net cash (outflow) inflow from operating activities	(427,852)	1,386,194
Net cash outflow from investing activities	(1,067,523)	(129,065)
Net cash outflow from financing activities	–	(1,226,624)
Net cash (outflow) inflow	(13,386)	30,505

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Debtenture RMB'000	Loans RMB'000	Lease liabilities RMB'000	Dividend payables RMB'000	Convertible bonds RMB'000	Total RMB'000
At 1 January 2023	26,015,059	97,387,856	279,894	360,277	1,461,245	125,504,331
Financing cash flows	(2,000,000)	(3,995,548)	(228,049)	(3,167,670)	–	(9,391,267)
New leases	–	–	17,891	–	–	17,891
Other non-cash adjustments	–	153,014	–	–	(22,420)	130,594
Dividends of perpetual securities recognised as distribution	–	–	–	1,007,677	–	1,007,677
Dividends recognised as distribution	–	–	–	2,045,512	–	2,045,512
Dividends declared to non-controlling interests	–	–	–	276,891	–	276,891
Interest paid	(802,790)	(2,952,766)	(7,305)	–	–	(3,762,861)
Interest expense	778,393	2,939,521	8,825	–	15,137	3,741,876
Conversion of convertible bonds	–	–	–	–	(1,453,962)	(1,453,962)
At 31 December 2023 and 1 January 2024	<b>23,990,662</b>	<b>93,532,077</b>	<b>71,256</b>	<b>522,687</b>	<b>–</b>	<b>118,116,682</b>
Financing cash flows	<b>(200,000)</b>	<b>(1,238,852)</b>	<b>(106,227)</b>	<b>(3,992,821)</b>	<b>–</b>	<b>(5,537,900)</b>
New leases	–	–	209,179	–	–	209,179
Other non-cash adjustments	–	(201,916)	–	(53,043)	–	(254,959)
Dividends of perpetual securities recognised as distribution	–	–	–	1,107,889	–	1,107,889
Dividends recognised as distribution	–	–	–	2,352,339	–	2,352,339
Dividends declared to non-controlling interests	–	–	–	584,618	–	584,618
Interest paid	<b>(845,484)</b>	<b>(2,593,267)</b>	<b>(4,684)</b>	–	–	<b>(3,443,435)</b>
Interest expense	<b>675,647</b>	<b>2,608,612</b>	<b>9,864</b>	–	–	<b>3,294,123</b>
Conversion of convertible bonds	–	–	–	–	–	–
At 31 December 2024	<b>23,620,825</b>	<b>92,106,654</b>	<b>179,388</b>	<b>521,669</b>	<b>–</b>	<b>116,428,536</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 46. DEEMED PARTIAL DISPOSAL OF INTERESTS IN SUBSIDIARIES WITHOUT LOSING CONTROL

	2024 RMB'000
Carrying amount of equity interests obtained by non-controlling interests	4,407,525
Capital contributed by non-controlling interests	5,032,000
Excess of consideration received recognised within equity	624,475

Details of the Group's significant deemed partial disposal of interests in subsidiaries without losing control during the years ended 31 December 2024 are as follows:

(a) Hubei Huadian Jiangling Power Generation Company Limited ("**Huadian Jiangling**")

During the year ended 31 December 2024, Jintai Capital (Beijing) Private Equity Fund Management Co., Ltd.\* (金泰產融(北京)創業投資基金管理有限公司) ("**Jintai Capital**"), an independent third party, entered into a partnership agreement with Huarui (Tianjin) Investment Partnership Enterprise (Limited Partnership)\* (華睿天津)投資合夥企業(有限合夥)) ("**Huari (Tianjin)**"), a non-wholly owned subsidiary of the Company. Pursuant to the agreement, Jintai Capital contributed approximately RMB3,180,000,000 in Huari (Tianjin) to indirectly acquire 65.39% equity interest in Huadian Jiangling. As a result, the Group's effective equity interest in Huadian Jiangling was diluted from 82.56% to 17.17%. However, the Group retained exclusive authority over the operation, management, investment and other affairs after the transfer. Consequently, the Group recognised an increase in equity attributable to owners of the Company of approximately RMB319,481,000 and an increase in non-controlling interests of approximately RMB3,180,000,000.

