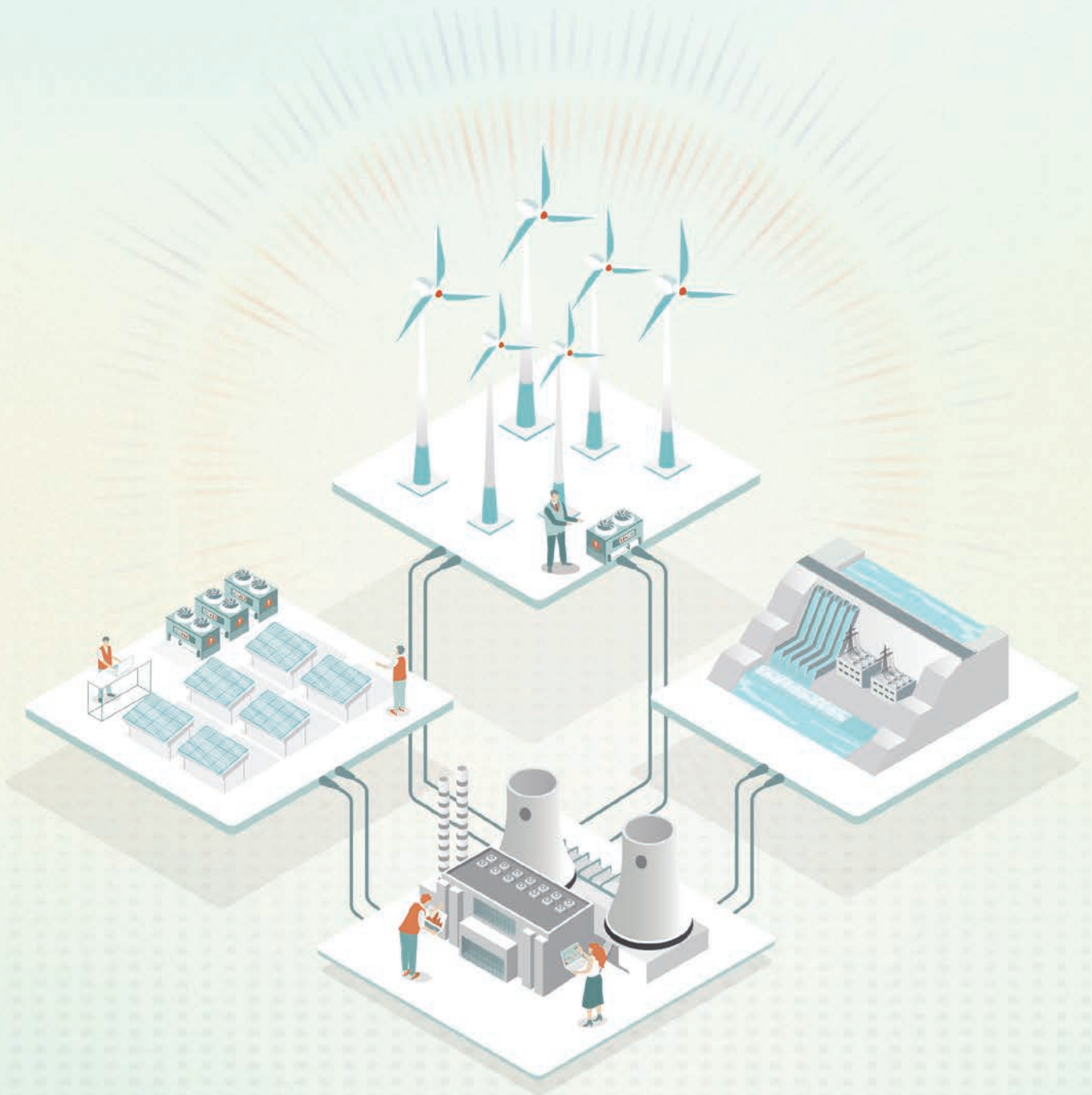




華能國際電力股份有限公司  
Huaneng Power International, Inc.

STOCK CODE : 902

## 2025 Annual Report



POWERING A  
BRIGHTER TOMORROW



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# COMPANY PROFILE

Huaneng Power International, Inc. (the “Company” or “Huaneng Power”) and its subsidiaries are mainly engaged in developing, constructing, operating and managing power plants throughout China. The Company is one of the China’s largest listed power generation companies, and is the first power generation company in China to list in New York, Hong Kong and Shanghai simultaneously. As at 31 December 2025, the Company has controlled installed capacity of 155,869 MW and low carbon clean energy installed capacity accounted for 41.01%. The Company’s domestic power plants are located in 26 provinces, autonomous regions and municipalities. The Company wholly owns a power company in Singapore and invests in a power company in Pakistan.



The Company was incorporated on 30 June 1994. It completed its initial global public offering of 1,250,000,000 overseas listed foreign shares (“foreign shares”) in October 1994, which were listed on the New York Stock Exchange (Stock Code: HNP\*) in the United States by issuing 31,250,000 American Depository Shares (“ADS”). In January 1998, the foreign shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) by way of introduction (Stock Code: 902). Subsequently, in March 1998, the Company successfully completed a global placing of 250,000,000 foreign shares along with a private placing of 400,000,000 domestic shares. In November 2001, the Company successfully completed the issue of 350,000,000 A Shares (Stock Code: 600011) in the People’s Republic of China (“China”, “PRC”), of which 250,000,000 domestic public shares were listed on the Shanghai Stock Exchange. In December 2010, the Company completed the non-public issuance of 1,500,000,000 A Shares and 500,000,000 H Shares. In November 2014, the Company completed the non-public issuance of 365,000,000 H Shares. In November 2015, the Company completed the non-public issuance of 780,000,000 H Shares. In October 2018, the Company completed the non-public issuance of 498 million A shares. Currently, the total share capital of the Company amounts to


approximately 15.7 billion shares. The Company’s direct and ultimate controlling shareholders are Huaneng International Power Development Corporation (“HIPDC”) and China Huaneng Group Co., Ltd. (“Huaneng Group”), respectively.

The Company’s core business, through leveraging modern technology and equipment and the financial resources available domestically and internationally, is to develop, construct and operate power plants. As a power generation enterprise, the Company has persistently emphasized innovations in technologies, structure, and management since its incorporation. In terms of the advancements in power technologies, power plant construction and management of power plants, the Company has pioneered and created various milestones within the domestic power industry, making great strides in developing the power business and technological advancement of the power station equipment manufacturing industry in China, thereby contributed significantly to the improvement of technical and management standards of the domestic power generation enterprises. The Company was the first to introduce a 600 MW supercritical generating unit into China and in operating the first domestically built single 1,000 MW ultra-supercritical coal-fired generating unit, as well as the first digitalized 1,000 MW ultra-supercritical coal-fired generating unit in China.

The Company completed the construction of the first 1,000 MW generating unit in the world using sea water desulphurization facilities and 660 MW high-efficiency ultra-supercritical coal-fired unit with the highest domestic parameters, completed construction of the first double reheat ultra-supercritical coal-fired generating unit, and developed the technology for synergistic treatment of flue gas of coal-fired power plants, which was widely applied in environmental protection renovation and newly-constructed projects. The Company's self-developed safe and intelligent DCS/DEH integrated distributed control system, the first set of major technical equipment completely produced in China, was put into operation in a 1,000 MW ultra-supercritical high-efficiency double reheat generating unit, and has been widely applied. The Company strives to promote the construction of offshore wind power bases in the eastern coastal areas, and create advantages in the development of offshore wind power clusters. The Company also completed the first major energy project in the China-Pakistan Economic Corridor, creating an international and domestic record best overseas power construction project in terms of safety, quality and speed. The technical and economic indicators as well as the overall manpower efficiency of the Company have

been remaining at the forefront in China's power industry. The Company continually optimizes the power structure and regional distribution, and accelerates development of new energy, while consolidating its leading position in conventional energy, with the aim of enhancing synergies within the industry. In doing so, the Company continues to expand the service range for power distribution and sales and achieving an overall improvement in operation, quality and corporate vitality.

Throughout the years, and with great dedication, the Company has expanded steadily by growing its competitive strengths. The success of the Company rests on its strengths in scale and equipment, its transition to low carbon clean energy sources, advantages in scientific and technological innovation and environmental protection, optimal geographic power plant layout, robust corporate governance structure, sound market reputation, extensive experience in the capital markets, advantages in overseas development, its high calibre staff and professional management, as well as the steady support from our major shareholders.



The objectives of the Company are: as a power company, to be devoted to providing sufficient, reliable and eco-friendly energy to the community; as a listed company, to be devoted to creating long-term, stable and increasing returns for shareholders; and as a first-class power producer, to be devoted to operational excellence, and to becoming a leading power enterprise in China and an advanced enterprise in the international market.

\* The ADS of the Company was delisted from New York Stock Exchange on 7 July 2022, Eastern Standard Time.

# DISTRIBUTION OF POWER PLANTS OF THE COMPANY

## CHINA NETWORK

Heilongjiang  
**4,452**



Jilin  
**4,930**



The controlled installed capacity of the Company as at 31 December 2025 was

**155,869 MW,**

distributed in areas as depicted in the chart (Unit: MW)

### LEGENDS



Wind-power



PV Power



Coal-fired



Combined Cycle



Hydro-power



Biomass power

Liaoning  
7,871



Inner Mongolia  
303



Hebei  
7,179



Gansu  
3,902



Ningxia  
20



Beijing  
2,766



Tianjin  
1,846



Shanxi  
5,118



Shandong  
23,865



Henan  
9,895



Jiangsu  
14,493



Shanghai  
5,720



Chongqing  
5,448



Zhejiang  
7,764



Hubei  
5,773



Hunan  
3,755



Jiangxi  
8,585



Anhui  
3,816



Fujian  
4,473



Guangdong  
8,436



Guangxi  
1,041



Yunnan  
5,177



Guizhou  
1,826



Hainan  
5,409



## OVERSEAS NETWORK

Singapore  
2,009



Total **155,869**

# MAJOR CORPORATE EVENTS IN 2025

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## JAN

- The Company announced the results regarding domestic on-grid electricity for the full year of 2024. The domestic on-grid electricity sold by the Company for the whole year recorded 452,939 million kWh, representing a year-on-year increase of 1.13%.
- The Company was awarded the “Outstanding Initiator of Asset Securitization Business in 2024” by the Shanghai Stock Exchange.

## MAR

- The Company announced its annual operating results for 2024. According to the China Accounting Standards, the net profit attributable to shareholders of the Company was approximately RMB10,135 million, representing a year-on-year increase of 20.01%.
- The Company held the conference for its annual results for 2024 in Beijing headquarters and Hong Kong respectively, with more than 70 people (including domestic and foreign analysts from securities companies and fund managers) attending the conference.
- The Company’s research project “Striving for First-Class and Promoting Reform – Research and Practice of Market Value Management System for Listed Companies Controlled by Central Enterprises” was selected as an annual project by the China Association for Public Companies through nationwide evaluation. The Company ranked 2nd among more than twenty shortlisted annual projects and was awarded one of the five national-level key research achievements.
- The Company formulated and adopted the Market Value Management Provisions of Huaneng Power International, Inc., providing institutional basis and mechanism guarantee for the sustained implementation of relevant work.

## APR

- The Company announced the domestic on-grid electricity for the first quarter in 2025. The Company achieved domestic on-grid electricity sold of 106,633 million kWh in the first quarter, representing a year-on-year decrease of 5.66%.
- The Company announced its results for the first quarter of 2025. According to the China Accounting Standards, the net profit attributable to shareholders of the Company was approximately RMB4,973 million, representing a year-on-year increase of 8.19%.
- The Company held a global investor telephone conference for its results for the first quarter of 2025 with more than 100 people (including domestic and foreign analysts from securities companies and fund managers) attending the conference.

## MAY

- Huaneng Group, together with its three listed power generation holding companies including Huaneng Power International, Huaneng Hydropower and Huaneng Mengdian Thermal Power Corporation, held a collective performance briefing at the Shanghai Stock Exchange. Mr. Wang Kui, Chairman of the Company, systematically introduced the power production, operation and development and transformation achievements of the Company at the briefing, and replied to investors’ questions both on-site and online, further reinforcing market recognition and confidence in the Company’s strategic prospects.

## JUN

- The Company held the 2024 Annual General Meeting, and considered and approved eight proposals, including the profit distribution proposal of the Company for 2024.
- The Company won the title of “Innovative Institution of the Year” at the 11th China Asset Securitization Forum.
- Unit 6 of the gas-fired generating unit at Nanshan Power Plant of Huaneng Hainan Power Generation Co., Ltd. belonging to the Company successfully passed the 168-hour full-load trial operation, marking the full completion and commissioning of the expansion project of two 460 MW-class gas-steam combined cycle units at Nanshan Power Plant, providing strong energy support for Hainan Province’s peak load shedding in summer and the closed-off operation of Hainan Free Trade Port.

## JUL

- The Company announced the domestic on-grid electricity in the first half of 2025. The Company achieved domestic on-grid electricity sold of 205,683 million kWh in the first half of the year, representing a year-on-year decrease of 2.37%.
- The Company announced its interim results for 2025. According to the China Accounting Standards, the net profit attributable to shareholders of the Company was approximately RMB9,262 million, representing a year-on-year increase of 24.26%.
- The Company held a global investor telephone conference for its interim results for 2025 with more than 120 people (including domestic and foreign analysts from securities companies, fund managers and individual investors) attending the conference.
- The Company was awarded the “First-Class ESG Typical Case” by the China Water Resources and Electric Power Quality Management Association.

## AUG

- Unit 4 of Phase II project of Huaneng Chongqing Liangjiang Gas-fired Power Generation Co., Ltd. belonging to the Company successfully passed the 168-hour full-load trial operation, marking the full completion and commissioning of the Company’s first 9H-class gas-fired power plant. With a total installed capacity of 2,418 MW, Liangjiang Gas-fired Power Plant has become the gas-fired power plant with the largest installed capacity in southwest China, with an annual power generation capacity of over 10 billion kWh, providing strong guarantee for power supply during peak load shedding in summer in Chongqing.

## MAJOR CORPORATE EVENTS IN 2025

### SEP

- The Company received an “A” grade rating for annual information disclosure of Shanghai Stock Exchange.
- The Company held the 2025 first extraordinary general meeting, the 2025 first A-share class meeting and the 2025 first H-share class meeting, and considered and approved three proposals, including the proposal on revising the Articles of Association and relevant provisions for class shareholders.
- The Company was awarded the “Best Practice Case of Internal Control of Listed Companies” by the China Association for Public Companies.
- The Company was successfully selected into the list of “China ESG Listed Companies Beijing-Tianjin-Hebei Pioneer 50”.
- The Board of Directors of the Company (the “Board” or “Board of Directors”) was awarded the “Special Contribution to Corporate Governance” Award of the 20th “Golden Round Table Award” for Boards of Chinese Listed Companies.
- The fourth unit of Phase II project of Huaneng Dongguan Gas-fired Cogeneration Co., Ltd., a subsidiary of the Company, successfully passed the 168-hour full-load trial operation, marking the full completion and commissioning of Phase II project of Dongguan Gas-fired Power Plant. With a total installed capacity of 1,960 MW, Dongguan Gas-fired Power Plant has an annual power generation capacity of 17 billion kWh, providing safer and more efficient clean energy supply guarantee for the Guangdong-Hong Kong-Macao Greater Bay Area.

### OCT

- The Company announced the domestic on-grid electricity for the first three quarters of 2025. The Company achieved domestic on-grid electricity sold of 331,451 million kWh for the first three quarters of the year, representing a year-on-year decrease of 2.87%.
- The Company announced its results for the first three quarters of 2025. According to the China Accounting Standards, the net profit attributable to shareholders of the Company was approximately RMB14,841 million, representing a year-on-year increase of 42.52%.
- The Company held a global investor telephone conference for its results for the third quarter of 2025 with more than 100 people (including domestic and foreign analysts from securities companies, fund managers and individual investors) attending the conference.
- The Company was awarded the Golden Bull Award for Most Investment Value of Listed Companies in 2024 by China Securities Journal.
- The Company was awarded the Crystal Ball Award for Information Disclosure of Listed Companies in 2025 by Securities Market Weekly.
- The Company was rated as an excellent case of the Value Creation Action by the State-owned Assets Supervision and Administration Commission (SASAC) and included in the collection of excellent cases of SASAC.
- For the third consecutive year, the Company was selected into the list of “China ESG Listed Companies Central Enterprise Pioneer 100”, and was selected into the list of “China ESG Listed Companies Pioneer 100” for the first time.

## NOV

- The Company was awarded the “Top 100 Valuable Main Board Listed Companies” Award at the 19th China Listed Companies Value Forum hosted by Securities Times.
- For the fourth consecutive year, the Company was awarded the “Best Sustainability Practice Case of Listed Companies” by the China Association for Public Companies.
- For the second consecutive year, the Company was awarded the “ESG Pioneer Enterprise” of the Responsibility Whale Series Awards by Responsibility Cloud Research Institute.
- The world’s first 650° C high-efficiency ultra-supercritical coal-fired generating unit – Phase IV project of Yuhuan Branch of Huaneng (Zhejiang) Energy Development Co., Ltd. entered the full construction stage. The project adopts new high-temperature alloy materials with China’s independent intellectual property rights, which realizes key high-temperature fully-autonomous material technologies. Upon completion, the project will set a new record for the highest parameters and lowest coal consumption of thermal power units worldwide, significantly enhancing the clean and efficient utilization of coal-fired power, promoting the comprehensive upgrading of domestic high-end equipment manufacturing capacity, and providing important support for China’s energy security and the “Dual Carbon” goals.

## DEC

- The Company held the second extraordinary general meeting of 2025, and considered and approved five proposals, including the proposal on the continuing connected transactions between the Company and Huaneng Group for 2026.
- The Company was awarded the “Best Practice of 2024 Annual Report Presentation for Listed Companies” by the China Association for Public Companies.
- For the second consecutive year, the Company was awarded the “Excellent ESG Achievement of Enterprises” by China Enterprise Reform and Development Society and Ban Yue Tan Magazine.
- The Company was awarded the “First Prize of Excellent Achievements in China Enterprise Reform and Development” by China Enterprise Reform and Development Society.
- The Company was selected into the Blue Book on Environmental, Social and Governance of Central Enterprise Listed Companies issued by the State-owned Assets Supervision and Administration Commission (SASAC).
- The Company was selected into the 2025 List of China Top 500 Enterprises in Charity and Public Welfare and the 2025 List of China Top 500 Listed Companies in Charity and Public Welfare.
- The Board of Directors of the Company was awarded the honor of “Best Practice Case of Board of Directors of Listed Companies in 2025” by the China Association for Public Companies.
- Mr. Huang Chaoquan, the then Secretary of the Board of Directors of the Company, was awarded the “5A” rating in the “2025 Performance Assessment for Secretaries of Board of Directors of Listed Companies” hosted by the China Association for Public Companies, and was awarded the “Medal of Endeavour for Secretary of the Board” for winning the “5A” rating for four consecutive years in the assessment.
- The Company was awarded the “Outstanding Listed Company” Award in the 15th China Securities “Golden Bauhinia” Selection; Mr. Wang Kui, Chairman of the Company, was awarded the “Economic Person of the Year 2025” Award.

# FINANCIAL HIGHLIGHTS

(Amounts expressed in thousands of RMB, except per share data)

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	YEAR ENDED 31 DECEMBER				
	2021 (Restated) (Note 1)	2022	2023	2024	2025
OPERATING REVENUE	205,079,497	246,724,789	254,396,695	245,550,923	<b>229,288,058</b>
(Loss)/Profit before Income Tax Expense	(14,863,594)	(10,813,957)	12,477,142	17,821,286	<b>23,533,204</b>
Income Tax Expense	1,929,755	(158,658)	(3,707,733)	(3,815,093)	<b>(4,003,179)</b>
(Loss)/Profit after Income Tax Expense	(12,933,839)	(10,972,615)	8,769,409	14,006,193	<b>19,530,025</b>
Attributable To:					
– Equity holders of the Company	(10,377,939)	(8,026,233)	8,357,460	10,184,633	<b>14,536,770</b>
– Non-controlling interests	(2,555,900)	(2,946,382)	411,949	3,821,560	<b>4,993,255</b>
Basic (losses)/earnings per share (RMB/share)	(0.80)	(0.65)	0.35	0.46	<b>0.75</b>
Diluted (losses)/earnings per share (RMB/share)	(0.80)	(0.65)	0.35	0.46	<b>0.75</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 DECEMBER				
	2021 (Restated) (Note 1)	2022	2023	2024	2025
Total assets	501,049,410	512,221,773	550,316,013	595,576,880	<b>619,678,043</b>
Total liabilities	367,213,210	376,905,714	370,961,535	384,997,834	<b>400,140,247</b>
Net assets	133,836,200	135,316,059	179,354,478	210,579,046	<b>219,537,796</b>
Equity attributable to equity holders of the Company	113,327,155	115,664,522	138,763,115	143,794,329	<b>148,552,274</b>
Non-controlling interests	20,509,045	19,651,537	40,591,363	66,784,717	<b>70,985,522</b>

### Notes:

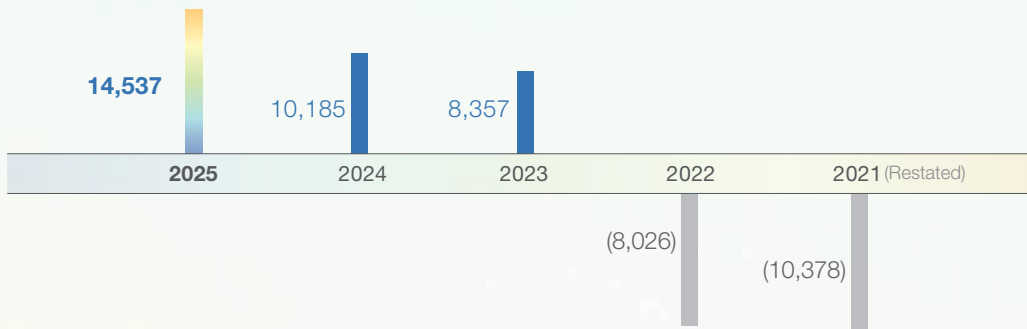
- The Company and its subsidiaries have adopted Amendments to IAS 16, *Property, Plant and Equipment-Proceeds before Intended Use*, with the date of initial application of 1 January 2021. The standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2021, and the comparative information for the year ended 31 December 2021 was restated.
- The results for the years ended 31 December 2021, 2022 and 2023 are derived from the historical consolidated financial statements of the Company and its subsidiaries. The results for the years ended 31 December 2024 and 2025 are set out on pages 117 to 119. All such information is extracted from the consolidated financial statements prepared under International Financial Reporting Standard (“IFRS”) accounting standards.
- The consolidated statements of financial position as at 31 December 2021, 2022 and 2023 are derived from the historical consolidated financial statements of the Company and its subsidiaries. The consolidated statements of financial position as at 31 December 2024 and 2025 are set out on pages 120 to 122. All such information is extracted from the consolidated financial statements prepared under IFRS accounting standards.



## PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY UNDER IFRS ACCOUNTING STANDARDS

(RMB Million)

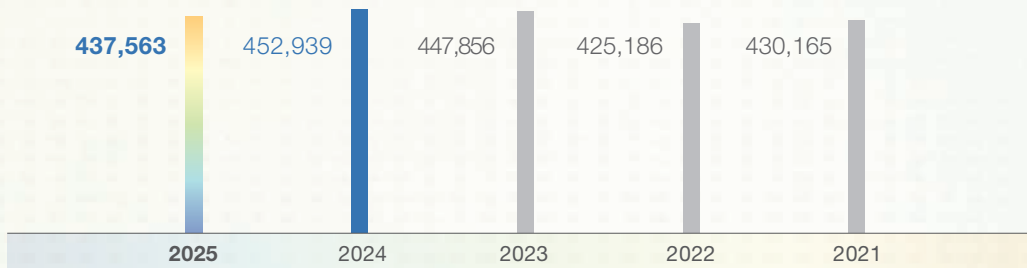
For the years ended 31 December



## THE TOTAL ELECTRICITY SOLD BY THE DOMESTIC POWER PLANTS

(Million KWH)

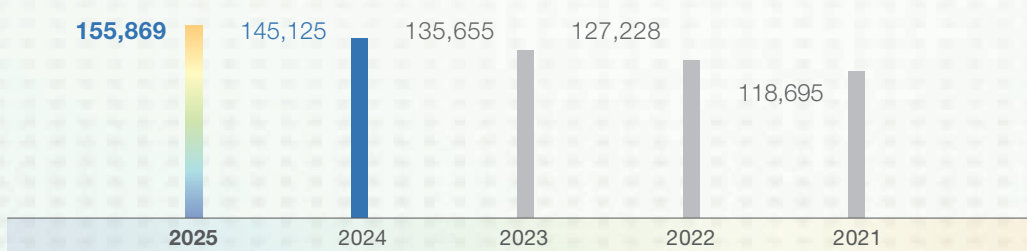
For the years ended 31 December



## CONTROLLED INSTALLED GENERATION CAPACITY

(MW)

As at 31 December



# LETTER TO SHAREHOLDERS

**WANG KUI**  
*Chairman*



The development objectives of Huaneng Power are:

As a power company, to be devoted to providing sufficient, reliable and eco-friendly energy to the community; as a listed company, to be devoted to creating long-term, stable and increasing returns for shareholders; and as a first-class power producer, to be devoted to operational excellence, and to becoming an excellent enterprise in China and an advanced enterprise in the international market.

## TO ALL SHAREHOLDERS,

2025 marks the final year of the 14th Five-Year Plan. Faced with a complex external environment, the Company focused on the overall national development, firmly grasped the challenges and opportunities brought by the market-oriented reform of the power sector, and deepened its analysis of policy guidelines and market conditions. Centered on the annual operating targets, the Company forged ahead with determination and made concerted efforts, scientifically coordinating key tasks such as power marketing, fuel procurement and scientific and technological research and development. Throughout the year, the safety production situation remained stable, the pace of transformation and development accelerated, and operating results reached a new high. The Company effectively fulfilled its responsibility of providing sufficient, reliable and eco-friendly electric energy to the community, laying a solid foundation for a sound start to the 15th Five-Year Plan period.

In 2025, the Company achieved a consolidated operating revenue of RMB229,288 million, representing a year-on-year decrease of 6.62%, and net profit attributable to equity holders of the Company of RMB14,537 million, representing a year-on-year increase of 42.73%. In accordance with the dividend policy set out in the Articles of Association of the Company, the Board of Directors proposed a cash dividend of RMB 0.40 per share (inclusive of tax) to all shareholders of the Company for the year 2025. The proposed dividend distribution plan will be submitted to the 2025 Annual General Meeting of the Company for consideration and approval.

During the 14th Five-Year Plan period, the Company was committed to the development and strengthening of the state-owned economy, while also promoting a comprehensive green transformation and upgrading, achieving record-high operating results, and further enhancing its comprehensive strengths. The Company's controllable installed power generation capacity registered a compound annual growth rate of 6.6% over the five years. The accumulated power generation amounted to 2.3 trillion kWh and heat supply reached 1.63 billion gigajoules, representing an increase of 20% and 66% respectively as compared with the 13th Five-Year Plan period. Over the past five years, the Company has adhered to the path of green development, accelerated the development of strategic emerging industries focusing on new energy, promoted the in-depth transformation of thermal power, and significantly enhanced its market competitiveness. New energy has experienced rapid growth, with its scale exceeding 45,000 MW, accounting for nearly 30% of the total installed capacity, representing an increase of 20 percentage points compared with five years ago. Among them, photovoltaic installed capacity exceeded 25,000 MW, which is 10 times that of five years ago; wind power installed capacity exceeded 20,000 MW, being 2.5 times that of five years ago. Offshore wind power projects are located in the coastal areas of six provinces, with installed power generation capacity reaching 5,880 MW. Substantial progress has been made in the green transformation and development of the Company.

## LETTER TO SHAREHOLDERS



During the 14th Five-Year Plan period, the Company persisted in pursuing self-reliance and self-improvement in science and technology, having achieved fruitful scientific and technological innovation outcomes, witnessing vigorous development of new quality productive forces, and empowering industrial upgrading and transformation through digital and intelligent technologies. The accumulated R&D investment exceeded RMB 40 billion, with R&D intensity maintained at above 3%. The world's first 650°C high-efficiency ultra-supercritical coal-fired demonstration unit commenced construction at Yuhuan Power Plant in Zhejiang Province. A number of first-of-a-kind innovative projects, including the cryogenic near-zero emission of pollutants, molten salt thermal storage coupled with coal-fired units for frequency regulation and peak shaving, and floating offshore photovoltaic platforms, were successfully put into operation. The fully domestically produced system has been promoted and applied in multiple thermal power units. The Company accelerated the fostering of new quality productive forces, and strategic emerging

industries such as virtual power plants, geothermal heating and new-type energy storage demonstrated strong growth momentum, further enhancing the core competitiveness of the enterprise.

During the 14th Five-Year Plan period, the Company adhered to an international development strategy by dedicating efforts to expanding into the Singapore market, boosting the operation and development of Tuas Power Ltd. ("Tuas Power"), and contributing to the deep and solid development of the joint construction of the "Belt and Road" Initiative. By deepening the Company's presence in the Singapore power market, and its strengthened market analysis, optimized trading strategies, maintenance of a power generation market share that consistently exceeds its installed capacity share, the Company achieved a transformation from losses to profitability and then to high-quality and stable profitability, with an accumulated profit of RMB 11.2 billion over the five years. Tuas Power Limited has become a practical and exemplary example of success for central power generation enterprises "going global".

During the 14th Five-Year Plan period, the Company comprehensively promoted and deepened reforms, continuously enhancing its qualities as a listed company, and further maturing and refining its modern corporate governance. With the Company's robust and comprehensive Board structure, the outstanding strategic leadership capabilities of our directors, supervisors and senior management are leveraged, and with the benefit of a diversified decision-making process, they were able to guide the high-quality development of the Company. The Company successfully completed a three-year action plan to improve the quality of listed companies, and achieved remarkable results in improving the quality of information disclosure, strengthening investor

2026 marks the first year of the 15th Five-Year Plan period. The Company will continue to fully implement the new development philosophy, contribute to fostering a new development pattern, focus on promoting high-quality development, and comprehensively advance safety risk prevention and control, green and low-carbon development, quality and efficiency improvement, as well as deepening and upgrading reforms. The Company will make unremitting efforts to build a flagship listed power generation company featuring "Three Strengths and Three Excellence": strong innovation-driven development, strong competitive advantages, strong Party-building leadership, excellent governance efficiency, excellent development quality and excellent operating performance.

Huaneng Power is committed to being a responsible enterprise, and sustains the enhancement of its corporate competitiveness through a strong sense of responsibility; it is devoted to fulfilling its operational responsibilities in creating long-term, stable and growing returns for shareholders; to fulfilling its safety responsibilities by putting people first and pursuing safe development to become a safest enterprise; to fulfilling its environmental responsibility by focusing on the people's well-being and on clean development to ensure efficient and economical use of resources and build a "green enterprise"; and to fulfilling its social responsibility by pursuing mutual benefit, win-win outcomes and harmonious development, ensuring common progress with stakeholders and serving as an exemplary corporate citizen.

relations and deepening ESG management. It has received an A-Class rating in information disclosure by the Shanghai Stock Exchange for five consecutive years, and has received numerous awards and honors in corporate governance, board development, information disclosure, annual report compilation and ESG practices, further demonstrating its sound image and enhancing its influence in the capital market.



**WANG KUI**

*Chairman*

Beijing, the People's Republic of China

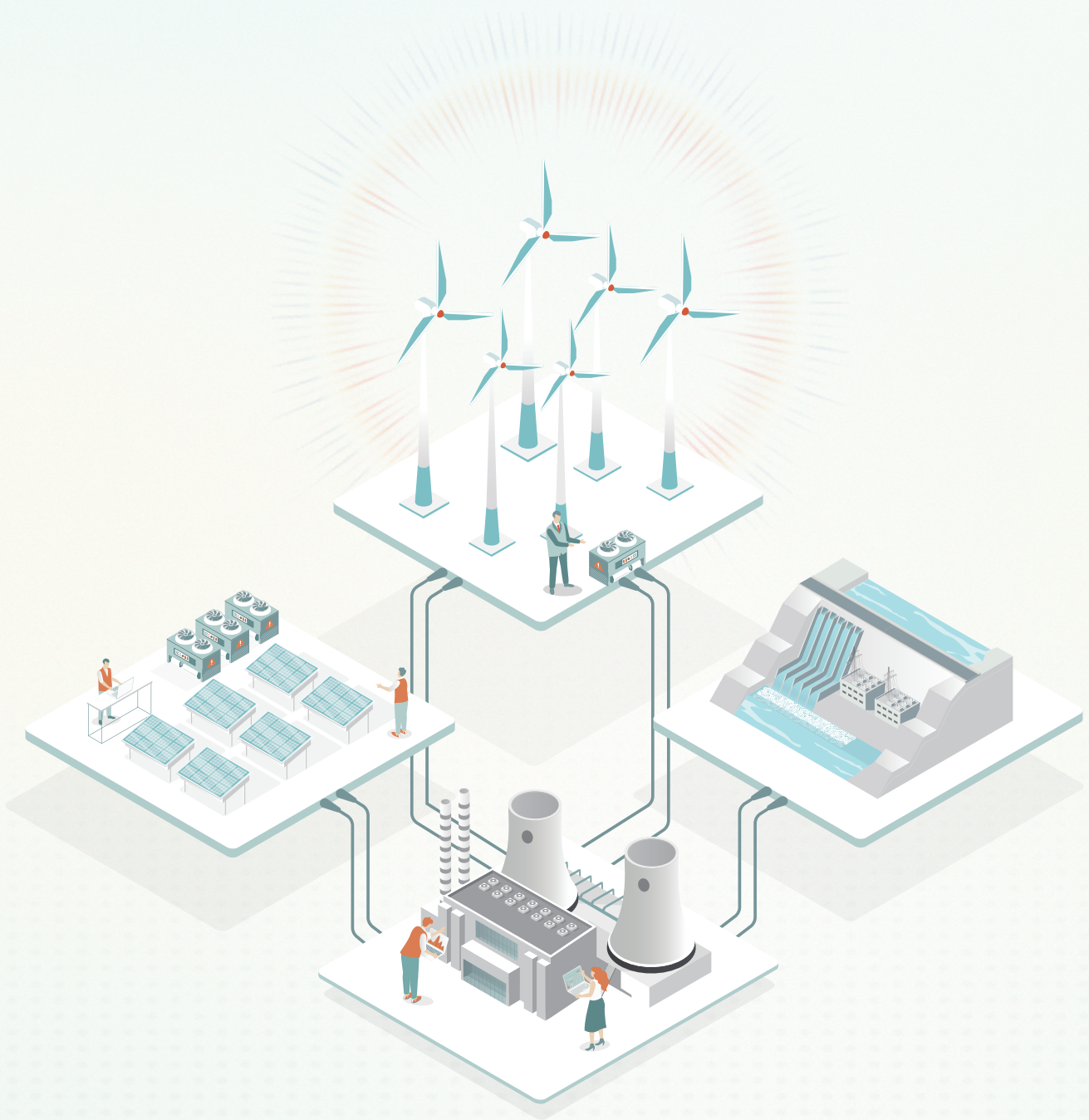
24 March 2026



# MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company is primarily engaged in the development, construction, and operation of power plants across China and is one of the largest listed power generation companies in China. As of 31 December 2025, the Company had a controlled installed power generation capacity of 155,869 MW, with lowcarbon clean energy generation, including natural gas power, solar power, wind power, hydropower and biomass power, accounting for 41.01% of its total installed capacity.





# MANAGEMENT'S DISCUSSION AND ANALYSIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Prepared under International Financial Reporting Standard ("IFRS") Accounting Standards)

### General

The Company is primarily engaged in the development, construction, and operation of power plants across China and is one of the largest listed power generation companies in China. As of 31 December 2025, the Company had a controlled installed power generation capacity of 155,869 MW, with low-carbon clean energy generation, including natural gas power, solar power, wind power, hydropower and biomass power, accounting for 41.01% of its total installed capacity. The Company's power plants in China are widely distributed across 26 provinces, autonomous regions, and municipalities. Additionally, the Company wholly owns and operates a power company in Singapore and has invested in an operational power company in Pakistan.

For the year ended 31 December 2025, the Company recorded consolidated revenue of RMB229,288 million, representing a 6.62% decrease from RMB245,551 million in the previous year. The net profit attributable to equity holders of the Company was RMB14,537 million, reflecting an increase of 42.73% from RMB10,185 million in the previous year. Earnings per share were RMB0.75, representing a year-on-year increase of RMB0.29.

## A. OPERATING RESULTS

### 1. 2025 operating results

The electricity sold by the Company's domestic power plants in various regions for the year ended 31 December 2025 is as follows (in 100 million kWh):

Types of generation/Region	Electricity Sold	
	January to December 2025	Year-on-Year Change
<b>Coal-fired</b>	3,401.59	-7.89%
<b>Combined cycle</b>	289.30	7.31%
<b>Wind-power</b>	408.65	10.59%
<b>PV</b>	258.81	42.77%
<b>Hydro-power</b>	9.72	4.05%
<b>Biomass power</b>	7.56	9.87%
<b>Heilongjiang Province</b>	130.74	1.54%
Coal-fired	98.26	-0.78%
Wind-power	28.29	9.95%
PV	2.55	-13.18%
Biomass power	1.64	55.48%

Types of generation/Region	Electricity Sold	
	January to December 2025	Year-on-Year Change
<b>Jilin Province</b>	120.38	-0.96%
Coal-fired	65.49	-12.47%
Wind-power	47.13	13.40%
Hydro-power	0.84	11.51%
PV	4.50	83.54%
Biomass power	2.42	23.32%
<b>Liaoning Province</b>	173.30	5.33%
Coal-fired	138.13	0.73%
Wind-power	32.27	29.27%
Hydro-power	0.31	85.85%
PV	2.61	13.61%
<b>Inner Mongolia</b>	7.44	1.81%
Wind-power	7.08	-2.66%
PV	0.37	823.39%
<b>Hebei Province</b>	153.67	16.34%
Coal-fired	105.84	0.74%
Wind-power	12.36	154.16%
PV	35.47	60.07%
<b>Gansu Province</b>	113.23	-4.67%
Coal-fired	93.98	-4.67%
Wind-power	19.25	-4.62%
<b>Ningxia</b>	0.21	2.15%
PV	0.21	2.15%
<b>Beijing</b>	75.99	1.55%
Coal-fired	0.78	-44.26%
Combined cycle	75.21	2.43%
<b>Tianjin</b>	46.60	-18.36%
Coal-fired	38.35	-13.53%
Combined cycle	6.37	-48.50%
Wind-power	0.84	—
PV	1.04	184.58%
<b>Shanxi Province</b>	103.88	4.44%
Coal-fired	54.01	-5.00%
Combined cycle	20.75	5.55%
Wind-power	6.92	15.81%
PV	22.20	30.76%
<b>Shandong Province</b>	711.13	-10.78%
Coal-fired	634.77	-13.95%
Combined cycle	2.27	—
Wind-power	36.15	10.04%
PV	34.45	51.99%
Biomass power	3.49	-9.49%

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Types of generation/Region	Electricity Sold	
	January to December 2025	Year-on-Year Change
<b>Henan Province</b>	239.18	-1.72%
Coal-fired	187.53	-5.95%
Combined cycle	1.67	15.55%
Wind-power	39.65	12.25%
PV	10.33	43.26%
<b>Jiangsu Province</b>	414.20	-7.68%
Coal-fired	280.42	-13.81%
Combined cycle	58.89	7.24%
Wind-power	46.90	-7.18%
PV	27.99	56.90%
<b>Shanghai</b>	203.29	-4.53%
Coal-fired	186.00	-5.14%
Combined cycle	16.04	-1.15%
PV	1.25	93.47%
<b>Chongqing</b>	155.45	0.53%
Coal-fired	107.53	-14.41%
Combined cycle	41.06	74.07%
Wind-power	6.32	21.27%
PV	0.53	176.76%
<b>Zhejiang Province</b>	355.02	-0.96%
Coal-fired	299.84	-1.97%
Combined cycle	11.73	18.47%
Wind-power	37.70	-1.85%
PV	5.74	34.31%
<b>Hubei Province</b>	146.67	-11.10%
Coal-fired	119.42	-13.56%
Wind-power	6.61	-6.64%
Hydro-power	2.49	16.19%
PV	18.15	3.13%
<b>Hunan Province</b>	86.87	-2.65%
Coal-fired	69.92	-4.64%
Wind-power	8.20	-5.90%
Hydro-power	2.83	-15.70%
PV	5.91	54.38%
<b>Jiangxi Province</b>	291.76	-1.56%
Coal-fired	255.04	-4.25%
Wind-power	9.08	-9.05%
PV	27.64	37.97%
<b>Anhui Province</b>	96.89	12.47%
Coal-fired	59.92	1.99%
Wind-power	14.62	29.08%
Hydro-power	0.48	-54.45%
PV	21.87	45.64%

Types of generation/Region	Electricity Sold	
	January to December 2025	Year-on-Year Change
<b>Fujian Province</b>	180.34	-3.90%
Coal-fired	175.56	-4.69%
PV	4.78	37.75%
<b>Guangdong Province</b>	290.87	0.50%
Coal-fired	237.82	0.92%
Combined cycle	33.28	-2.81%
Wind-power	16.25	-3.85%
PV	3.52	33.44%
<b>Guangxi</b>	12.66	18.13%
Combined cycle	3.12	1.61%
Wind-power	6.45	-0.55%
PV	3.09	166.29%
<b>Yunnan Province</b>	113.92	-19.42%
Coal-fired	94.02	-25.30%
Wind-power	12.39	-9.78%
Hydro-power	0.42	223.80%
PV	7.09	329.70%
<b>Guizhou Province</b>	14.35	11.52%
Wind-power	1.92	-1.62%
PV	12.43	13.86%
<b>Hainan Province</b>	137.57	5.09%
Coal-fired	98.96	-4.16%
Combined cycle	18.89	-8.87%
Wind-power	12.28	2412.29%
Hydro-power	2.35	35.23%
PV	5.08	8.31%
<b>Total</b>	<b>4,375.63</b>	<b>-3.39%</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

While the Company continues to advance its green and low-carbon transformation and the installed capacity of wind and solar power continues to grow, driving year-on-year growth in new energy generation, the electricity output from coal-fired units has decreased year-on-year due to the displacement of coal generation by new and other clean energy sources.

In 2025, the Company's wholly-owned subsidiary, SinoSing Power Pte. Ltd. ("**Singapore Operations**"), through its subsidiary Tuas Power, achieved an 18.3% share of Singapore's power generation, thus maintaining a strong market position.

Regarding electricity tariffs, the Company's average on-grid electricity tariff for domestic power plants, including tax, was RMB477.08 per MWh, representing a 3.48% decrease from the previous year. The average settlement electricity price for the Singapore operations was RMB1,099.09 per MWh, reflecting a 7.19% decrease compared to the previous year.

In terms of fuel costs, the unit fuel cost for electricity sold by the Company's domestic thermal power plants was RMB266.88 per MWh, reflecting a 11.13% decrease compared to the previous year.

## 2. Comparative analysis of operating results

### 2.1 Operating revenue and tax and levies on operations

For the year ended 31 December 2025, the consolidated operating revenue of the Company and its subsidiaries was RMB229,288 million, representing a decrease of 6.62% compared with RMB245,551 million in the previous year.

The operating revenue from domestic operations decreased by RMB13,931 million over the same period of last year, mainly due to the year-on-year decrease in domestic electricity sales volume and electricity tariffs.

The operating revenue from the Singapore Operations decreased by RMB2,979 million over the same period of last year. This was mainly attributable to the significant year-on-year decline in the overall price level in Singapore's power market affected by factors such as power market supply and demand, electricity tariff policies and the commissioning of fast-response gas turbines, as well as the year-on-year decrease in electricity tariffs under newly signed retail contracts of Tuas Power.

The operating revenue from the operations in Pakistan increased by RMB647 million over the same period of last year, which was mainly due to the year-on-year increase in electricity sales volume.

Taxes and levies mainly include environmental protection tax, value-added tax surcharges, property tax, land use tax and resource tax, among others. For the year ended 31 December 2025, the taxes and levies on operations of the Company and its subsidiaries were RMB2,759 million, representing an increase of 37.37% from RMB2,009 million for the same period of last year. This was mainly attributable to the year-on-year increase in environmental protection tax and water resource tax paid, as well as the year-on-year increase in value-added tax paid for the domestic operations as a result of the year-on-year decrease in coal price, and the corresponding year-on-year increase in value-added tax surcharges paid on the corresponding calculations.

## 2.2 Operating expenses

For the year ended 31 December 2025, the consolidated operating expenses of the Company and its subsidiaries were RMB197,407 million, representing a decrease of 10.08% from RMB219,545 million for the same period of the previous year.

Mainly due to lower fuel costs resulting from the year-on-year decrease in domestic fuel prices, the operating expenses in domestic operations decreased by RMB20,581 million.

The operating expenses from the Singapore Operations decreased by RMB2,292 million, mainly due to the decrease in fuel costs and the cost of purchasing electricity for the retail business. The operating expenses from the operations in Pakistan increased by RMB736 million, mainly due to the increase in fuel consumption resulting from higher electricity generation.

### 2.2.1 Fuel costs

For the year ended 31 December 2025, fuel costs of the Company and its subsidiaries were RMB119,666 million, representing a decrease of 15.80% from RMB142,115 million for the same period of the previous year.

The fuel costs from domestic operations decreased by RMB21,677 million, which was mainly attributable to the decrease in domestic fuel prices.

Fuel costs from the Singapore Operations decreased by RMB772 million from the same period of last year, mainly due to a decrease in gas purchase volume and gas prices.

### 2.2.2 Maintenance expenses

For the year ended 31 December 2025, the total maintenance expenses of the Company and its subsidiaries amounted to RMB5,470 million, representing an increase of 8.19% from RMB5,056 million for the same period of the previous year.

### 2.2.3 Depreciation

For the year ended 31 December 2025, depreciation expenses of the Company and its subsidiaries increased by 5.66% to RMB27,791 million from RMB26,302 million for the same period of the previous year.

### 2.2.4 Labor

Labor costs mainly consist of salaries to employees and contributions payable for employees' housing funds, medical insurance, pension and unemployment insurance, as well as training costs, etc. For the year ended 31 December 2025, the labor costs of the Company and its subsidiaries increased by 5.23% to RMB19,625 million from RMB18,650 million for the same period of the previous year, which was mainly due to the increase in the average social wage, the consequent increase in the base for social security and fund contributions, and the related increase in labor costs.

### 2.2.5 Other operating expenses

Other operating expenses mainly include environmental protection expenses, insurance premiums, office expenses, research and development costs, amortization, Tuas Power's electricity purchase costs, impairment losses, government subsidies and net gains or losses on disposal of property, plant and equipment. Other operating expenses of the Company and its subsidiaries were RMB24,854 million, representing a decrease of 9.36% from RMB27,422 million for the year ended 31 December 2024.