(b) Huadian Xinxiang Power Generation Company Limited ("**Xinxiang Company**")

During the year ended 31 December 2024, CSC Financial Co., Ltd. ("**CSC**") entered into a partnership agreement with Huayi One (Tianjin) Power and Energy Partnership Enterprise (Limited Partnership)\* (華豫一期(天津)電力能源合夥企業(有限合夥))(hereafter referred to as "**Huayi One**"), which is a non-wholly owned subsidiary of the Company. Pursuant to the agreement, CSC contributed approximately RMB1,852,000,000 in Huayi One to indirectly acquire 78.19% equity interest in Xinxiang Company, which is a non-wholly owned subsidiary of Huayi One. As a result, the Group's effective equity interests in Xinxiang Company were diluted from 98.72% to 20.53%. However, the Group retained exclusive authority over the operation, management, investment and other affairs after the transfer. Consequently, the Group recognised an increase in equity attributable to owners of the Company of approximately RMB304,994,000 and an increase in non-controlling interests of approximately RMB1,852,000,000.

\* For identification purpose only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2024 RMB'000	2023 RMB'000
<b>Non-current assets</b>		
Property, plant and equipment	16,364,162	17,100,986
Right-of-use assets	870,695	788,107
Construction in progress	421,618	321,103
Investment properties	19,265	20,302
Intangible assets	94,314	78,209
Interests in subsidiaries	51,779,684	50,504,492
Interests in associates	45,134,447	42,230,571
Financial asset at fair value through profit or loss	131,622	107,072
Other non-current assets	401,731	290,628
	<b>115,217,538</b>	<b>111,441,470</b>
<b>Current assets</b>		
Inventories	797,181	677,521
Trade debtors and bills receivables	1,560,812	1,835,317
Amounts due from subsidiaries	11,106,228	15,792,898
Deposits, other receivables and prepayments	506,041	1,244,877
Cash and cash equivalents	836,515	364,719
	<b>14,806,777</b>	<b>19,915,332</b>
<b>Current liabilities</b>		
Bank loans	10,815,267	5,336,423
Loans from shareholders	302,821	22,240
Other loans	1,920,687	1,951,006
Short-term debentures payable	1,001,884	—
Long-term debentures payable – current portion	4,726,883	14,196,421
Amount due to the parent company	1,054	398
Amounts due to subsidiaries	721,006	555,339
Lease liabilities	80,376	4,785
Trade creditors and bills payable	1,089,691	1,230,497
Other payables	1,090,680	1,045,167
	<b>21,750,349</b>	<b>24,342,276</b>
<b>Net current liabilities</b>	<b>(6,943,572)</b>	<b>(4,426,944)</b>
<b>Total assets less current liabilities</b>	<b>108,273,966</b>	<b>107,014,526</b>
<b>Non-current liabilities</b>		
Bank loans	12,431,555	16,290,841
Loans from shareholders	2,746,110	3,009,310
Other loans	3,751,975	1,832,250
Long-term debentures payable	17,892,058	9,794,241
Lease liabilities	42,952	8,838
Deferred government grants	11,123	24,219
Deferred income	48,602	53,747
Deferred tax liabilities	63,805	66,193
	<b>36,988,180</b>	<b>31,079,639</b>
<b>Net assets</b>	<b>71,285,786</b>	<b>75,934,887</b>
<b>Capital and reserves</b>		
Share capital	10,227,561	10,227,561
Perpetual capital securities	25,019,956	30,656,009
Reserves	36,038,269	35,051,317
<b>Total equity</b>	<b>71,285,786</b>	<b>75,934,887</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

#### Movement in the Company's total equity

	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Discretionary surplus reserve RMB'000	Retained profits RMB'000	Convertible bonds reserve RMB'000	Perpetual capital securities RMB'000	Total equity RMB'000
Balance as at 1 January 2023 (restated)	9,869,858	14,850,939	4,649,717	68,089	13,534,161	41,250	23,506,213	66,520,227
Profit for the year	-	-	-	-	2,619,764	-	1,007,474	3,627,238
Profit and total comprehensive income	-	-	-	-	2,619,764	-	1,007,474	3,627,238
Conversion of convertible bonds	357,703	1,159,931	-	-	-	(41,250)	-	1,476,384
Share of reserve of associates	-	226,822	-	-	-	-	-	226,822
Issue of perpetual capital securities	-	(12,594)	-	-	-	-	19,500,000	19,487,406
Dividends recognised as distribution	-	-	-	-	(2,045,512)	-	-	(2,045,512)
Redemption of perpetual capital securities	-	-	-	-	-	-	(12,350,000)	(12,350,000)
Appropriation of general reserve	-	-	387,875	-	(387,875)	-	-	-
Distributions payable to holders of perpetual capital securities	-	-	-	-	-	-	(1,007,678)	(1,007,678)
Appropriation of specific reserve	-	-	186,174	-	(186,174)	-	-	-
Utilisation of specific reserve	-	-	(125,947)	-	125,947	-	-	-
Balance at 31 December 2023 and 1 January 2024	10,227,561	16,225,098	5,097,819	68,089	13,660,311	-	30,656,009	75,934,887
Profit for the year	-	-	-	-	3,106,489	-	971,836	4,078,325
Profit and total comprehensive income	-	-	-	-	3,106,489	-	971,836	4,078,325
Conversion of convertible bonds	-	-	-	-	-	-	-	-
Share of reserve of associates	-	234,500	-	-	-	-	-	234,500
Issue of perpetual capital securities	-	(1,698)	-	-	-	-	2,000,000	1,998,302
Dividends recognised as distribution	-	-	-	-	(2,352,339)	-	-	(2,352,339)
Redemption of perpetual capital securities	-	-	-	-	-	-	(7,500,000)	(7,500,000)
Appropriation of general reserve	-	-	408,076	-	(408,076)	-	-	-
Distributions payable to holders of perpetual capital securities	-	-	-	-	-	-	(1,107,889)	(1,107,889)
Appropriation of specific reserve	-	-	144,314	-	(144,314)	-	-	-
Utilisation of specific reserve	-	-	(159,712)	-	159,712	-	-	-
Balance as at 31 December 2024	10,227,561	16,457,900	5,490,497	68,089	14,021,783	-	25,019,956	71,285,786

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024 (Expressed in Renminbi)