Other operating expenses from the Company's domestic operations decreased by RMB1,781 million over the same period of last year, mainly due to the year-on-year decrease in losses on disposal of non-current assets and other items.

Other operating expenses of the Singapore Operations decreased by RMB1,526 million over the same period of last year, mainly due to the decrease in electricity purchase costs of the retail business. Other operating expenses of the operations in Pakistan increased by RMB740 million over the same period of last year, mainly attributable to higher fuel costs charged to other expenses.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 2.3 Financial expenses

For the year ended 31 December 2025, the financial expenses of the Company and its subsidiaries was RMB7,109 million, representing a decrease of 11.66% from RMB8,047 million for the same period of the previous year, which was mainly due to the decrease in interest expenses amounting to RMB711 million.

The interest expenses from the Company's domestic operations decreased by RMB581 million, mainly due to the decrease in the cost of interest-bearing debt over the same period of last year.

The interest expenses of Singapore Operations decreased by RMB46 million compared to the same period of last year. Interest expenses of Pakistan operations decreased by RMB85 million over the same period of last year.

### 2.4 Investment income

#### *Share of profits less losses of associates and joint ventures*

For the year ended 31 December 2025, the share of profits less losses of associates and joint ventures of the Company and its subsidiaries was RMB1,150 million, representing a decrease of 8.73% from RMB1,260 million for the same period of the previous year.

### 2.5 Income tax expenses

For the year ended 31 December 2025, the Company and its subsidiaries recognized income tax expenses of RMB4,003 million, representing an increase of 4.93% from RMB3,815 million for the same period of the previous year.

The income tax expenses from domestic operations increased by RMB385 million, mainly due to the corresponding increase in income tax expenses as a result of the year-on-year increase in profits from the Company's domestic operations.

The income tax expense for the Singapore Operations decreased by RMB206 million. The income tax expenses for the operations in Pakistan increased by RMB9 million over the same period of last year.

### 2.6 Net profit, net profit attributable to equity holders of the Company

For the year ended 31 December 2025, the Company and its subsidiaries achieved a net profit of RMB19,530 million, representing an increase of 39.44% from RMB14,006 million for the same period of the previous year.

Net profit attributable to equity holders of the Company was RMB14,537 million, representing an increase of 42.73% from RMB10,185 million in the previous year.

Net profit attributable to equity holders of the Company from domestic operations increased by RMB4,788 million year on year, mainly due to the increase in profit from thermal power generation driven by lower domestic fuel costs.

Net profit attributable to equity holders of the Company from Singapore Operations decreased by RMB387 million year on year. The Company carefully studied changes in Singapore's power and fuel markets, guided Tuas Power to respond agilely to market dynamics, and continuously promoted lean management, achieving relatively sound operating performance under prevailing market conditions.

Net profit attributable to equity holders of the Company from operations in Pakistan decreased by RMB49 million year on year.

### 2.7 Comparison of financial position

#### *2.7.1 Comparison of asset items*

For the year ended 31 December 2025, the total assets of the Company and its subsidiaries were RMB619,678 million, increased by RMB24,101 million from RMB595,577 million as of 31 December 2024.

Total assets of the domestic operations increased by RMB26,608 million to RMB580,590 million, including a net increase of RMB24,459 million in property, plant and equipment, mainly due to the comprehensive impact of increased investment in new infrastructure and technical renovation projects and depreciation provided for the current year.

As of 31 December 2025, the total assets of the Singapore Operations amounted to RMB27,525 million, a decrease of RMB1,188 million from the end of the previous year. The total assets of the operations in Pakistan amounted to RMB11,563 million, a decrease of RMB1,319 million from the end of last year.

### **2.7.2 Comparison of liability items**

As at 31 December 2025, the total liabilities of the Company and its subsidiaries were RMB400,140 million, representing an increase of RMB15,142 million from RMB384,998 million as at 31 December 2024. Among which, interest-bearing debts amounted to RMB321,310 million. The interest-bearing debts consist of long-term loans (including those due within one year), long-term bonds (including those due within one year), short-term loans, short-term bonds and lease liabilities (including those due within one year).

The total liabilities of the Singapore Operations were RMB10,724 million, representing a decrease of RMB1,799 million from the end of the previous year. The total liabilities of the operations in Pakistan were RMB6,568 million, representing a decrease of RMB1,683 million from the end of the previous year.

### **2.7.3 Comparison of equity items**

The total equity attributable to the equity holders of the Company amounted to RMB148,552 million as of 31 December 2025, representing an increase of RMB4,758 million compared with 31 December 2024. This was mainly due to the combined impact of the net profit attributable to equity holders of the Company of RMB14,537 million in the current year, the distribution of ordinary dividends of RMB4,238 million and the distribution paid of other equity instruments of RMB2,906 million for the year.

Non-controlling interests amounted to RMB70,986 million, representing an increase of RMB4,201 million compared with 31 December 2024, mainly due to the combined impact of the net profit attributable to non-controlling shareholders of RMB4,993 million and the dividends distributed to non-controlling shareholders in the current year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 2.7.4 Major financial position ratios

	31 December 2025	31 December 2024
Current ratio	0.52	0.54
Quick ratio	0.46	0.46
Ratio of liability to equity	2.69	2.68

	31 December 2025	31 December 2024
Multiples of interest earned	3.79	2.96

Formula of the financial ratios:

$$\text{Current ratio} = \frac{\text{balance of current assets as of the year end}}{\text{balance of current liabilities as of the year end}}$$

$$\text{Quick ratio} = \frac{(\text{balance of current assets of the year end} - \text{net inventories as of the year end})}{\text{balance of current liabilities as of the year end}}$$

$$\text{Ratio of liability to equity} = \frac{\text{balance of liabilities as of the year end}}{\text{balance of shareholders' equity (excluding non-controlling interests) as of the year end}}$$

$$\text{Multiples of interest earned} = \frac{(\text{profit before tax} + \text{interest expense})}{\text{interest expense (including capitalized interest)}}$$

The current ratio, quick ratio and ratio of liability to equity as of 31 December 2025 remained stable compared to 31 December 2024. The year-on-year increase in multiples of interest earned was mainly due to the growth in the Company's operating profit for the year.

## B. LIQUIDITY AND FUND RESOURCES

### 1. Liquidity

	2025 RMB billion	2024 RMB billion	Change %
Net cash flows from operating activities	672.13	505.30	33.02
Net cash flows from investing activities	-572.91	-617.27	-7.19
Net cash flows from financing activities	-104.96	136.13	Not applicable
Currency exchange impact	0.19	0.34	-44.12
Net (decrease)/increase in cash and cash equivalents	-5.55	24.50	Not applicable
Cash and cash equivalents as at the beginning of the year	186.01	161.51	15.17
Cash and cash equivalents as at the end of the year	180.46	186.01	-2.98

For the year ended 31 December 2025, net cash flows from operating activities of the Company and its subsidiaries was RMB67,213 million, representing an increase of 33.02% from last year, mainly due to the. The net cash flows from investing activities amounted to RMB-57,291 million, representing a year-on-year decrease of 7.19%, mainly due to. The net cash flow from financing activities was RMB-10,496 million for the year ended 31 December 2025 (31 December 2024: RMB13,613 million). The change was primarily attribute to the Company's accumulated operation results and improved efficiency in the use of funds the scale of financing was reduced compared to the prior year.

As of 31 December 2025, the cash and cash equivalents of the Company and its subsidiaries denominated in RMB, Pakistan Rupee, Singapore dollar, US dollar and other currencies were equivalent to RMB15,473 million, RMB925 million, RMB1,212 million, RMB376 million, and RMB60 million, respectively.

As of 31 December 2025, net current liabilities of the Company and its subsidiaries were approximately RMB83,312 million. In 2025, the company's net cash inflow from operating activities exceeded RMB60 billion. Based on the Company's proven financing record, readily available banking facilities and sound credibility, the Company is able to obtain long-term financing to repay its debts due within the next 12 months and to secure funding necessary for its operations. The Company has also capitalized on its good credit record to obtain short-term financing at relatively lower interest rates, thus reducing its interest expenses.

The entities of the Company and its subsidiaries operating in the Chinese mainland are exposed to foreign exchange risk arising from long-term foreign currency loans. The Singapore Operations are mainly exposed to foreign exchange risk arising from US dollar-denominated cash and cash equivalents, receivables, payables and bonds payable other than its functional currency (Singapore dollar). The operations in Pakistan are mainly exposed to foreign exchange risk arising from US dollar-denominated cash and cash equivalents, finance lease receivables, payables and long-term loans other than its functional currency (Pakistan Rupee). The Company and its subsidiaries closely monitor the foreign exchange market to mitigate foreign exchange risk.

## 2. Capital expenditure and fund resources

### 2.1 Capital expenditure on infrastructure construction and renovation projects

The actual capital expenditure of the Company and its subsidiaries in 2025 for the infrastructure construction and renovation projects was RMB56,700 million.

Capital expenditures are sourced mainly from internal capital, cash flows from operating activities, and debt and equity financing. In the next few years, the Company will conduct the development and construction of renewable energy projects, thermal power infrastructure and technical renovation in an orderly manner and promote structural adjustment. Therefore, the Company expects to continue to incur significant capital expenditures for infrastructure and renovation. The Company expects to finance the above capital expenditures through internal capital, cash flows from operating activities, and debt and equity financing.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The cash requirements, usage plans and cash resources for future basic construction and renovation of the Company and its subsidiaries are as follows:

(Unit: RMB100 million)

Projects	Capital expenditure in 2025	Capital expenditure plan for 2026	Cash resources arrangements
Thermal power projects	87.08	117	Including internal capital and bank loans
Hydropower projects	0.79	5	Including internal capital and bank loans
Wind power projects	239.56	305	Including internal capital and bank loans
Photovoltaic power projects	145.02	72	Including internal capital and bank loans
Coal mining projects	9.78	5	Including internal capital and bank loans
Port	0.06	3	Including internal capital and bank loans
Technology renovation etc.	68.56	103	Including internal capital and bank loans
others*	16.15	11	Including internal capital and bank loans

\*Note: "Others" mainly includes capital expenditures for energy storage projects.

### 2.2 Fund resources and anticipated financing costs

Good operating results and sound credit status provide the Company with strong financing capabilities. As of 31 December 2025, the unutilized banking facilities available to the Company and its subsidiaries amounted to over RMB430 billion, which are granted by commercial banks such as Bank of China, Agricultural Bank of China, Industrial and Commercial Bank of China, China Construction Bank and other commercial banks.

In 2025, the Company and its subsidiaries issued a total of 23 unsecured ultra-short-term bonds totalling RMB40.4 billion, with coupon rates ranging from 1.39% to 2.03%. The bonds are denominated in RMB and issued at par value. As of 31 December 2025, short-term bonds payable by the Company and its subsidiaries were RMB11,531 million (2024: RMB8,017 million).

In 2025, the Company and its subsidiaries issued a total of 7 long-term bonds totalling RMB14.0 billion, with coupon rates ranging from 1.67% to 2.12%. The bonds are denominated in RMB and issued at par value. As of 31 December 2025, long-term bonds payable (including those due within one year) by the Company and its subsidiaries were RMB51,975 million (2024: RMB45,696 million).

As of 31 December 2025, short-term loans of the Company and its subsidiaries amounted to RMB61,932 million (2024: RMB61,166 million). In 2025, the annual interest rate of short-term loans ranged from 0.55% to 4.00% per annum (2024: 0.62% to 4.00%).

As of 31 December 2025, the Company and its subsidiaries' long-term loans (including long-term loans due within one year) totaled RMB186,387 million (2024: RMB183,778 million), including RMB loans of RMB178,602 million (2024: RMB175,020 million), USD loans of RMB4,505 million equivalent (2024: RMB8,018 million equivalent), SGD loans of RMB3,203 million equivalent (2024: RMB656 million equivalent), and JPY loans of RMB77 million equivalent (2024: RMB84 million equivalent). Among them, JPY loans are fixed interest rate loans. In 2025, the annual interest rate of long-term loans ranged from 0.75% to 8.72% per annum (2024: 0.75% to 9.35%).

The Company and its subsidiaries will closely monitor any changes in the exchange rate and interest rate markets and cautiously assess the risks arising from exchange rate and interest rate movements.

Combined with the overall development trend of the current power generation industry and the growth of the Company, the Company will continue to strive to meet the cash requirements for daily operations, construction and acquisitions, while seeking to control capital costs and financial risks, optimize the capital structure, and provide sustainable and stable returns to shareholders through effective financial management activities

### 2.3 Other financing requirements

The Company implements a continuous and stable profit distribution policy. According to the profit distribution proposal of the board of directors of the Company for 2025 (to be approved by the general meeting of shareholders), it is expected that the Company will pay a dividend of RMB0.40 per ordinary share (inclusive of tax) and a total cash dividend of RMB6,279 million.

### 2.4 Maturity profile of interest-bearing debts

(RMB100 million)

Maturity Profile	2026	2027	2028	2029	2030
Principal amount planned for repayment	1,042.71	234.45	269.76	270.22	151.06
Interest amount planned for repayment	75.13	56.07	48.37	40.60	33.69
Total	1,117.84	290.52	318.13	310.82	184.75

*Note:* The amount of principle to be paid in 2026 is relatively large because this includes expected repayment of short-term loans and short-term bonds.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### C. LONG-TERM DEVELOPMENT STRATEGY AND PLAN

The Company will adhere to major national strategies including building an energy superpower, the new energy security strategy, and carbon peaking and carbon neutrality. Building on improving the quality and efficiency of its development, the Company will further deepen its green and low-carbon transformation, with a focus on developing large-scale wind and solar power bases and deep-sea offshore wind power projects, thereby promoting the high-quality development of new energy. The Company will also accelerate the optimisation and upgrading of its coal-fired power structure in accordance with the approach of increasing capacity, controlling electricity output and facilitating transformation. In addition, the Company will develop strategic emerging industry projects such as new energy storage and clean heating, aiming to building a modern energy supply system that is clean, low-carbon, safe and efficient. The Company will promote the development of technological innovation by adhering to the principle of serving national strategies, responding to market demand and industry development trends, focusing on key research topics and the commercialization of scientific and technological achievements, fostering new quality productive forces, and enhancing new drivers for the Company's innovative development. The Company will also advance its international development strategy, better coordinate the utilisation of both domestic and international markets and resources, strengthen the efficient operation of overseas assets, and enhance the core competitiveness and development resilience of its international business. The Company will consolidate its operational and management foundations, enhance management efficiency, further improve corporate governance, enhance corporate value and actively fulfil its social responsibilities. It will also strengthen the core functions and core competitiveness of the listed company, and strive to

build a flagship listed power generation company characterised by the "three strengths and three excellences", namely strong innovation drive, strong competitive advantages and strong Party leadership, together with excellence in governance efficiency, development quality and operating performance.

### D. TREND ANALYSIS

The year 2026 marks the first year of the "15th Five-Year Plan", and the Central Economic Work Conference has emphasized the need to maintain steady progress while seeking advancements, improving quality and efficiency, and promoting stable economic growth. It calls for the implementation of a more proactive fiscal policy and moderately accommodative monetary policy. The conference also outlined key priorities, including strengthening domestic demand, building a strong domestic market, accelerating the cultivation and expansion of new growth drivers through technological innovation, deepening reforms to strengthen the momentum and vitality of high-quality development, and promoting a comprehensive green transition guided by the "dual carbon" goals.

In terms of power supply and demand, according to the China Electricity Council's annual analysis and forecast of power supply and demand, taking into account China's current economic growth potential, the recommendations of the 15th Five-Year Plan for national economic and social development, and national macroeconomic regulatory policies, China's macroeconomy is expected to maintain stable growth in 2026. Total electricity consumption nationwide is expected to increase by 5%-6% year-on-year in 2026; the peak unified dispatch load is projected at 1.57-1.63 billion kilowatts; newly commissioned power generation capacity is expected to exceed 400 million kilowatts; and by the end of 2026, the proportion of coal-fired power in total installed capacity is expected to decline to approximately 31%.

In terms of the electricity market, in 2025, the central government issued key documents including the Basic Rules for Electricity Ancillary Services Market, the Basic Rules for Electricity Market Measurement and Settlement, and the revised Basic Rules for the Medium- and Long-Term Electricity Market, and approved the proposals submitted by the National Grid and Southern Grid on normalized cross-grid electricity trading mechanisms, marking further improvement in the electricity market system and more mature market mechanisms, and accelerating the construction of a nationwide unified electricity market. Currently, except for Tibet and the Beijing-Tianjin-Tangshan area, all provinces and regions nationwide have achieved full coverage of the spot market, significantly enhancing the timeliness and flexibility of electricity trading. In 2026, competition among market participants is expected to be more intensive, price fluctuations will be more frequent, the spread between medium- and long-term markets and spot markets, as well as between wholesale and retail sides, will further narrow, and overall market coordination and linkage will be significantly enhanced.

In terms of the carbon market, the General Office of the CPC Central Committee and the General Office of the State Council issued the Opinions on Promoting Green and Low-Carbon Transition and Strengthening National Carbon Market Construction, which specify that by 2027, the carbon market will basically cover the major emitting industries in the industrial sector, and that by 2030, a market mechanism based on total quota control, combining free and paid allocation, will be basically established. Therefore, as the issuance of allowances continues to tighten and paid allocation is implemented, the compliance cost of carbon emissions per unit of thermal power is likely to increase.

In terms of the coal market, the national supply guarantee policy has shifted from “increasing production to ensure supply” to “stabilizing production to ensure supply”, with limited room for additional coal production in major coal-producing regions; imports of coal may decline year-on-year due to the impact of export policies from countries such as Indonesia. With ongoing industrial restructuring and green low-carbon transition, coal consumption for power generation is expected to remain largely stable year on year; in non-electricity industries, coal consumption in steel, building materials, and other sectors continues to be weak, while coal chemical industry consumption continues to grow. In 2026, the coal market is expected to exhibit characteristics of “generally balanced supply and demand and intensified price fluctuations”, with the spot price level similar to that of 2025. However, due to factors such as new energy and weather, the coal market may experience temporary mismatches, with more frequent and larger fluctuations in coal prices.

In terms of the financial market, in line with the spirit of the Central Economic Work Conference and the quarterly meeting of the Monetary Policy Committee of the People’s Bank of China, in 2026 it is necessary to adhere to the principle of seeking progress while maintaining stability and improving quality and efficiency, leverage the integrated effects of existing and new policies, strengthen counter-cyclical and cross-cyclical adjustments, and enhance macroeconomic governance effectiveness. Efforts should continue to implement a more proactive fiscal policy and a moderately accommodative monetary policy, strengthen coordination between monetary and fiscal policies, and promote stable economic growth.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### E. PERFORMANCE OF SIGNIFICANT INVESTMENTS

As at 31 December 2025, the Company held 1,190 million shares of Shenzhen Energy Co., Ltd., representing 25.02% of its equity interests. The investments has provided relatively stable investment returns for the Company.

### F. EMPLOYEE BENEFITS

As of 31 December 2025, the total number of employees of the Company and its subsidiaries, both domestically and overseas, was 56,104. The Company and its subsidiaries offer employees competitive remuneration and implement an incentive policy that links remuneration with performance. At present, the Company and its subsidiaries do not have any equity or stock option incentive plans.

The Company and its subsidiaries provide training programs in management, technology, and skills based on corporate development needs and job responsibilities, while also considering employees' individual characteristics, striving to enhance their overall competence.

### G. GUARANTEE FOR LOANS AND RESTRICTED ASSETS

As at 31 December 2025, the Company provided guarantees for bank loans of approximately RMB1,375 million to its domestic subsidiaries (31 December 2024: approximately RMB1,273 million).

As at 31 December 2025, the Company provided guarantees for long-term bonds of approximately RMB2,109 million to its overseas subsidiaries (31 December 2024: approximately RMB4,313 million).

As at 31 December 2025, long-term loans of approximately RMB77 million to the Company's subsidiaries were guaranteed by the Finance Department of Hubei Province (31 December 2024: approximately RMB84 million).

As at 31 December 2025, long-term loans of approximately RMB68 million to the Company's subsidiaries were guaranteed by Tangyin County Modern Agricultural Investment Co., Ltd. (31 December 2024: approximately RMB78 million).

As at 31 December 2025, long-term loans of approximately RMB4,505 million to the Company's overseas subsidiaries were guaranteed by Shandong Power, China Export & Credit Insurance Corporation and Jining Chengtou Holding Group Co., Ltd. ("**Jining Chengtou**") at liability ratios of 17.5%, 65.0% and 17.5% respectively (31 December 2024: approximately RMB5,635 million at the same respective liability ratios).

As at 31 December 2025, loans of approximately RMB97 million to the Company's subsidiaries were guaranteed by Shandong Power and Jining Chengtou at liability ratios of 50.0% and 50.0% respectively (31 December 2024: approximately RMB711 million at the same respective liability ratios).

Huaneng Group Fuel Co., Ltd. ("Group Fuel Company") once provided guarantees for the cargo ship financial leasing business between Shanghai Ruining Shipping Co., Ltd. ("Ruining Shipping") and ICBC Financial Leasing Co., Ltd. Huaneng Hainan Power Generation Co., Ltd. ("Hainan Power"), a subsidiary of the Company, provided counter-guarantees at 40%, equal to its shareholding proportion in Ruining Shipping. As at 31 December 2025, the counter-guarantee amount provided by Hainan Power to Group Fuel Company was RMB18 million (31 December 2024: RMB89 million).

As at 31 December 2025, the details of pledged and secured loans of the Company and its subsidiaries were as follows:

As at 31 December 2025, bank loans of approximately RMB458 million (31 December 2024: RMB47 million) represented short-term loans formed by discounting notes receivable with recourse. As these notes receivable had not yet matured, the proceeds received were recorded as short-term loans.

As at 31 December 2025, short-term loans of approximately RMB20 million were secured by future revenue right from the electricity business (31 December 2024: approximately RMB32 million).

As at 31 December 2025, long-term loans of RMB3,290 million were secured by certain property, plant and equipment with a net book value of approximately RMB4,644 million. Among these secured loans, approximately RMB129 million were additionally secured by future revenue right from electricity, and approximately RMB635 million were additionally secured by future revenue right from electricity and equity interests (31 December 2024: long-term loans of RMB3,051 million secured by property, plant and equipment with a net book value of approximately RMB4,875 million).

As at 31 December 2025, secured loans of RMB2,618 million were secured by certain construction in progress with a net book value of approximately RMB2,891 million, including approximately RMB1,898 million additionally secured by future electricity revenue rights and equity interests. (31 December 2024: secured loans of RMB2,756 million secured by construction in progress with a net book value of approximately RMB2,436 million, including approximately RMB1,444 million additionally secured by future electricity revenue rights and equity interests).

As at 31 December 2025, long-term loans of RMB8,082 million were secured by future revenue rights from electricity or heat business (31 December 2024: RMB5,060 million).

As at 31 December 2025, the Company and its subsidiaries had restricted bank deposits amounting to RMB1,410 million (31 December 2024: RMB1,331 million).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### H. ACCOUNTING STANDARDS HAVING MATERIAL IMPACT ON THE COMPANY'S FINANCIAL STATEMENTS

For the accounting standards that have a material impact on the Company's financial statements, please refer to Note 2 to the consolidated financial statements prepared in accordance with IFRS Accounting Standards.