### 48. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2024, the Group had the following non-adjusting events:

- (a) On 3 January 2025, the Group issued the fourth tranche of short-term debentures for 2024 in the PRC interbank debenture market. The debentures were issued at a total par value of RMB2,000 million, carrying an annual interest rate of 1.65% with an 84-day maturity period. This tranche is unsecured.
- (b) On 13 February 2025, the Group issued the first tranche of medium notes for the year of 2025 in the PRC interbank debenture market. The medium note was issued at a total par value of RMB1,500 million with an initial maturity period of 3 years and bears interest at 2.05% per annum. The tranche is unsecured.
- (c) On 17 February 2025, the Group issued the second tranche of medium notes for the year of 2025 in the PRC interbank debenture market. The medium note was issued at a total par value of RMB1,500 million with an initial maturity period of 2 years and bears interest at 2.10% per annum. The tranche is unsecured.
- (d) On 17 March 2025, the Group issued the third tranche of medium notes for the year of 2025 (Energy Supply Assurance Bond) in the PRC interbank debenture market. The medium note was issued at a total par value of RMB2,000 million with an initial maturity period of 3 years and bears interest at 2.40% per annum. The tranche is unsecured.
- (e) On 25 March 2025, the Group issued the first tranche of short-term debenture for the year of 2025 in the PRC interbank debenture market. The short-term debenture was issued at a total par value of RMB2,000 million with an initial maturity period of 90 days and bears interest at 1.86% per annum. The tranche is unsecured.
- (f) On 1 August 2024 (supplemented by the Supplemental Agreements dated 30 October 2024), the Company (as the purchaser) agreed to buy 80% equity interests in Jiangsu Huadian Energy Co., Ltd. (華電江蘇能源有限公司) from China Huadian (as Seller A), 51% equity interests in Shanghai Huadian Fuxin Energy Co., Ltd. (上海華電福新能源有限公司), 100% equity interests in Shanghai Huadian Minhang Energy Co., Ltd. (上海華電閔行能源有限公司), 55% equity interests in Guangzhou University City Huadian New Energy Company Limited (廣州大學城華電新能源有限公司), 55% equity interests in Huadian Fuxin Guangzhou Energy Co., Ltd. (華電福新廣州能源有限公司), 70% equity interests in Huadian Fuxin Jiangmen Energy Company Limited (華電福新江門能源有限公司), and 100% equity interests in Huadian Fuxin Qingyuan Energy Company Limited (華電福新清遠能源有限公司) from Fujian Huadian Furui Energy Development Co., Ltd. (福建華電福瑞能源發展有限公司) (as Seller B), and 100% equity interests in CHD Guigang Electric Power Co., Ltd. (中國華電集團貴港發電有限公司) from CHD Power Plant Operation Co., Ltd. (中國華電集團北京能源有限公司) ("Huadian Beijing Company", formerly CHD Power Plant Operation Co., Ltd. (中國華電集團發電運營有限公司)) (as Seller C) by issuing A shares and cash. Up to the date when the consolidated financial statements are authorized for issue, the transactions have not been completed.

For details, please refer to the announcements of the Company dated 18 July 2024, 25 July 2024, 1 August 2024, 30 August 2024, 27 September 2024, 25 October 2024, 30 October 2024 and 27 November 2024 and the circular dated 8 November 2024.

## FIVE YEARS FINANCIAL SUMMARY

	2020 RMB'000	2021 RMB'000	2022 RMB'000 (Restated)	2023 RMB'000	2024 RMB'000
Turnover	89,382,243	101,168,876	105,960,339	116,376,064	<b>112,391,667</b>
Profit/(loss) before taxation	6,891,833	(6,912,464)	(1,536,927)	5,842,708	<b>8,748,002</b>
Income tax (expense)/credit	(1,216,202)	1,774,724	631,394	(974,263)	<b>(1,983,227)</b>
Profit/(loss) for the year	5,675,631	(5,137,740)	(905,533)	4,868,445	<b>6,764,775</b>
Attributable to:					
Equity holders of the Company	4,166,756	(3,255,963)	(14,322)	4,601,094	<b>5,669,855</b>
Non-controlling interests	1,508,875	(1,881,777)	(891,211)	267,351	<b>1,094,920</b>
Profit/(loss) for the year	5,675,631	(5,137,740)	(905,533)	4,868,445	<b>6,764,775</b>
Total non-current assets	211,834,333	192,870,366	197,570,137	197,894,782	<b>198,050,550</b>
Total current assets	24,856,602	29,593,821	29,230,395	28,581,716	<b>29,088,040</b>
Total assets	236,690,935	222,464,187	226,800,532	226,476,498	<b>227,138,590</b>
Total current liabilities	(59,145,559)	(65,662,934)	(63,091,810)	(63,196,667)	<b>(65,128,505)</b>
Total non-current liabilities	(83,152,267)	(80,454,539)	(90,702,282)	(77,377,556)	<b>(73,493,238)</b>
Net assets	94,393,109	76,346,714	73,006,440	85,902,275	<b>88,516,847</b>
Equity holders of the Company	73,145,361	63,794,436	61,408,847	71,638,659	<b>69,170,932</b>
Non-controlling interests	21,247,748	12,552,278	11,597,593	14,263,616	<b>19,345,915</b>
Total equity	94,393,109	76,346,714	73,006,440	85,902,275	<b>88,516,847</b>

## SUPPLEMENTAL INFORMATION

### DIFFERENCE ON ACCOUNTING FIGURES BY ADOPTING DOMESTIC AND FOREIGN ACCOUNTING PRINCIPLES

#### RECONCILIATION OF THE FINANCIAL STATEMENTS PREPARED UNDER CAS AND IFRSs

Effects of major differences between the CAS and IFRSs on net profit/(loss) and net assets attributable to equity holders of the Company are analysed as follows:

Item	Notes	Net profit attributable to equity shareholders of the Company		Net asset attributable to equity shareholders of the Company	
		2024	2023	2024	2023
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Amounts under CAS</b>		<b>5,702,671</b>	4,522,125	<b>67,334,772</b>	69,756,242
<b>Adjustments:</b>					
Business combination involving entities under common control	1	(182,551)	(111,485)	3,246,026	3,428,577
Government grants	2	47,381	47,392	(330,530)	(377,911)
Maintenance and production safety funds	3	18,680	96,662	17,192	11,622
Taxation impact of the adjustments		45,638	27,871	(494,153)	(539,791)
Attributable to minority interest		38,036	18,529	(602,375)	(640,080)
<b>Amounts under IFRSs</b>		<b>5,669,855</b>	4,601,094	<b>69,170,932</b>	71,638,659

#### Notes:

- (i) According to the accounting policies adopted in the Group's financial statements prepared under IFRSs, assets and liabilities acquired by the Group during business combination, irrespective of whether such business combination is involving entities under common control or not, are measured at the fair value of identifiable assets and liabilities of the acquire at the date of acquisition. In preparing the consolidated financial statements, the respective financial statements of subsidiaries are adjusted based on the fair value of individual identifiable assets and liabilities at the date of acquisition. The excess of purchase consideration paid by the Company over its share of fair value of identifiable net assets of the acquired was recognized as goodwill.

In accordance with CAS, assets and liabilities acquired by the Group in business combination involving entities under common control are measured at their carrying value at the date of combination. The excess of carrying value of purchase consideration paid by the Company over its share of carrying value of identifiable net assets of the acquire for business combination involving entities under common control reduces the share premium of capital reserve or retained profits.