### I. RISK FACTORS

#### 1. Electricity Industry and Market Risks

With the continuous growth of renewable energy installed capacity, the overall electricity supply and demand is tending toward surplus, and the increase in renewable energy generation has significantly squeezed the space for thermal power, with some regions facing noticeable renewable energy curtailment pressure, leading to a continuous decline in coal-fired unit utilization hours. Renewable energy will fully enter market trading, and its marginal cost is lower than that of coal-fired power, which will exert some pressure on market prices. The spot market has basically achieved full coverage, competition is becoming more intense, and electricity prices are expected to trend downward, which may affect the Company's overall revenue.

The Company will actively track national and industry-related policies, proactively adapt to the development needs of the electricity market under the "dual carbon" goals, and comprehensively consider market factors such as system demand, locational value, price trends, and trading

mechanisms to optimize investment regions and power source combinations, seeking to maximize economic benefits. The Company will accelerate the technological upgrade and transformation of coal-fired power units; strengthen its analysis of electricity supply and demand trends; and adjust pricing strategies in a timely manner to actively respond to market uncertainties. At the same time, the continuous improvement of ancillary services, capacity compensation, and price transmission mechanisms will provide a solid foundation for the Company's stable operations and sustainable development.

#### 2. Risks in the Fuel Procurement Market

With the continuous growth of new energy installed capacity, China's electricity load exhibits increasingly prominent "winter and summer" dual-peak characteristics, and the seasonal fluctuation of thermal coal consumption is becoming more pronounced. At the same time, imported coal faces certain uncertainties due to Indonesia's coal supply policies and international geopolitical factors, posing higher requirements for the Company to accurately assess the market and enhance its ability to capture market opportunities.

The Company will closely monitor changes in the coal market, implement national policy requirements, and fully leverage the role of long-term contracts as a "stabilizing ballast." It will seize market opportunities to procure low-priced spot coal, closely track the international coal market situation to leverage imported coal in stabilizing prices, strengthen inventory management, leveraging strategies of storing more during the off-season and consuming more during the peak season, and adopt multiple measures to control coal procurement costs.

### 3. Carbon Market Risks

The Company's entire portfolio of thermal power plants has completed the 2024 compliance obligations under the national carbon market ahead of schedule. Although the allowance allocation scheme for 2025 has not yet been released, the Opinions on Promoting Green and Low-Carbon Transformation and Strengthening the Construction of the National Carbon Market issued by the General Office of the CPC Central Committee and the State Council have clarified that future allowance allocations will continue to tighten and be distributed on a paid basis, and that policy mechanisms such as carbon pledging and carbon buy-back will be established, gradually expanding market participants and enhancing carbon market vitality, with market prices expected to gradually rebound.

The Company will closely monitor the introduction of carbon market policies, timely optimize its carbon trading strategy, and strive to control compliance costs for its thermal power operations.

### 4. Environmental Risks

In line with the current state and demands of ecological civilization construction, the Company's environmental protection work not only focuses on end-of-pipe pollutant discharge compliance, but also delves into upstream issues such as energy structure optimization, resource-efficient and intensive utilization, ecological restoration and governance, and climate change mitigation, directly addressing core and systemic issues such as clean and efficient coal utilization, and the ecological footprint of new energy and coal mine construction and operation and other deep-rooted environmental challenges. The Company not only continues to consolidate and refine conventional pollution prevention and control measures for air, wastewater, and solid waste, but also focuses on tackling "new challenges" in deep energy conservation and carbon reduction, compliant water intake and usage, and systematic ecological governance and restoration, with targeted and prioritized efforts.

The Company strictly implements national environmental protection policies, ensuring that all its coal-fired power plants have achieved ultra-low emission operation. The Company continues to deepen the intensity, depth, and breadth of its environmental protection efforts, and with a cautious approach, scientifically selects advanced and applicable technological solutions. Efforts include improving water conservation and wastewater treatment capabilities, building coal yard enclosures, and enhancing comprehensive utilization of ash and slag, while actively identifying and effectively mitigating various types of environmental risks.

### 5. Power Construction Risks

In terms of power project construction, extreme weather, delays in completing preliminary project approval procedures, and the relatively long cycle for obtaining construction land may affect the progress of project development.

The Company will proactively address these risks and challenges, strengthen organizational coordination, mobilize the active participation of all project stakeholders, and enhance infrastructure management efficiency. The Company will ensure that projects progress in an orderly manner according to plan, thereby promoting high-quality development through high-quality project construction.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### J. OTHER DISCLOSURE MATTERS

In order to thoroughly implement the guiding principles of the 20th National Congress of the Communist Party of China and the Central Economic Work Conference, and to fully carry out the work arrangements of the State-owned Assets Supervision and Administration Commission (“SASAC”) of the State Council on improving the quality of listed companies controlled by central enterprises, the Company has actively responded to the Shanghai Stock Exchange’s initiative on the “Enhancing Quality and Efficiency with Better Returns” special campaign for companies listed on the SSE. The Company regards this initiative as a long-term mechanism for promoting high-quality development. The Company is committed to continuously enhancing its value creation capability, achieving strong performance through high-quality assets and prudent operations, and further enhancing its brand value.

The Company remains committed to serving national strategies and advancing the “dual carbon” goals, accelerating the pace of green transformation, focusing on enhancing core competitiveness, and continuously promoting the deep integration of technological innovation and industrial innovation. In 2025, the Company adhered to a green development path, accelerated the development of strategic emerging industries with a focus on new energy, and promoted the deep transformation of its thermal power business, resulting in significantly enhanced market competitiveness. During the year, the

Company added 12,055 MW of newly controlled installed power generation capacity, including 7,862 MW of new energy capacity. As at 31 December 2025, the Company’s total controlled installed capacity reached 155,869 MW, including 45,687 MW of new energy capacity. The Company strengthened research on industry policies and market analysis, dynamically optimized its coal procurement strategies, and reinforced various cost control measures, driving operating performance to a new high. In 2025, net profit attributable to equity holders of the Company amounted to RMB14.537 billion, representing a year-on-year increase of 42.73%, and earnings per share were RMB0.75, representing an increase of RMB0.29 year-on-year. Going forward, the Company will continue to advance the transformation of its energy structure and support the development of a new-type power system.

The Company has actively responded to national policies aimed at strengthening the capital market development and enhancing investor returns, and regards cash dividends as an important approach to enhancing investment value and strengthening market value management. The Company strictly complies with its commitment under the Articles of Association that the dividend payout ratio shall not be less than 50%. Based on a comprehensive consideration of investor feedback and the Company’s long-term development, the profit distribution plan for 2025 has been formulated. As resolved by the Board, the Company proposes to distribute a cash dividend of RMB0.40 per share (tax inclusive) to all shareholders, representing a dividend payout ratio of 53.96%, which will be submitted to the 2025 annual general meeting of the Company for approval by the shareholders.

The Company attaches great importance to investor relations management and is committed to establishing a multi-dimensional investor communication system characterized by “broad coverage and deep interaction”, achieving effective coordination between results presentations and non-deal roadshows, actively expanding the breadth and depth of communication with investors, and effectively responding to market concerns. In 2025, the Company maintained its practice of holding four high-quality results presentations annually and actively participated in securities firms’ strategy conferences, effectively reaching hundreds of domestic and overseas institutional investors. Through high-quality information disclosure and effective market communication, the Company has built a solid bridge between its strategic development and investors’ market understanding, thereby promoting the long-term coordinated growth of its intrinsic value and market value.

In 2026, the Company will resolutely implement the requirements of the SASAC to incorporate market value management into its long-term strategy, and will continue to advance the “Enhancing Quality and Efficiency with Better Returns” initiative. By building a solid foundation of value through robust operational performance, mitigating risks through sound corporate governance, and conveying confidence through proactive investor engagement, the Company will showcase its development achievements through multiple channels and dimensions. The Company will strive to ensure that its market value more accurately and reasonably reflects its intrinsic value and growth potential, thereby creating sustained, stable and predictable long-term returns for investors.

# CORPORATE GOVERNANCE REPORT

In 2025, the Company earnestly implemented the Company Law of the People's Republic of China and other laws and regulations, as well as the regulatory requirements of the places where the Company's shares are listed. In full consideration of its own development needs, the Company efficiently and steadily carried out the reform of the Supervisory Committee of listed companies, with the Audit Committee assuming the supervisory powers and functions of the Supervisory Committee, establishing a new corporate governance structure of "Two Meetings and One Tier" consisting of the General Meeting, the Board of Directors and the management, which elevated the Company's corporate governance to a new level and provided solid guarantee for the Company's high-quality development and accelerating the creation of a world-class listed power generation company.

During the reporting period, the Company complied with the relevant provisions of the Corporate Governance Code set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules").

In 2025, in accordance with the requirements of the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, the Company completed the preparation and disclosure of the Environmental, Social and Governance Report in a timely and high-quality manner, which was published on the Company's website ([www.hpi.com.cn](http://www.hpi.com.cn), Investor Relations – ESG Report) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) together with the annual report. Should you wish to request a printed copy of the Company's 2025 Environmental, Social and Governance Report, you may contact the Company by sending an email to [zqb@hpi.com.cn](mailto:zqb@hpi.com.cn).

## (A) CORPORATE GOVERNANCE PRACTICES

In recent years, the Company has adopted the following measures to strengthen corporate governance and improve the quality of its operations:

### (I) Enhancing and Improving Corporate Governance

In 2025, the Company earnestly implemented the Company Law of the People's Republic of China and other laws and regulations, as well as the regulatory requirements of the places where the Company's shares are listed. In full consideration of its own development needs, the Company efficiently and steadily carried out the reform of the Supervisory Committee of listed companies, with the Audit Committee assuming the supervisory functions of the Supervisory Committee, establishing a new corporate governance structure of "Two Meetings and One Tier" consisting of the General Meeting, the Board of Directors and the management, which elevated the Company's corporate governance to a new level and provided solid guarantee for the Company's high-quality development and accelerating the creation of a world-class listed power generation company. After years of exploration and practice, the Company has gradually formed a standardized, sound and effective corporate governance system that meets its own development requirements.

The Company has established a comprehensive and efficient corporate governance system, formulating more than 20 management systems including the Rules of Procedure for the General Meeting, Rules of Procedure for the Board Meetings, Working Rules for the President and working rules for special committees. In 2025, taking the reform of the Supervisory Committee as an opportunity, the Company carried out a comprehensive revision of the Articles of Association for compliance with laws, strengthening the fundamental role of the Articles of Association in corporate governance. Concurrently, the Company improved the Rules of Procedure for the General Meeting and the Rules

of Procedure for the Board Meetings, as well as the working rules for special committees. In accordance with the requirements of the Hong Kong Stock Exchange, it further implemented the statutory powers and functions of governance bodies such as the Audit, Nomination, and Remuneration and Appraisal Committees. A “1+N” decision-making system was formed, with the Articles of Association as the foundation, the regulations for the administration of decision-making on “Major Decisions, Major Personnel Appointments and Dismissals, Major Projects Arrangement and Use of Large Sum of Funds” as the general outline, the rules of procedure as the framework, and business management systems as the support, providing important assurance for further improving the institutional system and continuously consolidating the standardized operation of the Company.

In 2025, the Company held three general meetings, seven Board meetings, three Supervisory Committee meetings, fourteen meetings of special committees and three special meetings of independent directors. It completed the review of more than 100 important proposals, including amendments to the Articles of Association, appointment of additional Directors, appointment of senior management, profit distribution plans, investment and financing, daily connected transactions and appointment of auditors. All Directors and senior management consciously comply with relevant national laws and regulations and the regulatory requirements of the places where the shares of the Company are listed, fulfilled their duties diligently and conscientiously, attended meetings on time, carefully reviewed relevant matters, and made scientific and prudent decisions on various proposals, effectively promoting the high-quality development of the Company.

The Company attached great importance to its risk management and internal control, established and continuously improved the risk control and internal control system to ensure its effectiveness. The Company designed and completed the Internal Control Manual by comprehensively sorting out internal and external risks and various business processes, which comprehensively expounds the Company’s principles and policies, clarifies the

working procedures and post responsibilities of various positions of the Company, and regulates the standard procedures of various business processes of the Company, so as to realize the process-oriented systems. The Company evaluates the effectiveness of the internal control system annually and regularly revises and improves the internal control system to realize the dynamic maintenance of the internal control system. At the same time, the internal control management department, the internal audit department and the external auditor report the internal control work of the Company to the Audit Committee under the Board of Directors on a regular basis, ensuring the continuous and effective operation of the internal control system. The Company successfully passed the audit on internal control by the external auditor for 20 consecutive years.

The Company has completed the preparation and disclosure of ESG reports with high quality for ten consecutive years. Its ESG practices were selected into the Blue Book on Environmental, Social and Governance (ESG) of Central Enterprise Listed Companies by the State-owned Assets Supervision and Administration Commission of the State Council, and it has been honored with awards such as the “Top 100 Central SOE ESG Listed Companies in China”, the “Top 100 ESG Listed Companies in China” and “Excellent Enterprise ESG Achievements” granted by mainstream media including China Media Group and Banyuetan, as well as the “Best Sustainable Development Practice Case” and “First-Class ESG Typical Case” granted by industry associations including the China Association for Public Companies and the China Water Resources and Electric Power Quality Management Association, fully demonstrating the Company’s leading role in the ESG field. The Company’s 2025 Environmental, Social and Governance Report will be published on the Company’s website and the website of the Shanghai Stock Exchange in April 2026.

## CORPORATE GOVERNANCE REPORT

The Company strictly complied with relevant regulatory requirements of the places in which the Company's shares are listed, proactively fulfilled the disclosure obligations, and endeavoured to ensure the truthfulness, accuracy, completeness, timeliness and fairness of the information disclosed by the Company. During the reporting period, the Company completed 313 domestic and overseas announcement disclosure, won the "A" grade rating granted by the Shanghai Stock Exchange, and was awarded with the "Crystal Ball Award for Information Disclosure of Listed Companies in 2025" by Securities Market Weekly. It continued to strengthen the management of investor relations, responded to market concerns in a timely manner through various forms such as performance promotion conferences, investment forums and brokerage investment strategy meetings, E-interactive platform of Shanghai Stock Exchange and daily communication, and always maintained the concept of quick response, careful interpretation and frank communication to accurately convey the investment value of the Company. The performance promotion conference for 2024 was selected as the "Best Practice Case of the performance promotion conferences in 2024" by the China Association for Public Companies.

In 2025, through unremitting efforts, the Company won the "15th China Securities Golden Bauhinia Award – Outstanding Listed Company", the "19th China Listed Company Value Forum – Top 100 Value Main Board Listed Companies" by Securities Times, the "Beijing-Tianjin-Hebei Top 100 Enterprises" by the Beijing Enterprise Confederation, the "2025 Listed Company Board Best Practice Case" by the China Association for Public Companies, the "Special Contribution Award for Corporate Governance" of the 20th "Golden Round Table Award" of Chinese Listed Company Boards, and the "Excellent Sponsor of Asset Securitization Business in 2024" by the Shanghai Stock Exchange.

The Board takes joint responsibility for the corporate governance of the Company. During the reporting period, the Board has included the following in its scope of powers and duties:

- Formulating and reviewing the Company's corporate governance policy and general rules, and making such amendments as it deems necessary to such policy and rules in order to maintain the effectiveness thereof;
- Reviewing and monitoring the training and sustained professional development of the Company's Directors and senior management;
- Reviewing and monitoring the Company's policy and general rules for complying with laws and regulations;
- Formulating, reviewing and monitoring the codes of conduct and compliance handbook applicable to the Company's directors and employees; and
- Reviewing the Company's compliance with the Code and the disclosures made in the Corporate Governance Report.

### (II) Strengthening and Improving the Information Disclosure Management System

The Company places a high priority on public information disclosure. The Company has established the Information Disclosure Committee comprised of the Secretary to the Board, the chief accountant and heads of various departments, which is responsible for reviewing the Company's regular reports. The Company has implemented the system of holding regular information disclosure meetings, chaired by the Secretary to the Board and attended by relevant business departments, at which the important matters related to the operation of the Company is reported and discussed, thereby warranting the Company's performance of the relevant information disclosure obligations in a timely manner. The Company attached great importance on the information disclosure, and has successively formulated and implemented the relevant information disclosure system. The current systems in place include the Rules on Information Disclosure Management, the Rules on Related Party Transactions Management, the Rules on Insider Information Management, the Rules on Investor

Relations Management, the Rules on the Work of the Information Disclosure Committee and the Rules on the Annual Report Information Disclosure Significant Errors Accountability, etc. In 2025, the Company continued to pay attention to the external new regulatory rules and the progress of the integration of relevant rules, sorted out and evaluated relevant systems in a timely and comprehensive manner, and carried out corresponding revisions to the above six policies in light of the amendments to the Articles of Association, including the removal of the Supervisory Committee and supervisors, as well as the Company's actual circumstances, which provided effective basis and guidance for the Company to carry out daily business in compliance with requirements. The above measures and system ensure the regulated operation of the Company, strengthen the truthfulness, accuracy, completeness and the timely disclosure of information, and at the same time enhance the quality as well as transparency of information disclosure.

The Company made great efforts to maintain investor relations, responded to investor concerns in a timely manner, and actively maintained the market image. Relevant departments of the Company compiled answers (and subsequent updates) to questions regarding the hot topics of market concerns, the Company's production, operation and operating results in a timely manner, which shall become the basis of external communication of the Company after being approved by the Company's management and the authorized representatives of the Information Disclosure Committee. Also, the Company conducts specialized trainings for the staff of the Company who are responsible for information disclosure on an irregular basis in order to continuously enhance their expertise.

### (III) Regulating financial management system

The credibility of a listed company, to a large extent, relates to the quality of the preparation of financial statements and a regulated operation of financial activities. In 2025, the Company continued to carry out various detailed work on the preparation of financial reports and standardized financial operation under the principle of acting with honesty

and integrity and treating shareholders in a fair manner. The details include:

In order to truthfully and fairly reflect the financial position, operating results and cash flow, the Company has formulated a set of complete accounting and financial reports preparation rules and regulations and made amendments and improvements on a regular basis to ensure the implementation of new accounting standards and relevant regulatory requirements in a timely and effective manner. In 2025, the Company completed revisions to the Administrative Measures for Financial and Accounting Reports, the Administrative Measures for Financial Write-off of Asset Losses, the Measures for Fuel Accounting of Thermal Power Enterprises, the Administrative Measures for Fund Management, and the Administrative Measures for Financial Derivatives Business. The Company's Board and the Audit Committee have examined the Company's financial reports on a regular basis and the Company has fulfilled the requirements of making the Chairman, the President and the Chief Accountant responsible for the truthfulness, authenticity and completeness of the financial reports.

### (IV) Risk Management and Internal Control

The Board of Directors attaches great importance to management of enterprise risk and internal control, and is committed to establishing and continuously improving an effective risk management and internal control system to further create value for the Company and effectively safeguard the interests of shareholders and the Company's assets, while realising the objectives of operation and development. The Board of Directors is responsible for risk management and internal control systems and has the duty to review the effectiveness of these systems. The Board of Directors of the Company is committed to continuously overseeing the Group's risk management and internal control systems, ensuring that these systems effectively identify and manage potential risks while promoting the stable operation of the Company. To ensure the effectiveness of risk management and internal control, the Board of Directors undertakes to

## CORPORATE GOVERNANCE REPORT

conduct an annual evaluation of the Company's internal control. The evaluation covers major units, business matters and high-risk areas, including but not limited to organisational structure, anti-fraud, revenue management and financial reporting, and ensures that control measures are capable of addressing various risks and challenges that may arise in the Company's operations. The Audit Committee supervises the establishment and implementation of internal control by the Board of Directors, while the Strategy Committee is responsible for overall risk management. While the Group continuously evaluates its risk management and internal control systems, it believes that its existing risk management framework is robust and comprehensive enough to effectively address and manage various risks. It is important to note that the goal of the Group's risk management and internal control systems is not to eliminate all possible risks but to minimize the risk of failing to achieve corporate objectives through reasonable control measures and effective management strategies. These systems provide reasonable assurance to prevent material misstatements, losses, or fraud, although they cannot provide absolute assurance, they do give confidence to shareholders and stakeholders. An outline of the key features of the Company's risk management and internal control systems, implementation procedures, measures for preventing internal control deficiencies, as well as the frequency and coverage period of risk management and internal control review are as follows:

### 1. Risk Management

To enhance risk prevention capabilities and promote high-quality development of the enterprise, the Company strictly implements various requirements for risk management, integrates risk control into corporate strategy and operations, firmly establishes risk awareness, and effectively carries out comprehensive risk management work. The basic process of the Company's comprehensive risk management includes initial risk information collection, risk identification and assessment, risk mitigation and supervision and improvement of risk management. The Company prepares a comprehensive risk management report annually.

The Strategy Committee of the Board of Directors is responsible for the Company's comprehensive risk management, with responsibilities including but not limited to approving the annual comprehensive risk management report and evaluating the effectiveness of risk management. The Audit Committee of the Board of Directors is responsible for identifying and evaluating fraud risks of senior management and the Board of Directors, and forming an independent fraud risk assessment report. The Company has established a risk management leading institution, further smoothing the risk reporting and early warning mechanism by clarifying responsibilities.

In 2025, the Strategy Committee of the Board of Directors held a meeting to consider and approve the Company's Overall Risk Management Report for the Year 2025. During the reporting period, the Company has fully complied with the Corporate Governance Code of Appendix C1 to the Hong Kong Listing Rules, including but not limited to the provisions in relation to risk management and internal control. The level of normalization and standardization of risk management has been continuously improved, and the bottom line of risk prevention has been further consolidated, providing solid and strong guarantee for completing the annual target tasks.

### 2. Internal Control

The overall objective of the Company's internal control work is to promote the implementation of corporate strategies, in particular, to provide reasonable assurance for the compliance of the Company's operation and management with applicable laws and regulations, the security of the Company's assets and the authenticity and completeness of the Company's financial reports and relevant information, so as to promote the overall improvement in efficiency and effectiveness of operations.

The Company fully sorted out the potential internal and external risks and various business processes and compiled the Internal Control Handbook which sets out detailed provisions for 25 business processes (including income, procurement of materials, fuel management, fund management) and

19 soft elements (including organizations structure, human resources management, anti-embezzlement, risk management) from five perspectives (control environment, risk evaluation, control process, information and communication, monitoring), comprehensively expounds the Company's principles and policies, clarifies the working procedures and post responsibilities of various positions of the Company, and regulates the standard procedures of various business processes of the Company, so as to realize the process-oriented systems. The Company has also compiled the Internal Control Assessment Handbook to help implement the three-level management system for internal control assessments as well as internal control assessment mode which integrates routine assessments with focused surveillance, with a view to standardising the procedures and assessment method of internal control assessments and regulating the procedures and standards for deficiency definition, striving to standardize and regulate its internal control assessments. The Company evaluates the effectiveness of the above systems annually and makes regular modifications and improvements to them as part of the dynamic maintenance of the internal control system.

For the risks identified, the Company provides for control measures in the Internal Control Handbook and defines key control points through which the responsibility of internal control is allocated to each working position, so that all the staff members of the Company become a part of the internal control construction force. The Company adopts a routine assessment system, where internal control assessors are designated to all the departments and subordinate entities to conduct monthly internal control assessments. The three-level of quality supervision has been established at the Company, regional branches and the grassroots units, which are three levels of the Company, through the internal control management system to track the implementation of control in real time. For the internal control evaluators, the Company implements the system of "holding positions with certificates", and takes the training and passing of examinations as a necessary condition for reviewing the qualifications of internal control evaluators, effectively promoting the improvement of the

professional quality of internal control personnel. During the year, the Company has successfully completed the 12-month routine internal control assessments, thereby effectively safeguarding and promoting the sustained and healthy development of the Company's businesses and ensuring the sound and stable operation of the internal control system. Taking into account the new requirements on and changes in its business and management as well as its advanced experience and common issues accumulated over the years, each year the Company organizes all-around multi-level internal control trainings to deliver a fullrange propaganda on the philosophy and knowledge for internal control, so that the internal control environment is continuously optimised.

The Company has an internal audit function. The internal control management department, the internal audit department and the external auditors made regular report separately on their internal control work to the Audit Committee of the Board of Directors, which ensures the sustained and effective operation of the internal control system. The Company continuously improves the internal control assessment system, formulates the Management Measures for Assessment of Internal Control Targets, and conducted internal control target assessment annually, and cashes in the assessment results in a timely manner, which effectively guided units at all levels to pay attention to the quality of internal control work, and earnestly realized the in-depth goal of promoting management through internal control.

In addition, in accordance with the Hong Kong Listing Rules and the Inside Information Guidelines issued by the Hong Kong Securities and Futures Commission, the Company has established strict procedures for the handling and disclosure of inside information. These procedures are designed to ensure that all inside information is processed in compliance with relevant legal and regulatory requirements, and that the information disclosed to the public is accurate, timely, and fair. The Company follows the procedures and internal controls for handling and disclosing inside information as outlined below:

## CORPORATE GOVERNANCE REPORT

### **(1) Identification and registration of inside information**

Specifically, for the transmission and review of critical financial information in quarterly reports, interim reports, and annual reports, the Company has established a strict inside information management procedures. Whenever the Company is about to issue or review reports containing material financial information, the relevant departments will, in accordance with internal control procedures, list the names of all individuals who are aware of the information. All insiders of the information will be registered and subject to strict confidentiality controls. No insider is allowed to disclose, transfer, or disseminate the contents of the inside information without authorization. Through these measures, the Company effectively reduces the risk of inside information leakage and ensures compliance with legal and market regulatory requirements during significant decision-making and report disclosure processes.

### **(2) Approval procedures for the disclosure of inside information**

Once inside information is identified, the relevant departments will collaborate with the Board of Directors and senior management to determine whether the information needs to be disclosed under the requirements of the Hong Kong Listing Rules. If the decision is made to release inside information, it must be approved by the Board or an authorized representative. The Company will select the appropriate channel to release the inside information, such as issuing an announcement via the Hong Kong Stock Exchange's website, and adhering to the immediate disclosure requirements to ensure that all shareholders and market participants receive equal and transparent information in a timely manner. After the disclosure of inside information, the Company will continue to monitor market reactions and issue further announcements or clarifications when necessary, ensuring the completeness and accuracy of market information.

### **(3) Internal monitoring and review**

To ensure the compliance and effectiveness of the handling of inside information, the Company regularly reviews the procedures for handling and releasing inside information.

In summary, during the reporting period, the Board of the Company conducted an annual review of the Group's risk management and internal control systems, covering major aspects including financial, operational and compliance controls. Following a thorough assessment, the Board of Directors is of the view that the resources, staff qualifications and experience, training programmes and budget allocated by the Company to its accounting, internal audit, financial reporting, and environmental, social and governance functions are adequate. The existing risk management and internal control systems of the Group operated effectively during the reporting period and are capable of appropriately identifying, assessing and managing material risks. As of 31 December 2025, the Company has maintained effective internal control over financial reporting in all material respects in accordance with the Fundamental Regulatory Guidelines on Enterprise Internal Control and its supporting guidance as well as other regulatory requirements on internal control, and the Company has not found any material defect in non-financial reporting about internal control.

## **(B) Securities Transactions by Directors**

As an A + H share listed company, the Company has strictly complied with the relevant binding provisions on securities transactions by directors imposed by the regulatory authorities of Hong Kong and China Mainland and we insist on the principle of complying with the strictest provision, which is, implementing the strictest provision among the places of listing. We have adopted a set of standards not less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules as the model code for securities dealings by Directors

of the Company, based on which, the Company implemented the Management Rules in respect of the Shares of the Company held by the Directors and Senior Management of Huaneng Power International, Inc., which required the transfer of the Company's shares be strictly in accordance with the stipulations under relevant regulations, prohibits those who are in possession of securities transaction insider information using insider information in securities trading and sets out detailed rules for those who are in possession of insider information. Having made specific enquiries with all Directors and senior management of the Company, none of the Directors or senior management hold shares of the Company, and as of the settlement date or at any time during the year, the Company has not entered into any major contract in which the Directors of the Company have a direct or indirect material interest.

### (C) General Meeting

Over the years, the Company has not only been committed to operating and expanding the company's business in order to attain appropriate returns for shareholders, the Company also provides details on the Company's operations management and relevant information to shareholders in a timely and accurate manner through a variety of channels and methods, including: convening and holding general meetings in strict compliance with the Articles of Association, the Hong Kong Listing Rules and relevant regulations stipulated by the Securities and Futures Commission (the "SFC") in Hong Kong, and timely announcing relevant information to shareholders on an irregular basis according to the requirements of the Hong Kong Listing Rules.

During the year, the Company held a total of 3 general meetings (Note: on 23 September 2025, the Company held the 2025 First Extraordinary General Meeting, the 2025 First A Share Class Meeting and the 2025 First H Share Class Meeting simultaneously), considering and approving 11 ordinary resolutions and 5 special resolutions, and professional lawyers were invited to each general meeting as a witness to ensure all shareholders were treated equally and exercised their rights adequately. In 2025, the matters considered at the general meetings of the Company mainly included work reports of the Board and the Supervisory Committee of the Company for the year 2024, final financial

report, the appointment of the auditor for the year, the amendment of the Articles of Association and its appendices, the appointment of additional directors, etc.

For details of the resolutions passed at general meetings during 2025, please refer to the announcements on such resolutions published by the Company on the website of the Hong Kong Stock Exchange.

During the year of 2025, the Company placed particular emphasis on shareholders' relations, maintaining communication with shareholders through various channels to facilitate mutual understanding between the Company and its shareholders. In particular, the Company has established a division and assigned designated staff to receive visitors, making its contact numbers publicly available and to answer telephone enquiries at any time. In addition, the Company's website was set up to present the latest updates and past results of the Company as well as the management body of the Company, so as to facilitate shareholders' and investors' comprehensive understanding of the Company.

For details of the Company's communication with shareholders and investors in 2025, please refer to the "Investor Relations" section of this annual report.

In order to safeguard the legitimate interests of the Company and its shareholders, to specify the duties, responsibilities and permission right of the shareholders' general meetings, to ensure the proper, efficient and smooth operation of the shareholders' general meeting and to ensure the shareholders' general meeting exercises its functions and powers according to law, the Company formulated the Rules of Procedures for the General Meetings of Huaneng Power International, Inc., such Rules apply to the general meetings of the Company and shall be binding on the Company, all shareholders, authorised proxies of the shareholders, directors, supervisors and other relevant personnel present at the meeting.

## CORPORATE GOVERNANCE REPORT

- Proposals for the Shareholders' General Meeting are generally put forward by the Board of Directors. If more than half of the Independent Directors agree to request the Board of Directors to convene an extraordinary Shareholders' General Meeting, they shall be responsible for putting forward the proposal; if the Audit Committee of the Board of Directors proposes to convene an extraordinary Shareholders' General Meeting, it shall be responsible for putting forward the proposal; if shareholders holding 10% or more (including 10%) of the total voting shares of the Company individually or jointly propose to convene an extraordinary Shareholders' General Meeting, the proposing shareholders shall be responsible for putting forward the proposal; shareholders holding 1% or more (including 1%) of the total voting shares of the Company individually or jointly may put forward a temporary proposal and submit it in writing to the convener 10 days before the Shareholders' General Meeting. The convener shall issue a supplementary notice of the Shareholders' General Meeting within two days after receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' General Meeting for review. However, temporary proposals that violate laws, administrative regulations or the provisions of the Articles of Association, or are not within the scope of the powers of the Shareholders' General Meeting shall be excluded.
- For proposals put forward by shareholders holding 1% or more (including 1%) of the total voting shares of the Company individually or jointly at the Shareholders' General Meeting, the Board of Directors has the right to review them in accordance with the following principles:
  - (1) Relevance: The Board of Directors shall review the proposal. If the matter involved in the proposal is directly related to the Company and does not exceed the scope of the powers of the Shareholders' General Meeting as stipulated by laws, regulations, listing venue regulatory rules and the Articles of Association, it shall be submitted to the Shareholders' General Meeting for discussion. Proposals that do not meet the above requirements shall not be submitted to the Shareholders' General Meeting for discussion.
  - (2) Procedural: The Board of Directors may make decisions on procedural issues related to the proposal. If a proposal needs to be split or merged for voting, the consent of the original proposer is required; if the original proposer does not agree to the change, the chairman of the Shareholders' General Meeting may request the Shareholders' General Meeting to make a decision on the procedural issue and conduct discussion in accordance with the procedures decided by the Shareholders' General Meeting.
- If more than half of the Independent Directors, the Audit Committee, or shareholders holding 10% or more (including 10%) of the total voting shares of the Company individually or jointly propose to convene an extraordinary Shareholders' General Meeting, they shall sign one or more written requests in the same format and content, requesting the Board of Directors to convene an extraordinary Shareholders' General Meeting and clarify the topics of the meeting, and submit to the Board of Directors a proposal that complies with the requirements of the Rules of Procedure for the Shareholders' General Meeting of Huaneng Power International, Inc. at the same time.

- The proposals put forward at the general meeting shall meet the following conditions:
  - (1) The content of the proposals shall be in compliance with requirements stipulated by laws, regulations, regulatory rules of the places where the shares of the Company are listed and the Articles of Association and shall fall within the jurisdiction of general meeting;
  - (2) The theme of the proposal shall be clear and specific;
  - (3) The proposal shall be submitted to the Board of Directors in writing.
- For any questions concerning the general meetings, please contact:

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

Contact: Mr. Liu Tianyu or Mr. Hu Boxuan  
 Phone: 010-63226595 010-63226557  
 Email: liutianyu@hpi.com.cn  
 huboxuan@hpi.com.cn

## (D) Board of Directors

As at date of this report, in the eleventh Board of Directors, Mr. Wang Kui serves as chairman (Executive Director); Mr. Liu Ancang serves as Executive Director and the president. The Non-Executive Directors are: Mr. Du Daming, Mr. Zhou Yi, Mr. Li Lailong, Mr. Li Jin, Mr. Cao Xin, Mr. Gao Guoqin, Mr. Ding Xuchun, Mr. Wang Jianfeng and Ms. Kou Yaozhou. The Company has six Independent Non-Executive Directors, accounting for one-third of the Board members, namely: Mr. Xia Qing, Mr. He Qiang, Ms. Zhang Liying, Mr. Zhang Shouwen, Ms. Dang Ying and Mr. Zhang Xianchong. The Company has one Employee Representative Director, Mr. Wang Yu. There are no financial, business, family or other material/relevant relationships among the members of the Board of the Company, including between the chairman and the president.

During the reporting period, the Board of Directors of the Company held a total of seven meetings, including regular and ad hoc meetings.

## CORPORATE GOVERNANCE REPORT

The attendance of Directors at Board meetings is set out below:

### Attendance at meetings of the eleventh session of the Board of Directors

Name	Number of meetings to be attended	Number of meetings attended in person	Number of meetings attended by proxy	Attendance rate (%)
<b>Executive Directors</b>				
Wang Kui	7	7	0	100%
Liu Ancang	2	1	1	100%
<b>Non-executive Directors</b>				
Du Daming	7	7	0	100%
Zhou Yi	7	5	2	100%
Li Lailong	7	4	3	100%
Li Jin	4	4	0	100%
Cao Xin	7	4	3	100%
Gao Guoqin	4	3	1	100%
Ding Xuchun	7	3	4	100%
Wang Jianfeng	7	5	2	100%
Kou Yaozhou	–	–	–	–
<b>Independent Non-executive Directors</b>				
Xia Qing	7	7	0	100%
He Qiang	7	7	0	100%
Zhang Liying	7	7	0	100%
Zhang Shouwen	7	6	1	100%
Dang Ying	7	7	0	100%
Zhang Xianchong	–	–	–	–
<b>Employee Representative Director</b>				
Wang Yu	–	–	–	–

### Performance of Directors who resigned during the reporting period

Name	Number of meetings to be attended	Number of meetings attended in person	Number of meetings attended by proxy	Attendance rate (%)
<b>Former Executive Directors</b>				
Wang Zhijie	1	0	1	100%
Huang Lixin	4	4	0	100%
<b>Former Non-Executive Directors</b>				
Li Haifeng	1	1	0	100%

Director Skills and Experience	Number of Directors	
Energy and Power Industry	Possesses professional knowledge and experience in the operation and management of large-scale thermal power, hydropower, wind power, photovoltaic, or nuclear power enterprises, assets, or projects for many years.	13 persons
Enterprise Management	Possesses professional knowledge and experience in the strategic planning, deepening reform, supply chain management, and coordination and management of safety production energy and power groups for many years.	15 persons
Economics and Finance	Possesses professional knowledge and experience in investment and financing decision-making, capital market operations, macroeconomic analysis, and financial risk control.	11 persons
Accounting Profession/Financial Management	Possesses professional knowledge and experience in financial report preparation, budget control, cost management, and auditing.	5 persons
Law/Regulation and Compliance	Possesses professional knowledge and experience in domestic and overseas listing regulatory compliance, major contract review, and environmental & safety production regulation management.	4 persons
Overseas Operations	Possesses professional knowledge and experience in overseas project investment, construction, and operation.	4 persons

As stated in previous Corporate Governance Reports of the Company, the Company's Articles of Association set out in detail the duties and operational procedures of the Board (please refer to the Company's Articles of Association for details). The Board of the Company holds regular meetings to hear and review the report on the Company's operating results. Material decisions on operation

shall be discussed and approved by the Board. Ad hoc meetings may be held when necessary to make timely decision. Board meetings include regular meetings and ad hoc meetings. Regular meetings of the Board include: annual meeting, first quarterly meeting, half-yearly meeting and third quarterly meeting.

## CORPORATE GOVERNANCE REPORT

The Company has established relevant mechanisms to ensure that the Board of Directors receives independent views and opinions. All arrangements for regular meetings have been notified to all directors at least 14 days in advance and the Company has ensured that each director thoroughly understood the agenda of the meeting and fully expressed his/her opinions. All Independent Non-executive Directors expressed their independent directors' opinions on their respective duties and convened special independent directors' meetings to review relevant proposals in accordance with regulatory requirements under the "Administrative Measures for Independent Directors of Listed Companies" promulgated by the China Securities Regulatory Commission. All meeting details are thoroughly recorded and kept in the Administration Office (Office of the Board of Directors) of the Company. The Board conducts an annual review of the implementation and effectiveness of the above mechanisms to ensure that the independent opinion mechanism effectively supports the Board's decision-making and safeguards the interests of the Company and its shareholders.

In addition, the Company has received a confirmation letter from each independent non-executive director regarding their independence in accordance with Rule 3.13 of the Hong Kong Listing Rules. The Company continues to consider each independent non-executive director to be independent.

The Directors of the Company took the initiative to comply with the provisions of laws, administrative regulations and the Company's Articles of Association and actively fulfilled their duty of loyalty and diligence. Apart from regular and ad hoc meetings, the Directors of the Company obtained adequate information through meeting such as the Chairman special meetings in a timely manner in order to monitor the objectives and strategies of the management, the Company's financial position and operating results and the execution and implementation of provisions of material agreements. The Directors of the Company reviewed

corporate briefings and other data on a regular basis to learn about the production and operation of the Company. The Independent Directors provided opinions and suggestions on operation and management for the Company via on-site survey. The specific committees under the Board proactively performed their duties and made suggestions and proposals for the development of the Company, which provides grounds for the Board to make correct decisions.

During the period when the Board was not in session, the Chairman discharged part of the duties of the Board of Directors, including (1) to examine and approve the establishment or cancellation of proposals to develop construction projects; (2) to examine and approve the proposals of the President in relation to the appointment, removal and transfer of managers of various departments of the Company and managers of external branches; (3) to examine and approve plans on the use of significant funds; (4) to examine and approve proposals on the establishment or cancellation of branch or branch organs; (5) to examine and approve other outstanding issues.

The Board has summarized work for the past year and, in doing so, considered the opinions of the management. It believes that it has effectively fulfilled its duties and protected the interests of the Company and its shareholders.

Directors attending the Company's 2024 Annual General Meeting held on 24 June 2025, were: Mr. Wang Kui, Chairman of the eleventh session of the Board of Directors and Executive Director; Mr. Huang Lixin, Executive Director; Mr. He Qiang and Mr. Zhang Shouwen, Independent Non-executive Directors. Other Directors did not attend. Directors attending the Company's First Extraordinary General Meeting of 2025, the First A Share Class Meeting of 2025, and the First H Share Class Meeting of 2025 held on 23 September 2025, were: Mr. Wang Kui, Chairman of the eleventh session of the Board of Directors and Executive Director; Mr. Zhang Shouwen and Ms. Dang Ying, Independent

Non-executive Directors. Other Directors did not attend. Directors attending the Company's Second Extraordinary General Meeting of 2025 held on 23 December 2025, were: Mr. Wang Kui, Chairman of the eleventh session of the Board of Directors and Executive Director; Mr. Liu Ancang, Executive Director; Mr. Xia Qing, Ms. Zhang Liying, and Mr. Zhang Shouwen, Independent Non-executive Directors. Other Directors were unable to attend.

## (E) Chairman And President

The positions of Chairman of the Board and President of the Company are separated, and each performs their respective duties in accordance with the Articles of Association of the Company.

1. Mr. Wang Kui serves as the chairman of the Board of Directors and the executive Director of the Company.
2. Mr. Liu Ancang serves as the Director and the president of the Company.
3. Mr. Huang Lixin served as the Company's Director and the president during the reporting period. On 29 July 2025, Mr. Huang Lixin resigned from his positions as Director and the president of the Company. Mr. Liu Ancang was appointed as the Company's president by the Board and was elected as a Director of the Company at the general meeting held on 23 September 2025.

The division of duties of the Board and the senior management is consistent with that described in previous Corporate Governance Reports.

The respective terms of office of the Non-executive Directors are as follows:

Name of Non-executive Directors	Term of office
Du Daming	2023.12.5-2026
Zhou Yi	2023.12.5-2026
Li Lailong	2023.12.5-2026
Li Jin	2025.6.24-2026
Cao Xin	2023.12.5-2026
Gao Guoqin	2025.6.24-2026
Ding Xuchun	2023.12.5-2026
Wang Jianfeng	2023.12.5-2026
Kou Yaozhou	2025.12.23-2026
Wang Yu	2026.1.26-2026

## (F) Non-executive Directors

According to the provisions of the Articles of Association, the term of office of members of the Board of the Company shall not exceed three years (inclusive of three years) and the members are eligible for re-election. However, the term of office of Independent Non-executive Directors shall not exceed six years (inclusive of six years) according to the relevant provisions of the CSRC.

## CORPORATE GOVERNANCE REPORT

### (G) DIRECTORS' REMUNERATION

According to the relevant laws of the PRC and the relevant provisions of the Articles of Association, the Board of the Company has established the Remuneration and Appraisal Committee. The committee operates in accordance with the Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors and the terms of reference set out in the Corporate Governance Code, and is primarily responsible for reviewing the appraisal standards of the Company's directors and senior management, conducting appraisals, and making recommendations; it is also responsible for reviewing and examining the remuneration policies and proposals for the Company's directors and senior management. For details of the duties and responsibilities of the Remuneration and Appraisal Committee, please refer to the Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors published on the website of Hong Kong Stock Exchange on 29 July 2025. The Remuneration and Appraisal Committee adopted the mode (ii) as set out under the rule E.1.2(c) of the Corporate Governance Code, which is to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of

their office or appointment). The total payroll, after examination by the Remuneration and Appraisal Committee, will then be submitted to the Board of Directors. The Executive Directors have entered into the directors' service contracts in compliance with the requirements of the Hong Kong Stock Exchange.

As of the date of this report, members of the eleventh session of the Remuneration and Appraisal Committee consisted of seven Directors: Mr. Li Jin, Mr. Gao Guoqin, and Mr. Ding Xuchun, who are Non-executive Directors; and Mr. He Qiang, Ms. Zhang Liying, Ms. Dang Ying, and Mr. Zhang Shouwen, who are Independent Non-executive Directors. Mr. Zhang Shouwen serves as the Chairman of the committee. During the reporting period, Mr. Wang Zhijie and Mr. Li Haifeng also served as members of the Remuneration and Appraisal Committee.

The Remuneration and Appraisal Committee operates in accordance with the Company's Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors. The first meeting of 2025 was held on 24 March 2025, at which a report on the total payroll budget of the Company was heard and the arrangements regarding the total payroll for the year 2025 were approved. In the new fiscal year, the Remuneration and Appraisal Committee will conduct its work in accordance with the above-mentioned working rules as appropriate.

During the Reporting Period, the attendance at the meeting of the Remuneration and Appraisal Committee of the Board was as follows:

<b>Name of meeting</b>	<b>Date of meeting</b>	<b>Members who attended the meeting in person</b>	<b>Members who attended the meeting by proxy</b>
The First Meeting of the Remuneration and Appraisal Committee of the Eleventh Session of the Board of Directors in 2025	2025.3.24	Zhang Shouwen, Wang Zhijie, Li Haifeng, Ding Xuchun, He Qiang, Zhang Liying, Dang Ying	/

## (H) NOMINATION OF DIRECTORS

According to the relevant laws of the PRC and the relevant provisions of the Articles of Association, the Board of the Company has established the Nomination Committee. The Nomination Committee operates under the Rules of Procedure for the Nomination Committee of the Board of Directors and the terms of reference for nomination committees set out in the Corporate Governance Code and is mainly responsible for studying the selection standards and procedures for candidates for directors and senior management personnel of the Company in accordance with the qualifications required under the Companies Law and Securities Law and the operational management needs of the Company, and making recommendations thereon to the Board; conducting a wide search for qualified candidates for directors and suitable persons for senior management positions; and reviewing the candidates for directors and senior management personnel and making recommendations thereon. For details of the duties and responsibilities of the Nomination Committee, please refer to the Rules of Procedure for the Nomination Committee of the Board of Directors published on the website of Hong Kong Stock Exchange on 29 July 2025.

In order to achieve sustainable and balanced development, the Company has formulated the Board Member Diversity Policy and reviews the implementation and effectiveness of the Board Member Diversity policy annually. According to relevant regulations, when determining the composition of the Board, the Company will consider the diversity of board members from multiple perspectives, including but not limited to gender, age, culture and educational background, professional experience, skills, knowledge and service tenure. The nomination of Directors by the Board shall be based on meritocracy, taking into account the diversity requirements of Board members. Currently, the composition of the Board members of the Company has taken into account the needs of the operation and management of the Company. During the year, the Board of Directors conducted a thorough review and assessment of the Board Member Diversity Policy. The Board of Directors believes that the policy has been effectively implemented and has played a positive role in enhancing the Company's governance structure. Through the implementation of this policy, the composition of the Board of Directors

has become more diverse, covering different backgrounds, professional fields, experiences, and skills, thereby providing a more comprehensive and multi-dimensional perspective for decision-making. Moreover, the Board of Directors also believes that, with the support of the diversity policy, the overall composition of the Board of Directors is well-balanced and can effectively play its key role in corporate governance and management. By ensuring that the Board of Directors members possess diverse professional knowledge and experience, the Board of Directors is better equipped to respond to the ever-changing market environment and challenges, thereby providing a stronger foundation for the long-term development of the Company and maximizing shareholder value. The Board of Directors will continue to focus on and review the implementation of the policy and, in the future, will further optimize and adjust the relevant policies based on the Company's strategic development and changes in the external environment, to ensure the sustained soundness and innovation of the corporate governance structure.