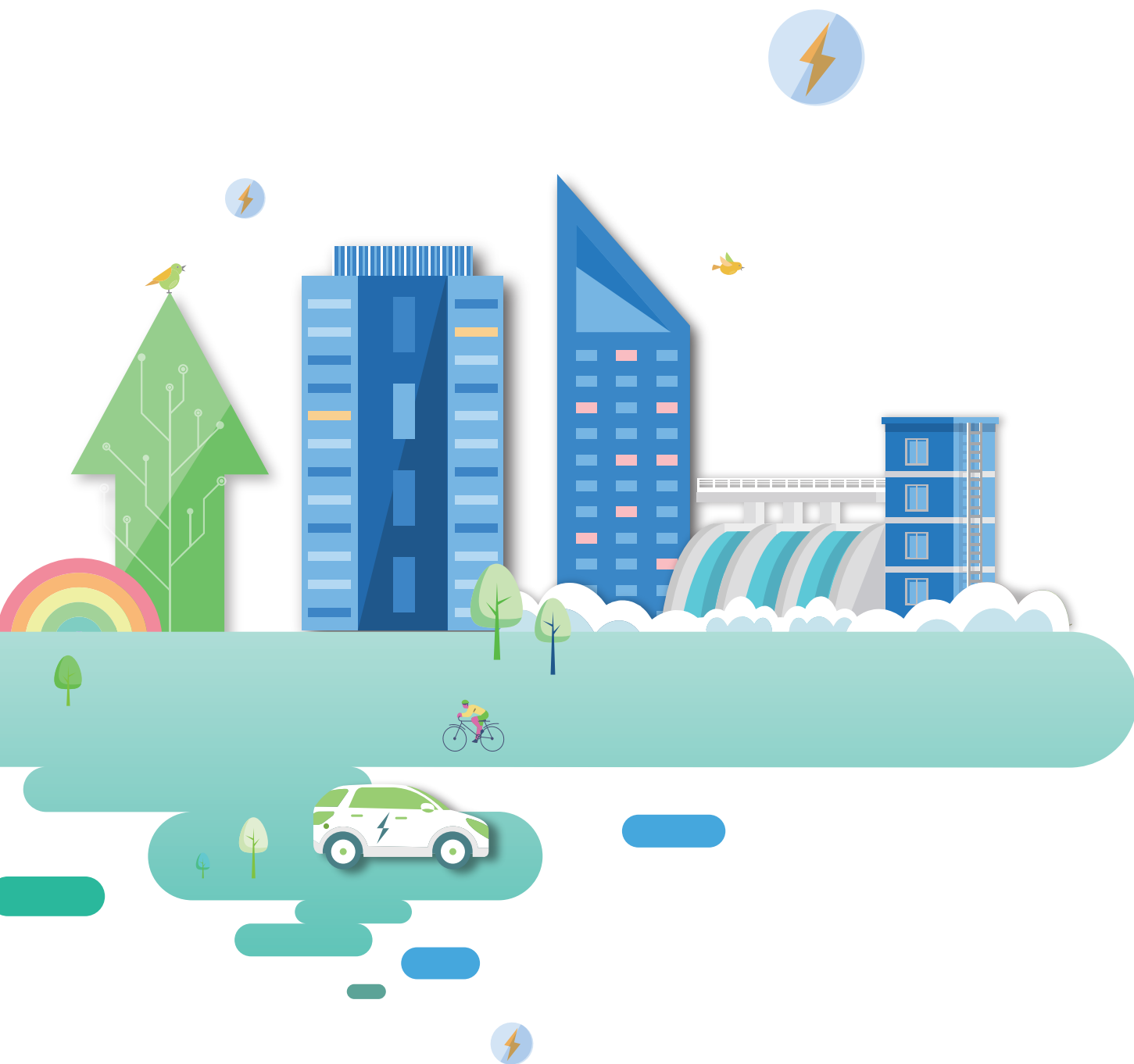
In addition, according to CAS, in respect of business combination involving entities under common control, when preparing consolidated financial statements, the opening balances as well as the comparative figures of the financial statements should be adjusted as if the current structure and operations resulting from the acquisitions had been in existence since prior periods (no earlier than the later of both parties under common control).

- (ii) According to IFRSs, conditional government grants should be first recorded in long-term liabilities and amortized to profit or loss using the straight line method over the useful lives of the relevant assets after fulfilling the requirements from the government in respect of the construction projects.

According to CAS, government grants related to assets (required to be recorded in capital reserve pursuant to the relevant government notice) are not recognized as deferred income.

- (iii) Pursuant to the relevant PRC regulations for coal mining companies, the funds for production maintenance and production safety are accrued by the Group at fixed rates based on coal production volume. Provision for maintenance and production funds is recognized as expense in profit or loss with a corresponding adjustment to the specific reserve. The maintenance and production funds could be utilized when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of maintenance and production funds utilized would be transferred from the specific reserve back to retained earnings.

According to IFRSs, coal mining companies are required to set aside an amount to a fund for production maintenance, production safety and other similar funds through transferring from retained earnings to specific reserve. When qualifying revenue expenditures are incurred, such expenses are recorded in the profit or loss as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Group. Internal equity items transfers take place based on the actual application amount of such expenses whereas specific reserve is offset against retained earnings to the extent of zero.



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