The nomination of candidates for directors of the Company is mainly made by the shareholders. The nominations, after examination of the relevant qualifications by the Nomination Committee, will be submitted to the Board of Directors. The President of the Company is appointed by the Board and the candidates for the Vice President and other management are nominated by the President. Such nominations, after examination of the relevant qualifications by the Nomination Committee, will be submitted to the Board of Directors for approval.

As at the date of this report, the Nomination Committee under the eleventh session of the Board of Directors comprises seven members: Mr. Liu Ancang, Executive Director; Mr. Cao Xin and Mr. Wang Jianfeng, Non-executive Directors; and Mr. He Qiang, Mr. Zhang Shouwen, Ms. Dang Ying, and Mr. Xia Qing, Independent Non-executive Directors. The Chairman of the committee is Mr. Xia Qing. During the reporting period, Mr. Huang Lixin was a member of the Nomination Committee.

During the reporting period, the Nomination Committee held five meetings, reviewing the qualifications of directors and senior management candidates, and prepared special reports which were submitted to the Board.

## CORPORATE GOVERNANCE REPORT

The attendance of members at the meetings of the Nomination Committee of the Board of Directors during the reporting period was as follows:

Name of meeting	Date of meeting	Members who attended the meeting in person	Members who attended the meeting by proxy
The First Meeting of the Nomination Committee of the Eleventh Session of the Board of Directors in 2025	2025.4.27	Xia Qing, Huang Lixin, Cao Xin, Wang Jianfeng, He Qiang, Zhang Shouwen, Dang Ying	/
The Second Meeting of the Nomination Committee of the Eleventh Session of the Board of Directors in 2025	2025.7.9	Xia Qing, Huang Lixin, Cao Xin, Wang Jianfeng, He Qiang, Zhang Shouwen, Dang Ying	/
The Third Meeting of the Nomination Committee of the Eleventh Session of the Board of Directors in 2025	2025.7.28	Xia Qing, Huang Lixin, Cao Xin, Wang Jianfeng, He Qiang, Zhang Shouwen, Dang Ying	/
The Fourth Meeting of the Nomination Committee of the Eleventh Session of the Board of Directors in 2025	2025.10.27	Xia Qing, Liu Ancang, Cao Xin, Wang Jianfeng, He Qiang, Zhang Shouwen, Dang Ying	/
The Fifth Meeting of the Nomination Committee of the Eleventh Session of the Board of Directors in 2025	2025.11.27	Xia Qing, Liu Ancang, Cao Xin, Wang Jianfeng, He Qiang, Zhang Shouwen, Dang Ying	/

### (I) AUDITORS' REMUNERATION

Upon approval at the Company's First Interim General Meeting of 2024, the Company appointed BDO CHINA Shu Lun Pan Certified Public Accountants LLP as the Company's domestic auditor for 2025; and appointed BDO Limited as the Company's Hong Kong auditor for 2025. For the twelve-month period ended 31 December 2025, audit fees, audit-related fees, and other fees were RMB 17.21 million, RMB 2.48 million, and RMB0.32 million, respectively.

### (J) AUDIT COMMITTEE

According to the requirements of the regulatory authorities of the jurisdictions where the Company is listed and the relevant provisions of the Articles of Association, the Board of Directors of the Company has established the Audit Committee which operates in accordance with the Rules of Procedure for the Audit Committee of the Board of Directors and the terms of references for audit committees set out in the Corporate Governance Code and is mainly responsible for assisting the Board of

Directors in supervising: (1) the authenticity of the consolidated financial statements of the Company; (2) the compliance by the Company with laws and regulatory requirements; (3) the qualification and independence of the independent auditors of the Company; (4) the performance of the independent auditors and the internal audit department of the Company; and (5) the control and management of the related transactions of the Company. For details of the duties and responsibilities of the Audit Committee, please refer to the Rules of Procedure for the Audit Committee of the Board of Directors published on the website of Hong Kong Stock Exchange on 29 July 2025.

The Audit Committee under the Board of the Company holds four regular meetings per annum and has at least two separate meetings with the external auditors of the Company to hear reports on audit plans, work arrangements, audit results, etc. The Board formulates the Management Measures on Hotlines and Mailboxes for Informants, pursuant to which the Audit Committee is responsible for the management of the informants' hotlines and mailboxes.

The Audit Committee of the eleventh session of the Board of Directors consists of five independent non-executive Directors, namely Ms. Dang Ying, Mr. Xia Qing, Mr. He Qiang, Ms. Zhang Liying, and Mr. Zhang Shouwen. The Chairman of the committee is Ms. Dang Ying.

During the reporting period, the Audit Committee held seven meetings. In accordance with the Audit Committee's duties, to review the Company's quarterly, interim, and annual results, review the responsibilities of the risk management and internal control systems, the effectiveness of the Company's internal audit function, and fulfill other responsibilities of the Audit Committee listed in the "Corporate Governance Code", the Audit

Committee communicated and interacted with the Company's legal counsel, the Company's external auditor, the Company's management, and relevant functional departments. It reviewed and provided opinions and suggestions on matters such as the application of regulations in the Company's listing locations, the Company's anti-fraud situation, the Company's personnel hiring situation, the implementation of internal controls, the external auditor's audit situation, and the preparation of the Company's financial statements.

During the reporting period, the attendance of the Audit Committee members at meetings was as follows:

<b>Name of meeting</b>	<b>Date of meeting</b>	<b>Members who attended the meeting in person</b>	<b>Members who attended the meeting by proxy</b>
The First Meeting of the Audit Committee of the eleventh session of the Board of Directors in 2025	2025.2.25	Dang Ying, Xia Qing, He Qiang, Zhang Liying, Zhang Shouwen	/
The Second Meeting of the Audit Committee of the eleventh session of the Board of Directors in 2025	2025.3.24	Dang Ying, Xia Qing, He Qiang, Zhang Liying, Zhang Shouwen	/
The Third Meeting of the Audit Committee of the eleventh session of the Board of Directors in 2025	2025.4.27	Dang Ying, Xia Qing, He Qiang, Zhang Liying, Zhang Shouwen	/
The Fourth Meeting of the Audit Committee of the eleventh session of the Board of Directors in 2025	2025.7.9	Dang Ying, Xia Qing, He Qiang, Zhang Liying, Zhang Shouwen	/
The Fifth Meeting of the Audit Committee of the eleventh session of the Board of Directors in 2025	2025.7.29	Dang Ying, Xia Qing, He Qiang, Zhang Liying, Zhang Shouwen	/
The Sixth Meeting of the Audit Committee of the eleventh session of the Board of Directors in 2025	2025.9.4	Dang Ying, Xia Qing, He Qiang, Zhang Liying, Zhang Shouwen	/
The Seventh Meeting of the Audit Committee of the eleventh session of the Board of Directors in 2025	2025.10.27	Dang Ying, Xia Qing, He Qiang, Zhang Liying, Zhang Shouwen	/

## CORPORATE GOVERNANCE REPORT

### (K) RESPONSIBILITY ASSUMED BY THE DIRECTORS IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company confirm that they are responsible for the preparation of the Group's consolidated financial statements, ensuring that such Consolidated financial statements are prepared in accordance with the relevant regulations and applicable accounting standards, and are published in a timely manner.

The responsibility statements made by the auditors of the Company in relation to the Consolidated financial statements of the Group are set out in auditor's report on pages 110 to 116.

### (L) SENIOR MANAGEMENT'S INTEREST IN SHARES

None of the senior management of the Company holds any shares of the Company.

### (M) STRATEGY COMMITTEE

In accordance with the requirements of the regulatory authorities in the Company's listing jurisdictions and the provisions of the Company's Articles of Association, the Company's Board has established a Strategy Committee. The Strategy Committee operates in accordance with the Company's Rules of Procedure for the

Strategy Committee. Its main responsibilities are: (1) to research and make recommendations on the Company's long-term development strategy and planning; (2) to research and make recommendations on major investment and financing proposals requiring Board approval; (3) to research and make recommendations on major production and operation decision-making projects requiring Board approval; (4) to research and make recommendations on other major matters affecting the Company's development; (5) to monitor the implementation of the above matters; (6) to be responsible for the Company's comprehensive risk management, enhance its overall risk resilience; (7) perform other duties as requested by the Board.

As at the date of this report, the Strategy Committee of the eleventh session of the Board of Directors consists of seven Directors, namely Mr. Wang Kui, Mr. Liu Ancang, Mr. Li Jin, Mr. Du Daming, Mr. Li Lailong, Mr. Xia Qing, and Ms. Zhang Liying. Among them, Mr. Xia Qing and Ms. Zhang Liying are independent non-executive directors. The chairman of the committee is Mr. Wang Kui. During the reporting period, Mr. Wang Zhijie and Mr. Huang Lixin were members of the Strategy Committee.

In 2025, the Company's Board Strategy Committee held one meeting to review and approve the "2024 Comprehensive Risk Management Report". All committee members carefully studied and thoroughly deliberated, actively expressed opinions and suggestions to improve the relevant report, playing an important role in enhancing decision-making quality and efficiency.

During the reporting period, the attendance of the Strategy Committee members at meetings was as follows:

<b>Name of meeting</b>	<b>Date of meeting</b>	<b>Members who attended the meeting in person</b>	<b>Members who attended the meeting by proxy</b>
The First Meeting of the Strategy Committee of the eleventh session of the board of Directors in 2025	2025.9.4	Wang Kui, Li Jin, Du Daming, Li Lailong, Xia Qing, Zhang Liying	/

## (N) TRAININGS FOR DIRECTORS AND SENIOR MANAGEMENT

In 2025, the Directors, Supervisors and Senior Management of the Company attached great importance to strengthening their awareness of compliance and enhancing their ability to perform their duties, actively participated in various specialized trainings organized by regulatory bodies and industry associations, and kept themselves abreast of the updates of regulations and relevant policies in listed places. Throughout the year, the Directors, Supervisors and Senior Management of the Company attended the important meetings such as annual and interim supervisory meeting and bond and asset securitization business supervision conference of CSRC Beijing Bureau, the special training sessions on governance of listed companies in Beijing, and the enhancement seminar on Continuing Professional Development (CPD) for

corporate governance professionals organized by the Hong Kong Institute of Corporate Governance (HKICG), so as to continuously and thoroughly study the new regulatory developments such as the new Company Law and the new requirements on the standardised operation of listed companies. All Directors and Senior Management of the Company consciously complied with the laws, regulations and Articles of Association of the Company, and take the lead in “knowing the fear and keeping the bottom line” to provide a guarantee for the continuous improvement of corporate governance.

The Company organizes communication activities between the Company’s legal advisor and the Audit Committee to introduce the report to all members of the Audit Committee every six months on update of the regulatory regulations of the listed places, the application of the relevant systems of the Company and the Company’s compliance with the regulations of the listed places.

## CORPORATE GOVERNANCE REPORT

According to records provided by the Directors, a summary of the training received by directors during the period from 1 January 2025 to 31 December 2025, is as follows:

<b>Members of the eleventh session of the Board</b>	<b>Type of continuing professional development</b>
Wang Kui	A, B
Huang Lixin	A, B
Du Daming	A, B
Zhou Yi	A, B
Li Lailong	A, B
Li Jin	A, B
Cao Xin	A, B
Gao Guoqin	A, B
Ding Xuchun	A, B
Wang Jianfeng	A, B
Kou Yaozhou	A, B
Xia Qing	A, B
He Qiang	A, B
Zhang Liying	A, B
Zhang Shouwen	A, B
Dang Ying	A, B
Zhang Xianchong	A, B
Wang Yu	A, B

*Notes:*

A: Attending briefings and/or seminars.

B: Reading seminar materials and updates on the latest developments of the Hong Kong Listing Rules and other applicable regulatory requirements.

All the Directors must submit their training records to the Company on a quarterly basis. The Company Secretary will keep the records for regular inspections.

## (O) TO CONVENE EXTRAORDINARY BOARD MEETINGS

An extraordinary meeting of the Board may be held at the request of any shareholders representing one tenth or more of the voting rights of the Company. The Chairman shall, within ten days of receiving such a request, convene and chair such meeting.

## (P) TO MAKE ENQUIRIES TO THE BOARD

Shareholders shall have the right, in accordance with the provisions of the Articles of Association, to obtain relevant information of the Company, including the Articles of Association of the Company, the share capital, the minutes of shareholders' meetings and the resolutions of Board meetings.

## (Q) INSURANCE FOR DIRECTORS AND PERMITTED INDEMNITY PROVISIONS

The Company has renewed its Directors' Liability Insurance with a coverage amount of RMB100 million in 2025 to reduce potential losses that may arise from the proper performance of their duties. The directors of the Company are entitled to be indemnified for all the costs, charges, losses, damages and expenses which they may incur or sustain in the execution or discharge of their duties and/or in the exercise of their powers and/or in connection with or in relation to their duties, powers or office, subject to applicable laws and within the coverage of the Directors' liability insurance taken out by the Company. These provisions were in force during the year ended 31 December 2025 and remain in force as at the date of this report.

## (R) COMPANY SECRETARY

Mr. Huang Chaoquan served as the Company Secretary of the Company under the Hong Kong Listing Rules from 22 May 2017 to 24 March 2026, and his biography is set out in the section headed "Profiles of Senior Management". During the reporting period, Mr. Huang Chaoquan has complied with relevant professional training requirements under Rule 3.29 of the Hong Kong Listing Rules.

As disclosed in the announcement of the Company dated 24 March 2026 in relation to the change of company secretary and authorised representative, Mr. Huang Chaoquan resigned as the company secretary and the authorised representative of the Company under Rule 3.05 of the Hong Kong Listing Rules with effect from 24 March 2026. The Board appointed Mr. Wen Minggang, the chief accountant of the Company, as the company secretary of the Company on 24 March 2026. Mr. Wen Minggang will be assisted by Ms. Jiang Xiao, an external adviser, as a joint company secretary in discharging the duties of company secretary under the Hong Kong Listing Rules. Mr. Wen Minggang will be the primary contact person of Ms. Jiang Xiao within the Company.

## (S) DIVERSITY

The Company's eleventh session of the Board of Directors has three female directors. The Company believes that it has achieved board diversity and will continue to comply with the Company's Board Diversity Policy. The Board of Directors will regularly monitor its gender composition and, depending on the business needs and development plans of the Group, set targets for further enhancing gender diversity at the Board level where necessary. In determining the composition of the board of directors, consideration will be given to various aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, and tenure, with due regard to maintaining a balanced gender representation.

## CORPORATE GOVERNANCE REPORT

The industry in which the Group operates has traditionally been male-dominated, and the overall gender ratio of employees in the Group is approximately 4:1 (male to female). All senior management personnel are male. Based on the characteristics of the industry in which the Group operates and the operational needs of the Group, the Board of Directors believes that the current gender ratio of employees is appropriate. The Group has not set any plans or measurable goals for further enhancing gender diversity at the employee level. However, the Board will regularly review the Company's employment culture and review whether it remains aligned with the Company's development strategy in the face of a constantly changing environment. The Company has always adhered to and will continue to adhere to the two principles of lawful employment and equal employment, considering the overall quality of employees when hiring, insisting on providing equal employment opportunities and labor protection for employees of different genders, nationalities, races, religious beliefs, and cultural backgrounds, insisting on equal pay for equal work for men and women, eliminating forced labor and employment discrimination. This commitment to equal employment is embedded throughout the entire employment process. As of the reporting date, the Group is not aware of any factors or circumstances that make achieving greater gender diversity among all employees (including senior management) more challenging or less relevant. The Group has not identified any material obstacles affecting gender diversity as at the date of this report.

### (T) MAJOR CHANGES TO CONSTITUTIONAL DOCUMENTS

In June 2025, based on the actual situation and operational development needs, the Company changed its domicile from "No. 6 Fuxingmennei Avenue, Xicheng District, Beijing (Huaneng Building)" to "Huaneng Headquarters, Start-up Area, Xiongan New Area, Hebei", and simultaneously revised the domicile clause in the Company's Articles of Association. The relevant proposal was approved at the Company's general meeting. For further details, please refer to the Company's announcement dated 29 April 2025 and the circular dated 30 May 2025.

In September 2025, in accordance with the latest domestic and overseas regulatory rules and based on the actual circumstances, the Company carried out a comprehensive compliance-oriented revision of its Articles of Association and abolished the provisions on class shareholders and the Supervisory Committee. The relevant proposals were approved at the Company's general meeting, A-share class meeting, and H-share class meeting. For further details, please refer to the Company's announcement dated 30 July 2025 and circular dated 9 August 2025.

## (U) COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To the best of the knowledge of the Board and Management, the Group has complied with relevant laws and regulations on issues that have a significant impact on the Group's business and operations. During the year, the Group did not violate or fail to comply with relevant applicable laws and regulations.

## (V) SHAREHOLDERS' COMMUNICATION POLICY

The Company is committed to continuously promoting investor relations efforts, enhancing communication with shareholders, and increasing investors' understanding of the Company. In addition to the Company's periodic reports and announcements, the Company also publishes news, solutions and products, social responsibility information, and the latest developments on its official website, ensuring that investors are promptly informed of the Company's latest developments. The Company facilitates investor feedback through various channels, such as an investor hotline, email, the Shanghai Stock Exchange's investor relations interaction platform, and by collecting investor questions before performance briefings. At the same time, to promote communication between the Company and investors, the Company reports on its business operations and financial data at performance briefings and answers questions from investors and analysts. The Company regards the annual general meeting as a key event in its calendar year, with directors and senior management making

every effort to attend, engage with investors, and address any questions.

During the reporting period, the Board has reviewed the implementation and effectiveness of the Shareholders' Communication Policy and considers the Company's communication policy effective, as detailed in the section on "Shareholders' General Meetings" of the Corporate Governance Report and in "Investor Relations" of this report.

## (W) DESCRIPTION OF THE COMPANY'S SIGNIFICANT RELATIONSHIPS WITH ITS EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Company considers its employees to be a valuable asset. The Company focuses on the career development of employees, optimizes talent allocation and the development environment, provides multiple career development channels, continuously optimizes the selection process and assessment mechanism for technical skills positions, provides a platform for employees to unleash their talents. At the same time, the Company provides employees with continuous training and development opportunities to support their career growth. In addition, the Company believes that maintaining good relationships with its business partners and financial institutions is essential to achieving the Company's long-term objectives. During the Reporting Period, there were no significant disputes between the Company and its business partners and financial institutions.

# INVESTOR RELATIONS

## PHILOSOPHY OF INVESTOR RELATIONS

The Company has always highly valued the management of investor relations since its listing. The Company communicates with all investors in a wholehearted, equal and respectful manner through timely and diversified two-way channels, enhancing and perfecting the management of investor relations of the Company. In addition, the Company also values the two-way interactive communication of “disclosure” and “feedback collection”. As to “disclosure”, the Company discloses information including financial position and operating performance to investors accurately, fairly and comprehensively in a responsible manner, which helps investors to understand and recognize the current situation and future development strategy of the Company. As to “feedback collection”, the Company actively provides multiple channels to gather investors’ suggestions and opinions on its operating activities. Such two-way communication effectively improves the operation management ability of the Company and ultimately maximizes the interests of the Company and all shareholders as a whole.

## MECHANISM OF INVESTOR RELATIONS

### Establishing meticulous organization and enhancing system development

The Company sets up specific information disclosure organizations (Information Disclosure Committee and Information Disclosure Work Team) and holds routine information disclosure meetings, making clear the workflow for information disclosure of the Company and guaranteeing the compliance and timeliness of information disclosure.

In the meantime, the Company has formulated the Rules on Information Disclosure Management, the Rules on Related Party Transactions Management, the Rules on Investor Relations Management, the Rules on the Work of the Information Disclosure Committee, the Rules on Insider Information Management and the Rules on the Annual Report Information Disclosure Significant Errors. Accountability, etc., specifying the basic principles, targets, procedures,

contents of disclosure, registration and filing of insider information and related accountability. The promulgation and implementation of these regulations further enhanced the information disclosure system of the Company, strengthened the discipline of the Company’s information disclosure, prevented and minimized the insider dealing activities, improved the authenticity, accuracy, completeness and timeliness of information disclosure, so as to protect the legal interests of shareholders.

In addition, the Company has also formulated the “Internal Control System” as well as the “Internal Control Handbook” according to the relevant requirements of the State and Sections 302 and 404 of the “Sarbanes-Oxley Act of 2002”, and further enhanced our corporate governance and ensured truthful, timely, accurate and complete information disclosure.

The Company has established a complete and effective control system for the entire process of information disclosure, so that the Company has been able to control potential risks in information disclosure effectively and ensure that all information disclosed by the Company is regulated and effective since its listing. With its timely, accurate and sufficient information disclosure, the Company has been well recognized by domestic and overseas investors.

### Broaden channels and effective communication

In view of the different needs and nature of different investors – existing investors, potential investors, institutional investors and retail investors, the Company actively holds a variety of investor relations activities in various forms, including phone enquiries, emails, analyst conferences, one-on-one meetings, investment forums, roadshows and reverse roadshows, according to the characteristics of different investors, with a view to achieving all-round and effective communication and establish long-term and stable relations of mutual trust. The Company insists on handling daily calls and visits made by investors properly. By consistently updating and sorting out the investor database, expanding the investor communication network of the

Company, and holding two-way interactive investor relations activities, the Company is able to enhance the understanding and knowledge of investors about the Company, take into account suggestions and ideas put forward by investors, create two-way communication channels and platforms for smooth communication with investors and maximize the interests of the Company and investors.

### Timely disclosure and continuous follow-up

The Company discloses its information in a truthful, accurate, complete and timely manner strictly according to the requirements of the regulatory authorities in the jurisdictions where the Company is listed, thereby increasing the transparency of and drawing market attention to the Company and enhancing the image of the Company in capital markets. In the meantime, the Company follows up feedback from investors consistently and ensures effective communication, with a view to establishing stable investor relations.

In 2025, the Company issued a total of 313 domestic and overseas announcements.

## NOTE TO SHAREHOLDERS

### Dividend Distribution

The Board recommends distributing a dividend of RMB 0.40 per share (tax inclusive) to all shareholders for the 2025 fiscal year. The dividends will be denominated and announced in RMB, with dividends on domestic shares to be paid in RMB and dividends on foreign shares traded on the Hong Kong Stock Exchange to be paid in Hong Kong dollars. All dividends shall be paid upon the approval of the shareholders at the annual general meeting of the Company.

The Company's Articles of Association clearly sets out the Company's cash dividend policy, i.e. when the Company's earnings and accumulated retained profits for the current year are positive, and on the condition that the Company's cash flow is able to meet support the Company's normal operations and sustainable development, the Company shall distribute cash dividends on the principle that the cash dividend payout shall be no less than 50% of the realized distributable profit reported in the consolidated financial statements for that year.

In the future, the Company will continue to adhere to a proactive, balanced and stable dividend policy, and continuously enhance its profitability, striving to achieve of increasing returns to shareholders.

## DIVIDEND PAYMENT SITUATION

Since the listing, shareholders have given the Company great support and attention. Over the years, the Company has also brought continuous, stable, and growing returns to shareholders. Dividend distribution to shareholders began in 1998, with cumulative dividend payments reaching RMB 70.065 billion.

## INVESTOR RELATIONS

Year	Dividend per share (RMB)	Earnings per share (RMB)	Payout ratio
1994	–	0.17	N/A
1995	–	0.24	N/A
1996	–	0.27	N/A
1997	–	0.33	N/A
1998	0.08	0.33	24.24%
1999	0.09	0.33	27.27%
2000	0.22	0.44	50.00%
2001	0.30	0.60	50.00%
2002	0.34	0.65	52.31%
2003*	0.50	0.90	55.56%
2004	0.25	0.44	56.82%
2005	0.25	0.40	62.50%
2006	0.28	0.50	56.00%
2007	0.30	0.51	58.82%
2008	0.10	-0.33	N/A
2009	0.21	0.41	51.22%
2010	0.20	0.28	71.43%
2011	0.05	0.08	62.50%
2012	0.21	0.39	53.85%
2013	0.38	0.74	51.35%
2014	0.38	0.76	50.00%
2015	0.47	0.94	50.00%
2016	0.29	0.56	51.79%
2017	0.10	0.10	100.00%
2018	0.10	0.03	333%
2019	0.135	0.01	1,350%
2020	0.18	0.04	450%
2021	–	-0.81	N/A
2022	–	-0.61	N/A
2023	0.20	0.35	57.14%
2024	0.27	0.46	58.78%
2025**	0.40	0.75	53.96%

\* The profit distribution plan for 2003 was: 10 shares for 10 shares and a cash dividend of RMB 5 per 10 shares.

\*\* The Company's 2025 dividend distribution plan will be implemented after approval at the annual general meeting.

## INVESTOR RELATIONS ACTIVITIES

### Results conference

The Company insists on actively conducting earnings presentations immediately after the release of each quarter's periodic report, with a frequency higher than regulatory requirements. In 2025, the Company held on-site 2024 annual results presentations in both Beijing headquarters and Hong Kong, and conducted global investor conference calls for the first quarter, interim, and third quarter results of 2025. To actively implement regulatory requirements, the Company's management strictly attended earnings presentations in accordance with regulatory provisions. Independent Non-executive Directors were also invited to participate in the meetings, strengthening the authority and standardization of the earnings presentations. During the meetings, the Company exchanged views with investors on market hotspots of concern, explained the Company's development philosophy and operating situation, and conveyed the Company's value.

### Investment Forums and Investor Meetings

In 2025, the Company actively participated in a total of 12 interim strategy meetings organized by well-known securities firms, engaging in multi-dimensional and in-depth interactive exchanges with over a hundred institutional investors, and simultaneously conducted 9 on-site research visits for domestic and overseas institutional investors. On May 16, 2025, the Company participated in the Huaneng Group collective results briefing. Chairman Mr. Wang Kui systematically introduced the effectiveness of power production, operation, and development transformation at the meeting, and simultaneously answered investors' questions on-site and on online platforms, further consolidating the market's recognition and confidence in the Company's strategic prospects.

### Visits by and general enquiries from investors

In 2025, the Company carried out daily investor relations maintenance in an orderly manner. The Company provided round-the-clock assistance to retail investors, received more than 200 telephone inquiries from retail investors, and monitored the SSE E-interactive platform in real time, promptly replied to more than 40 questions from investors on the platform. Through a dual approach of "going out" and "bringing in", the Company ensured timely responses to investor concerns, guided market expectations effectively, and strengthened market understanding and confidence.

# REPORT OF THE BOARD OF DIRECTORS

The Board hereby presents the annual report and the audited financial statements for the year ended 31 December 2025.

## PERFORMANCE SUMMARY

The Board of Directors of Huaneng Power International, Inc. (the “Company” or “Huaneng International”) hereby announces the audited operating results of the Company and its subsidiaries for the year ended 31 December 2025.

For the twelve months ended 31 December 2025, the Company and its subsidiaries achieved consolidated revenue of RMB229.288 billion, representing a decrease of 6.62% from the same period last year. Net profit attributable to holders of the Company’s equity was RMB14.537 billion, representing an increase of 42.73% from the same period last year; earnings per share were RMB0.75. The Board of Directors is satisfied with the Company’s performance over the past year.

Detailed operating results are presented in the financial information contained in the Appendix. Unless otherwise stated, the unit of amount in this report are Renminbi.

The Company’s Board recommends distributing a final dividend for the year ended 31 December 2025, with each ordinary share entitled to a cash dividend of RMB0.40 (inclusive of tax).

## BUSINESS REVIEW OF YEAR 2025

In 2025, the Company actively responded to evolving circumstances and challenges, adhered to the overall work principle of maintaining stability while pursuing progress, united efforts, and strived for advancement. By enhancing its capabilities in safety assurance, lean management, green development, and corporate governance effectiveness, etc., and has achieved a new level of high-quality development.

## 1. Operating Results

For the year ended 31 December 2025, the Company and its subsidiaries achieved consolidated operating revenue of RMB229,288 million, representing a decrease of 6.62% compared to the same period last year. Net profit attributable to equity holders of the Company amounted to RMB14,537 million, representing an increase of 42.73% as compared with the same period last year. The earnings per share amounted to RMB0.75.

As at the end of 2025, net assets per share of the Company amounted to RMB4.52, representing an increase of 11.60% as compared with the same period last year.

The audit committee of the Company has reviewed the annual results of the Company and its subsidiaries for the year ended 31 December 2025 at a meeting held on 23 March 2026.

## 2. Power Generation

In 2025, adhering to the principle of coordinating quantity and price with a focus on efficiency, the Company strengthened policy research, market analysis and internal professional coordination, continually optimised marketing strategies, actively responded to the opportunities and challenges in the electricity and heating markets, and made effort to secure higher electricity transaction prices and heating prices while striving to generate more profitable electricity. On a consolidated basis, the total electricity sold by the Company’s domestic operating power plants amounted to 437.563 billion kWh, representing a year-on-year decrease of 3.39%. The average on-grid tariff of the Company’s domestic power plants was RMB477.08 per MWh, representing a year-on-year decrease of RMB3.48%. The annual average utilisation hours of the Company’s domestic power plants were 3,111 hours, representing a year-on-year decrease of 445 hours. In particular, the utilisation hours of coal-fired power generating units were 3,959 hours, representing a year-on-year decrease of 326 hours. The Company proactively explored the heating market and increased heating coverage, with the total heat supplied by the Company amounted to 335 million GJ, representing a year-on-year decrease of 1.61%.

### 3. Fuel Procurement

In 2025, the Company conducted scientific assessments of market trends and continuously optimized its coal procurement structure. It promoted the enhancement of long-term contracts in terms of quality and cost efficiency, seized opportunities in spot purchases, and leveraged imported coal to control prices. As a result, fuel cost management achieved significant effectiveness, and the Company successfully fulfilled the tasks of ensuring electricity and heat supply during peak summer, winter heating, and other critical power sales periods. Throughout the year, the Company procured a total of 186 million tonnes of coal, and the unit fuel cost of domestic electricity sales was RMB266.88 per MWh, representing a year-on-year decrease of RMB33.43 per MWh.

### 4. Environmental Policy and Production

The Company maintained a strong performance in safety production, technical-economic management, and energy consumption indicators throughout the year. In 2025, the average equivalent availability rate of the Company's domestic thermal power generating units reached 93.68%, the coal consumption for power supply was 292.05g/kWh and the auxiliary power consumption rate of plants was 4.36%. With respect to air pollution emissions, the Company achieved a full coverage of ultralow emission across all coal-fired power generating units. With respect to treatment of wastewater discharge and the management of coal and ash yards, the Company has allocated funds to implement environmental technology upgrade projects in key-region power plants, including wastewater treatment, coal yard enclosure, and ash yard renovation. All power plants accelerated these environmental retrofitting projects to ensure that pollutant emissions fully comply with discharge permits and other ecological and environmental protection regulations.

### 5. Project Development

The Company adhered to a green and low-carbon transformation and development strategy, focused on the implementation of projects, and steadily advanced the construction of power generation projects. During the year, the Company added a total of 11,924 MW of installed capacity from projects development, of which 7,731 MW came from new energy sources. As of 31 December 2025, the Company's controllable installed power generation capacity reached 155,869 MW, including 20,618 MW from wind power and 25,069 MW from solar power, with low-carbon and clean energy accounting for approximately 41.01% of the total installed capacity.

### 6. Scientific and Technological Innovation

The Company continued to make significant investment in research and development, further strengthening the development of strategic emerging industries and future businesses, with significant achievements in technological innovation and the transformation of its technological achievements continuing to advance. In 2025, construction commenced on the world's first 650°C high-efficiency ultra-supercritical coal-fired demonstration generating unit at the Yuhuan Power Plant in Zhejiang. Virtual power plants in Hubei, Chongqing and Anhui were completed and put into operation, and the molten salt-coupled supercritical carbon dioxide novel thermal battery energy storage project progressed in an orderly manner. During 2025, a total of 1,359 domestic invention patents and 213 international invention patents were granted to the Company and its subsidiaries.

## REPORT OF THE BOARD OF DIRECTORS

### 7. Overseas Business

Tuas Power Ltd. (“**Tuas Power**”), a wholly-owned subsidiary of the Company in Singapore, actively addressed challenges arising from policy adjustments in the Singapore electricity market, swiftly adapting to market changes, continued to deepen lean management and maintained the long-term safe and stable operation of units. During the year, total power generation reached 10.541 billion kWh, representing a market share of 18.3% and maintaining a stable presence in the electricity market. Tuas Power actively strengthened cooperation with fuel suppliers and continuously to optimised its supply structure, and ensured a stable fuel supply. It also actively expanded the retail market, continuously optimised the retail contract structure, and secured higher-margin retail electricity contracts in advance, effectively hedging against market fluctuations. During the year, Tuas Power achieved a pre-tax profit of RMB2,110 million, maintaining a solid revenue level.

The Company has continuously improved its business management in Pakistan, achieving over 3,000 consecutive days of safe operation and receiving multiple social responsibility awards in Pakistan for 7 consecutive years. The Company deepened efforts to enhance quality and efficiency, strengthened fund management, and improved electricity fee collection. In 2025, through precise budget control and cost management, it achieved operating revenue of RMB4,175 million and pre-tax profit of RMB861 million.

### PROSPECTS FOR 2026

In 2026, the Company will focus on building a flagship listed power generation company featuring “three strengths and three excellences”, with strong innovation-driven capabilities, strong competitive advantages, strong Party leadership, excellent governance efficiency, excellent development quality, and excellent operational performance. It will comprehensively advance key tasks including safety risk prevention and control, green and low-carbon development, quality and efficiency improvement, and deepening of reforms. The Company will ensure the completion of all annual targets and tasks and strive to open a new chapter of high-quality development during the “15th Five-Year” period.

In terms of power construction, the Company will continue advancing its green and low-carbon transition, promote high-quality development in new energy, and further optimize coal-fired power development. With safety as the foundation, quality and efficiency at the core, technological innovation as support, and modernized management as the approach, the Company will coordinate efforts across safety, quality, cost control, technological innovation, and smart infrastructure. This approach will ensure meaningful improvements in quality and sustainable growth in scale, contributing to the development of a new-type power system.

In terms of power generation, the Company will firmly uphold its responsibility for energy supply security, strengthen standardized maintenance and overhaul management, and continue initiatives to control unplanned shutdowns. The Company will enhance its emergency response and support capabilities under extreme conditions to ensure that generating units can operate reliably, deliver output when needed and remain stable at critical moments. The Company will comprehensively enhance the core competitiveness of its generating units and implement in an orderly manner programmes to improve the efficiency and operational flexibility of coal-fired power units, while actively promoting wide-load energy-saving operational optimisation and the development of smart thermal power plants. The Company will also continue to promote intensive and standardized management of new energy projects to consolidate the foundation for high-quality new energy production. In line with ecological and environmental protection requirements, the Company will strengthen comprehensive management of air emissions, wastewater and solid waste, and advance ecological protection and restoration across the entire industry chain including new energy and hydropower projects, thereby supporting high-quality development through high-level environmental protection.

In terms of power marketing, the Company will adhere to a coordinated approach between volume and price, with efficiency as the priority. It will closely monitor changes in the power market, conduct comprehensive assessments of market competition and electricity price trends, and fully explore electricity sales potential to optimize market transactions. The Company will seize opportunities during high-price spot periods and critical windows such as the summer and winter peak seasons to maximize additional revenue from electricity generation, striving to maintain electricity volume and prices at reasonable levels. The Company will actively expand its electricity sales market, strengthen strategic cooperation with large users

while expanding outreach to small and micro users, and improve electricity sales revenue. Additionally, the Company will closely monitor developments in carbon market policies and promptly optimise its carbon trading strategy to control compliance costs. The Company will also actively expand high-quality heat supply markets and seek policy support for adjustments to heat tariffs. In 2026, the Company will strive to achieve domestic power generation of approximately 460 billion kWh.

In terms of fuel procurement, the Company will focus on controlling fuel prices, scientifically balancing supply security with cost control, ensuring supply safety while managing fuel costs. The Company will improve the quality and fulfillment of long-term coal contracts, strengthen cooperation with strategic suppliers, and determine the proportion of long-term contracts based on market conditions and regional characteristics, leveraging such contracts as an anchor for supply security and price stability. The Company will enhance market analysis and responsiveness, optimise procurement strategies for spot and imported coal, and increasing inventories during off-peak periods while ensuring higher consumption during peak periods, so that fuel costs remain controllable.

In terms of financing, the Company will closely monitor changes in the domestic and international economic environment and capital markets, and maintain a financing structure supported by bank credit as the core, complemented by bond financing and diversified funding channels. The Company will continue to reduce and restructure existing debt, accurately seize policy opportunities and market windows, actively secure special equity funds supporting stable growth and expanded investment, and promote the implementation of funds related to the "Two Major Projects" and "Two New Initiatives" as well as new policy-based financial instruments. Through multi-dimensional expansion of low-cost financing channels, the Company will further strengthen a safe, stable and development-aligned capital structure.

## REPORT OF THE BOARD OF DIRECTORS

### SUMMARY OF FINANCIAL INFORMATION AND OPERATING RESULTS

Please refer to the Financial Highlights on pages 10 to 11 for the summary of the operating results and assets and liabilities of the Company and its subsidiaries as at 31 December 2025 and for the accounting year ended 31 December 2025.

Please refer to pages 117 to 119 of the consolidated financial statements for the operating results of the Company and its subsidiaries for the accounting year ended 31 December 2025, which have been reviewed by the Company's Audit Committee.

### DISTRIBUTABLE RESERVE

The distributable reserve as at 31 December 2025 calculated in accordance with the Company's Articles of Association is set out in Note 22 to the consolidated financial statements prepared under the IFRS accounting standards.

### CONTINGENT LIABILITIES

For information regarding the Group's contingent liabilities, please refer to Note 44 to the consolidated financial statements prepared under the IFRS accounting standards.

### DIVIDENDS

The Company has been paying dividends to shareholders since 1998, with a cumulative dividend payout amounting to RMB70.065 billion.

The Company's articles of association provided for its cash dividend policy, stating that the Company may pay cash dividends in any year when its earnings and accumulated undistributed profits are positive and its cash flows are sufficient for the normal conduct of business and sustainable development of the Company, provided that the profits to be distributed by the Company in cash shall, in principle, not be less than 50% of the distributable profits realized in that year as indicated in the consolidated financial statements.

In accordance with the requirements of relevant laws and regulations and the articles of association of the Company, the Company adheres to the profit distribution policy whereby the distributable profits shall be the lower of distributable profits as stated in the consolidated financial statements prepared under China Accounting Standards for Business Enterprises ("**PRC GAAP**") and the IFRS accounting standards.

The Company's dividend distribution proposal for 2025: a cash dividend of RMB0.40 (inclusive of tax) per share will be distributed to all shareholders. All dividends shall be paid subject to the approval of the shareholders at the annual general meeting. It is expected that the Company will pay the final dividend on or before 28 August 2026, after the distribution plan has been approved at the annual general meeting of the Company.

## TAXATION ON RECEIPT OF THE PROPOSED 2025 FINAL DIVIDEND

### Non-Resident Individual Shareholders

In accordance with the requirement under the Guo Shui Han [2011] No. 348 issued by the State Administration of Taxation of the People's Republic of China, the Company is obligated to withhold and pay individual income tax on dividends on behalf of the individual H Shareholders ("**Individual H Shareholders**"); and Individual H Shareholders are entitled to certain preferential tax treatments according to the tax treaty between the country in which the Individual H Shareholders reside and the PRC and the provisions in respect of the tax arrangements between Chinese mainland and Hong Kong (Macau). The Company shall withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders (who are Hong Kong residents, Macau residents or residents of those countries having treaties with the PRC for an individual income tax rate on dividends of 10%). For Individual H Shareholders who are residents of those countries having treaties with the PRC for an individual income tax rate on dividends of less than 10%, the Company shall withhold and pay individual income tax on behalf of the individual pursuant to the relevant requirements under the Circular of the State Administration of Taxation in relation to Issuing the Administrative Measures on Preferential Treatment Entitled by Non-resident Taxpayers under Tax Treaties (SAT Circular [2019] No.35) 《(國家稅務總局關於發佈<非居民納稅人享有協定待遇管理辦法>的公告》(國家稅務總局公告2019年第35號)) (the "Measures"). For individual H Shareholders who are residents of those countries having treaties with the PRC for an individual income tax rate on dividends of more than 10% but less than 20%, the Company shall withhold and pay individual income tax at the actual tax rate under the treaties. For Individual H Shareholders who are residents of those countries which have not entered into any tax treaties with the PRC or have entered into treaties with the PRC for an individual income tax rate on dividends of 20% or under other circumstances, the Company shall withhold and pay individual income tax at the tax rate of 20%.

### Non-resident Enterprise Shareholders

In accordance with the "Enterprise Income Tax Law of China" and its implementation regulations which came into effect on 1 January 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise shareholders whose names appear on the register of members for H share of the Company when distributing 2025 final dividend to them. For H shares of the Company registered other than in the name(s) of individual(s), including HKSCC Nominees Limited, other nominees, trustees, or other organisations or groups, shall be deemed to be shares held by non-resident enterprise shareholder(s). On the basis, enterprise income tax shall be withheld from dividends payable to such shareholder(s).

The Company shall comply with the relevant rules and regulations to withhold and pay enterprise income tax on behalf of the relevant shareholders with reference to the register of members of the Company as of the record date.

## REPORT OF THE BOARD OF DIRECTORS

### Profit Appropriation for Investors of Northbound Trading

For investors of The Stock Exchange of Hong Kong Limited (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 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 tax authorities for such 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 agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded. Those enterprises or individuals shall collect and retain the relevant materials for future reference according to the requirement of the Measures.

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

### Profit Appropriation for Investors of Southbound Trading

For investors of the Shanghai Stock Exchange and Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on Hong Kong Stock Exchange (the “**Southbound Trading**”), the Company has entered into the Agreement on Appropriation 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, China Securities Depository and Clearing Corporation Limited, as the nominee of the holders for Southbound Trading, will receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of Southbound Trading through its depository and clearing system. The cash dividends for the investors 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) (Caishui [2014] No. 81) and the Notice of the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (財政部、國家稅務總局、中國證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2016] No. 127) for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the companies 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 domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The companies of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

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

As the Company is yet to confirm the date for convening the 2025 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 2025 Annual General Meeting, as well as the entitlement to the final dividend, the Company will announce such details in the notice of the 2025 Annual General Meeting once confirmed. The notice is expected to be issued to shareholders in late April or May 2026.

## PRINCIPAL BUSINESS

The domestic power plants of the Company and its subsidiaries are widely distributed across 26 provinces, autonomous regions and municipalities. The Company also has a wholly-owned operating power company in Singapore and invested in a power generation company in Pakistan. The core business of the Company is to develop, construct and operate coal-fired and gas-fired power plants, new energy generation projects and supporting ports, shipping, incremental distribution grid and other facilities throughout China and abroad by making use of modern technology and equipment and financial resources available domestically and internationally to provide electricity, heat and integrated energy services to the community.

## SUBSIDIARIES AND ASSOCIATES

Please refer to Notes 9 and 8 to the consolidated financial statements prepared under the IFRS accounting standards for details of the Company's subsidiaries and associates.

## BONDS

During the year, the Company and its subsidiaries successfully issued bonds with a total principal amount of RMB54.4 billion in meeting its operational needs. Please refer to Notes 25 and 29 to the consolidated financial statements prepared under the IFRS accounting standards for details.

## BANK LOANS AND OTHER BORROWINGS

Please refer to Notes 24 and 30 to the consolidated financial statements prepared under the IFRS accounting standards for details of bank loans and other borrowings of the Company and its subsidiaries as at 31 December 2025.

## CAPITALIZED INTERESTS

Please refer to Note 6 to the consolidated financial statements prepared under the IFRS accounting standards for details of the capitalized interest of the Company and its subsidiaries as at 31 December 2025.

## PROPERTIES, PLANTS AND EQUIPMENT

Please refer to Note 7 to the consolidated financial statements prepared under the IFRS accounting standards for details of properties, plants and equipment of the Company and its subsidiaries as at 31 December 2025.

## RESERVES

Please refer to the consolidated statement of changes in equity on pages 123 to 124 of the consolidated financial statements prepared under the IFRS accounting standards for details of statutory reserves of the Company and its subsidiaries as at 31 December 2025.

## REPORT OF THE BOARD OF DIRECTORS

### PRE-EMPTIVE RIGHTS

According to the articles of association of the Company and the laws of the PRC, there are no provisions for pre-emptive rights requiring the Company to offer new shares to the existing shareholders of the Company in proportion to their shareholdings.

### LARGEST SUPPLIERS AND CUSTOMERS

The five largest suppliers of the Company and its subsidiaries for 2025 were China Huaneng Group Co., Ltd., China National Petroleum Corporation, Power Construction Corporation of China, Huayang New Material Technology Group Co., Ltd., and China Energy Engineering Group Co., Ltd. respectively. The total purchase from them amounted to approximately RMB89.548 billion, representing approximately 48.69% of the total purchase of the year. The largest supplier was China Huaneng Group Co., Ltd., the purchase from which amounted to RMB63.314 billion, representing approximately 34.42% of the total purchase of the year.

As a domestic power producer, the Company sells the electricity generated by its power plants mainly through regional grid companies. The five largest customers of the Company and its subsidiaries for 2025 were State Grid Shandong Electric Power Company, State Grid Jiangsu Electric Power Co., Ltd., State Grid Zhejiang Electric Power Co., Ltd., State Grid Jiangxi Electric Power Co., Ltd. and Guangdong Power Grid Corporation. The total amount of sales of power to those five largest customers was approximately RMB87.464 billion, representing approximately 38.15% of the total sales of power for the year. The largest customer was State Grid Shandong Electric Power Company, and the amount of sale to it was RMB30.906 billion, representing approximately 13.48% of the total sales of power for the year.

Save as disclosed above, none of the directors and their respective close associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or any shareholders who, to the best knowledge of the Board, hold 5% or more of the Company's issued share capital (excluding treasury shares), had any interest in the above five largest suppliers or customers during 2025.

## CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS

The following are the continuing connected transactions and connected transactions of the Company in 2025 disclosed under the requirements of the Hong Kong Listing Rules:

### 1. Continuing Connected Transactions with Huaneng Group, Huaneng Finance and Tiancheng Leasing

The major continuing connected transactions of the Company are those transactions conducted between the Company and its subsidiaries and certain subsidiaries and/or associates of Huaneng Group. Huaneng Group holds a 75% direct interest and a 25% indirect interest in HIPDC. HIPDC, as the immediate controlling shareholder of the Company, holds 32.28% equity interest of the Company. In addition, Huaneng Group holds a 9.91% direct equity interest in the Company, a 3.01% indirect equity interest in the Company through its wholly-owned subsidiary, China Hua Neng Group Hong Kong Limited ("Huaneng HK"), a 0.84% indirect equity interest in the Company through China Huaneng Group Treasury Management (Hong Kong) Limited ("Huaneng Treasury"), an indirect wholly-owned subsidiary of Huaneng Group, a 0.20% indirect interest in the Company through its concerted party, Huaneng Structural Adjustment No.1 Securities Investment Private Fund. Huaneng Group and the Company hold approximately 52% and 20% equity interests respectively in Huaneng Finance. Huaneng Tiancheng Financial Leasing Co., Ltd. ("Tiancheng Leasing") is a majority-owned subsidiary of Huaneng Group which in aggregate

holds a 80% equity interest, whilst the remaining 20% equity interest is held by the Company. Therefore, Huaneng Group, Huaneng Finance and Tiancheng Leasing are connected persons of the Company and transactions between the Company and the subsidiaries and/or associates of Huaneng Group constitute connected transactions of the Company under the Hong Kong Listing Rules. The purposes of the Company to enter into such continuing connected transactions with those connected persons were to meet the operational needs of the Company and to get the most favourable terms and conditions from the market from the Company's perspective. The relevant information regarding the continuing connected transactions are summarized as follows:

- (i) Huaneng Group Framework Agreement was entered into between the Company and Huaneng Group on 29 October 2024 for a term commencing on 1 January 2025 and expiring on 31 December 2025. Pursuant to the Huaneng Group Framework Agreement, the Company conducted the following transactions with Huaneng Group and its subsidiaries and associates on an ongoing basis:

## REPORT OF THE BOARD OF DIRECTORS

- Due to operational needs, the Company and its subsidiaries have to purchase ancillary equipment and products which include mainly the raw materials and ancillary equipment and other equipment and products relevant to the production operation for the infrastructure construction works for power plants. Pursuant to the Huaneng Group Framework Agreement, the terms and the prices with respect to the purchase of ancillary equipment and parts by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates are negotiated at arm's length terms, taking into account the type of equipment and the quantity of ancillary equipment and parts to be purchased under the Company's procurement policy. In any event at the terms and prices no less favorable than those offered to the Company and its subsidiaries by independent third parties for the same or similar type of ancillary equipment and parts. In addition, the payment of such purchases will be settled in cash upon delivery, or in accordance with the payment terms agreed by the relevant parties in the contracts to be entered into pursuant to such framework agreement.
- The Company's main fuel for power generation is coal. Pursuant to the Huaneng Group Framework Agreement, the Company and its subsidiaries will purchase fuel and coal transportation services from Huaneng Group and its subsidiaries and associates at prices and charges calculated by reference to RMB/ton and the actual weight of carriage, negotiated at arm's length terms taking into account the prevailing market conditions, and in any event the prices and the terms of the purchases of fuel and the transportation services shall be no less favourable than those offered by independent third parties to the Company and its subsidiaries for the same or similar type of fuel supply or transportation services.

The maximum amount of transactions expected to be incurred by the Company and its subsidiaries for the purchase of fuel and transportation capacity from Huaneng Group and its subsidiaries and associates under the Huaneng Group Framework Agreement in 2025 is RMB75 billion. For the year ended 31 December 2025, the actual transaction amount was RMB51.552 billion.

For the year ended 31 December 2025, the estimated transaction amount arising from the procurement of ancillary equipment and parts by the Company and subsidiaries from Huaneng Group and its subsidiaries and associates pursuant to the Huaneng Group Framework Agreement is not expected to exceed RMB2.1 billion. For the year ended 31 December 2025, the actual transaction amount was RMB1.193 billion.

- For operational needs, the Company and its subsidiaries have to lease facilities, land and office spaces (mainly including power transmission and transformation assets, vessels, land and office spaces for power plants, etc.) from Huaneng Group and its subsidiaries and associates. Pursuant to the Huaneng Group Framework Agreement, the terms and the prices with respect to the leasing of facilities, land and office spaces to the Company and its subsidiaries by Huaneng Group and its subsidiaries and associates are negotiated at arm's length terms, taking into account the then prevailing market conditions; but in any event at the leasing

terms and prices no less favourable than those offered to the Company and its subsidiaries by independent third parties for the same or similar types of leased facilities, land and office spaces. In addition, the payment will be settled in cash, or in accordance with the payment terms agreed by the relevant parties in the contracts to be entered into in future pursuant to the framework agreement.

Pursuant to the Huaneng Group Framework Agreement, the transaction amount with respect to the leasing of facilities, land and office spaces by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates in 2025 is estimated not to exceed RMB300 million. For the year ended 31 December 2025, the actual transaction amount was RMB214 million.

- Accepting the technical services, engineering contracting services and other services between the Company and its subsidiaries and Huaneng Group and its subsidiaries and associates mainly includes the provision of fuel management service relevant to power plants maintenance services for power plants' monitoring systems, real-time consolidation of project data, trial run of generating units, supervision of manufacture of facilities, contracting of construction works in progress and insurance services by Huaneng Group and its subsidiaries and associates to the Company and its subsidiaries.

Pursuant to the Huaneng Group Framework Agreement, the terms and the prices of transactions with respect to accepting technical services, engineering contracting services and other services by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates are negotiated at arm's length terms based on prevailing market conditions,

taking into account the types of energy transactions, technical specifications and project-related raw materials required for each contract under the Company's procurement rules. In any event at the terms and prices no less favourable than those offered to the Company and its subsidiaries by independent third parties for the same or similar types of technical services, engineering contracting services and other services. In addition, the payment of consideration will be settled in cash upon completion of services, or in accordance with the payment terms agreed by the relevant parties in the contracts to be entered into pursuant to the framework agreement.

Pursuant to the Huaneng Group Framework Agreement the transaction amount with respect to accepting the technical services, engineering contracting services and other services by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates in 2025 is estimated not to exceed RMB5.5 billion. For the year ended 31 December 2025, the actual transaction amount was RMB2.246 billion.

- The provision of entrusted sale of electricity and related services from Huaneng Group and its subsidiaries and associates to the Company and its subsidiaries involves mainly Huaneng Group and its subsidiaries and associates using the power generation quota of the Company and its subsidiaries for substituted power generation. Pursuant to the Huaneng Group Framework Agreement, the terms and prices with respect to the provision of aforesaid entrusted sale and related services from Huaneng Group and its subsidiaries and associates to the Company and its subsidiaries are to be negotiated at arm's length terms, taking into account the then prevailing market conditions, but

## REPORT OF THE BOARD OF DIRECTORS

in any event at the terms and prices no less favourable than those offered to the Company and its subsidiaries by an independent third party for the same or similar type of services.

Pursuant to the Huaneng Group Framework Agreement, the cap of transaction amount with respect to such entrusted sale and related services between the Company and its subsidiaries and Huaneng Group and its subsidiaries and associates for 2025 is estimated to be RMB100 million. For the year ended 31 December 2025, the actual transaction amount was nil.

- The acceptance of the provision of entrusted sale and related services from Huaneng Group and its subsidiaries and associates by the Company and its subsidiaries involves mainly the use of the power generation quota of Huaneng Group and its subsidiaries and associates for substituted power generation. In addition, the Company and its subsidiaries may purchase electricity from Huaneng Group and its subsidiaries and associates, or accept the entrustment of Huaneng Group and its subsidiaries and associates to sell electricity to market users on their behalf, for which the Company and its subsidiaries will receive corresponding service fees. Pursuant to the Huaneng Group Framework Agreement, the terms and prices with respect to the provision of aforesaid entrusted sale and related services from Huaneng Group and its subsidiaries and associates to the Company and its subsidiaries are to be negotiated at arm's length terms, taking into account the then prevailing market conditions, but in any event at the terms and prices no less favourable than those offered by the Company and its subsidiaries to an independent third party for the same or similar type of services.

Pursuant to the Huaneng Group Framework Agreement, the cap of transaction

amount with respect to the acceptance of the entrustment of the sale and related services between the Company and its subsidiaries and Huaneng Group and its subsidiaries and associates for 2025 is estimated to be RMB100 million. For the year ended 31 December 2025, the actual transaction amount was nil.

- To be more cost-efficient in management, the Company's subsidiary(ies) will sell products and related services (mainly coal, provision of transportation capacity and port services and other services) to Huaneng Group and its subsidiaries and associates. The prices and charges of coal will be calculated by reference to RMB/ton and the actual weight of carriage, with arm's length terms taking into account the then market conditions, and in any event the terms of the purchases of coal and other related products shall be no less favourable than those offered to independent third parties by the Company for the same or similar type of coal supply and other related products.

Pursuant to the Huaneng Group Framework Agreement, the cap of transaction amount with respect to the sale of products and related services between the Company and Huaneng Group and its subsidiaries and associates for 2025 is estimated to be RMB 0.8 billion. For the year ended 31 December 2025, the actual transaction amount was RMB 789 million.

- The purchase of thermal products and related services by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates includes the purchase of industrial steam, hot water and other thermal products produced by power plants and heating enterprises, and the entrustment to Huaneng Group and its subsidiaries and associates to sell industrial steam, hot water and other thermal products, and pay the corresponding service fees to

counterparties. Pursuant to the Huaneng Group Framework Agreement, the cap of transaction amount with respect to the purchase of thermal products and related services by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates in 2025 is estimated to be RMB200 million. For the year ended 31 December 2025, the actual transaction amount was RMB134 million.

- The Company and its subsidiaries sell thermal products and related services to Huaneng Group and its subsidiaries and associates, which mainly include the sales of industrial steam, hot water and other thermal products by the Company's power plants and heating enterprises, and the acceptance of the entrustment by Huaneng Group and its subsidiaries and associates to sell industrial steam, hot water and other thermal products on their behalf, and charge counterparties for the service fees.

Pursuant to the Huaneng Group Framework Agreement, the cap of transaction amount with respect to the sale of thermal products and related services by the Company and its subsidiaries to Huaneng Group and its subsidiaries and associates in 2025 is estimated to be RMB200 million. For the year ended 31 December 2025, the actual transaction amount was RMB80 million.

- The purchase of carbon emission reduction resources and related services by the Company and its subsidiaries includes carbon allowances, China Certified Emission Reduction (CCER), Green Certificates and other products, as well as carbon emission reduction related services from Huaneng Group and its subsidiaries and associates.

Pursuant to the Huaneng Group Framework Agreement, the cap of transaction amount with respect to the purchase of

carbon emission reduction resources and related services by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates in 2025 is estimated to be RMB1.3 billion. For the year ended 31 December 2025, the actual transaction amount was RMB30 million.

- The sale of carbon emission reduction resources and related services by the Company and its subsidiaries includes the sale of carbon allowances, China Certified Emission Reduction (CCER), Green Certificates and other products, as well as carbon emission reduction related services to Huaneng Group and its subsidiaries and associates.

Pursuant to the Huaneng Group Framework Agreement, the cap of transaction amount with respect to the sale of carbon emission reduction resources and related services by the Company and its subsidiaries to Huaneng Group and its subsidiaries and associates in 2025 is estimated to be RMB1.3 billion. For the year ended 31 December 2025, the actual transaction amount was RMB164 million.

- Pursuant to the Huaneng Group Framework Agreement, Huaneng Group and its subsidiaries and associates will provide factoring services to the Company and its subsidiaries. The financing costs for the factoring services will be appropriately floated based on the Loan Prime Rate (LPR) for the same period, shall not exceed the financing costs determined by independent third-party factoring companies for providing the same type of services to the Group, and will be determined in accordance with ordinary commercial terms. Specific fee rates shall be separately agreed upon in specific agreements to be entered into by both parties based on the above principles.

## REPORT OF THE BOARD OF DIRECTORS

Under the framework agreement with China Huaneng Group, for the year 2025, the estimated maximum daily balance of receiving factoring services for transactions involving the provision of factoring services by Huaneng Group and its subsidiaries and connected persons to the Company and its subsidiaries is RMB 4 billion or its equivalent in other currencies. For the year ended 31 December 2025, the actual amount of such transactions was RMB 73 million.

- Pursuant to the Huaneng Group Framework Agreement · (i) Borrowing of Trust Loans refers to the direct borrowing of trust loans by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates without the involvement of any agent bank as an intermediary (“Borrowing of Trust Loans”), and (ii) Acceptance of Loans refers to the borrowing of loans by the Company and its subsidiaries from Huaneng Group and its subsidiaries and associates with a trustee or agent bank acting as an intermediary (“Acceptance of Loans”). Given that the trust loans and loans are obtained by the Company and its subsidiaries from or through Huaneng Group and its subsidiaries and associates on normal commercial terms which are comparable to or more favourable than those available from independent third parties for similar services in the PRC and that no security is granted over the assets of the Company and its subsidiaries in respect of such services.

Pursuant to the Huaneng Group Framework Agreement, the cap of the amount of interest arising from the transactions (i.e. interest arising from borrowing of the relevant trust loans) of the trust loans borrowed for 2025 is expected to be RMB800 million and the transaction amount (i.e. the amount of the loans accepted) of the loans received for 2025 is expected to be RMB16 billion or its equivalent in foreign currency (maximum daily balance of the loan). For the year ended 31 December 2025, the actual interest incurred on the trust loans borrowed was RMB464 million and the actual maximum daily loan balance incurred on the loans received was RMB1.045 billion.

- (ii) On 29 October 2024, the Company entered into the Huaneng Finance Framework Agreement (“**Huaneng Finance Framework Agreement**”) with Huaneng Finance, with a term from 1 January 2025 to 31 December 2027. Pursuant to the Huaneng Finance Framework Agreement, Huaneng Finance will provide the Company and its subsidiaries with (1) deposit services; (2) credit services and bill discounting services; and (3) other financial services (“**Other Financial Services**”).

Under the Huaneng Finance Framework Agreement, the Company will from time to time place deposits with Huaneng Finance at interest rates that are not less favorable than those available from independent third parties such as Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, and Bank of Communications for deposits of a similar tenor and type in China. The commercial terms of any implementation agreements to be entered into between Huaneng Finance and the Company shall be determined

through fair negotiation taking into account prevailing market conditions and shall be no less favorable than the terms offered to the Company by independent domestic third parties for the provision of similar services.

Pursuant to the Huaneng Finance Framework Agreement, the daily balance of the Company's deposits placed with Huaneng Finance during the period from 1 January 2025 to 31 December 2027 shall not exceed RMB 22 billion (or its equivalent in foreign currency). For the year ended 31 December 2025, the maximum daily deposit amount placed by the Company with Huaneng Finance was RMB21,999.6 million.

Under the Huaneng Finance Framework Agreement, the Company and its subsidiaries will also utilize the bill discounting and credit services (including loans, bill acceptance, and other credit business) provided by Huaneng Finance. The interest rates for loans and bill discounting provided by Huaneng Finance to the Company and its subsidiaries shall be based on the Loan Prime Rate (LPR) published by the National Interbank Funding Center of the People's Bank of China. Under comparable conditions, such rates shall not exceed the interest rates for loans or bill discounting of a similar tenor and type offered during the same period by the five major state-owned commercial banks, namely Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, and Bank of Communications. In respect of the credit services provided by Huaneng Finance, neither the Company nor its subsidiaries are required to provide any collateral for the loans.

According to the Huaneng Finance Framework Agreement, for the years 2025, 2026, and 2027, the aggregate ceiling for the Company's total bill discounting amount is RMB 4 billion, and the maximum daily balance for credit services is RMB 33 billion (or its equivalent in foreign currency). For the year ended 31 December 2025, the actual total bill discounting amount was RMB0.142 billion, and the actual maximum daily balance for credit services was RMB24.134 billion.

The Company and its subsidiaries will, as and when deemed necessary, from time to time utilize Other Financial Services provided by Huaneng Finance on a non-exclusive basis and pay service fees for such services, including: (a) bill acceptance services; (b) arranging entrusted loans for the Group in the capacity of a financial agent. Huaneng Finance will not require the Group to provide any form of guarantee or collateral for entrusted loan services; and (c) other financial services approved by the National Financial Regulatory Administration.

Huaneng Finance shall charge service fees for the bill acceptance, entrusted loan services, and other financial services approved by the National Financial Regulatory Administration that it provides from time to time to the Company and its subsidiaries, which shall not exceed the fee standards charged by the five major state-owned commercial banks, including Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, and Bank of Communications, for the same type of services during the same period.

## REPORT OF THE BOARD OF DIRECTORS

Pursuant to the Huaneng Finance Framework Agreement, for the three financial years ending 31 December 2027, the annual service fees charged by Huaneng Finance for the bill acceptance, entrusted loan services, and other financial services approved by the National Financial Regulatory Administration that it provides from time to time to the Company and its subsidiaries shall not exceed RMB 30 million. For the year ended 31 December 2025, the actual amount of service fees was RMB22.9964 million.

- (iii) On 25 October 2022, the Company entered into the Tiancheng Leasing Framework Agreement (“**Tiancheng Leasing Framework Agreement**”) with Tiancheng Leasing to regulate the ongoing connected transactions between the Company and Tiancheng Leasing from 2023 to 2025. The Tiancheng Leasing Framework Agreement is valid from 1 January 2023 to 31 December 2025.

Under the Tiancheng Leasing Framework Agreement, Tiancheng Leasing primarily provides the Company and its subsidiaries with financial leasing services, including direct leasing and sale-and-leaseback. The total rental amount shall be determined based on the total purchase price of the relevant equipment and the interest agreed upon by both parties. The lease interest rate shall be determined with reference to market conditions, using the term loan benchmark interest rate published by the People's Bank of China from time to time as the base rate, and shall be adjusted in accordance with changes in the base rate and determined through fair negotiation between the parties. Such rates shall be no less favorable than the terms offered to the Company by independent domestic third parties for the provision of similar services. A service fee (if any) refers to the fee that Tiancheng Leasing may charge the Company and its subsidiaries upon the execution of a financial leasing agreement under the Tiancheng Leasing Framework Agreement. Its

terms shall be no less favorable than those offered by independent third parties to the Company and its subsidiaries, and the fee rate shall be set with reference to the rates charged by other major domestic financial institutions for financial leasing of the same or similar asset types, or with reference to the applicable rates for such services published by the People's Bank of China from time to time (if any), and shall be specified in the relevant written agreements. The interest rate for lease interest shall be determined at the commencement of each financial leasing agreement entered into under the Tiancheng Leasing Framework Agreement. If the People's Bank of China adjusts the RMB term loan benchmark annual interest rate during the term of a relevant financial leasing agreement, the lease interest rate shall be adjusted accordingly. Transaction amounts shall be settled at the end of each quarter or fiscal year, or at other intervals agreed upon by both parties.

Under the Tiancheng Leasing Framework Agreement, the estimated lease principal (the maximum daily financial leasing principal balance for each year) for transactions between the Company and its subsidiaries and Tiancheng Leasing from 2023 to 2025 is RMB 10 billion per year, and the upper limit for lease interest (including interest expenses and service fees) is RMB 490 million per year. For the purposes of the Hong Kong Listing Rules, direct leasing involves an "acquisition", while sale-and-leaseback constitutes a "disposal". The transaction value for the direct leasing category under the Tiancheng Leasing Framework Agreement to be conducted between the Company and its subsidiaries and Tiancheng Leasing from 2023 to 2025 is set at RMB 8 billion per year. The transaction value for the sale-and-leaseback category under the Tiancheng Leasing Framework Agreement to be conducted between the Company and its subsidiaries and Tiancheng Leasing from 2023 to 2025 is set at RMB 2 billion per year.

For the year ended 31 December 2025, the actual maximum daily lease principal amount for direct leasing between the Company and its subsidiaries and Tiancheng Leasing was RMB1.185 billion, and the actual amount of lease interest was RMB0.032 billion. The actual maximum daily balance for direct leasing between the Company and its subsidiaries and Tiancheng Leasing was RMB 715 million, and the lease interest for sale-and-leaseback was RMB 10 million.

## 2. Continuing Connected Transactions Under the Letter of Support

- (i) The Group securitised certain of its infrastructure assets (that is, Laiwu Project, an electricity power plant located in Laiwu, Shandong Province, the PRC) by way of participating in the issuance of the asset-backed securities (“**ABS**”) on the Shanghai Stock Exchange, the expected maturity of the ABS is 23 years, the size of which is expected to be approximately RMB7,694 million. The following material steps (in chronological order) shall be effected under the ABS scheme: a partnership shall be established in the PRC by: Shandong Silk Road International Electricity Co., Ltd. (“**Silk Road International**”), Huadian Jintai (Beijing) Investment Fund Management Co., Ltd. (“**Huadian Jintai**”) and Huaneng Shandong Power Generation Co., Ltd. (“**Shandong Company**”, together with Silk Road International and Huadian Jintai, collectively referred to as “**Partners**”); the ABS shall be issued on the Shanghai Stock Exchange for subscription by eligible investors. Upon the ABS issuance, Huadian Jintai shall transfer the entirety of its interest in the Partnership to the ABS, and the entirety of the proceeds of the ABS issuance shall be used as capital contribution to the Partnership. Silk Road International and Shandong Company shall also make full paid-up capital contributions to

the Partnership; (iii) after all Partners have duly made capital contributions to the partnership, the partnership shall acquire from Shandong Company the equity interest in Huaneng Laiwu Power Generation Co., Ltd. (“**Laiwu Project Company**”) held by it and (iv) after acquiring interest in Laiwu Project Company, the partnership shall extend the laiwu shareholder loan to Laiwu Project Company, which shall replace Laiwu Project Company’s existing indebtedness and shall replenish its working capital. To secure the repayment of the laiwu shareholder loan, Laiwu Project Company shall pledge, all operating revenue from Laiwu Project in favour of the partnership. In addition: (i) Shandong Company, the designated operation support institution for Laiwu Project Company under the ABS scheme, shall provide the operation support and bear the cash interchange obligation; and (ii) the Company shall execute the Letter of Support in favour of Shandong Company, pursuant to which the Company shall provide the liquidity support to Shandong Company to cover the operation support and cash interchange obligation in the event where Shandong Company fails to do so.

Accordingly, on 10 October 2023, the Company issued a letter of support to Shandong Company, pursuant to which, the Company agrees to provide liquidity support in favour of Shandong Company in respect of Shandong Company’s obligation: to provide the operation support and the performance support; and (ii) to perform the cash interchange obligation, in the event where Shandong Company fails to do so. The proposed term shall be 23 years from 2023, that is, the term of the liquidity support provided by the Company shall expire in 2046. The proposed annual cap shall be RMB9,529 million each year (from 2023 until 2046, being the expiry year of the term of the Letter of Support), which is the sum of the estimated amount of RMB5,916 million for the performance support; and the estimated amount of RMB3,613 million for the cash interchange obligation support.

## REPORT OF THE BOARD OF DIRECTORS

As disclosed above, Huaneng Group is the controlling shareholder of the Company. Shandong Company is held as to 20% by Huaneng Group. Hence, Shandong Company is an associate of Huaneng Group and a connected person of the Company pursuant to the Hong Kong Listing Rules. Therefore, the transactions contemplated under the Letter of Support constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

By participating in the ABS, the Company will be able to effectively revitalise its infrastructure assets, enhance its operation and management, and promote the transformation and development of business and operation of the Group. Further, the ABS represents an alternative financing method for the Company, which will diversify the fundraising methods and platforms of the Group and reduce its reliance on traditional debt and equity financing channels.

It will also enhance the Company's rolling investment capability and sustainable operation, which will be beneficial to the Group's long-term performance. The Company's participation in the ABS will bring in funding, improve the Company's balance sheet and enhance its investment capacity. The Liquidity Support is conducive for the ABS to obtain the recognition of eligible investors as well as to reduce the cost of issuance.

Please refer to the Company's announcement dated 10 October 2023 for further details on the major terms of the issuance of the ABS, the Letter of Support and the transaction contemplated thereunder.

- (ii) On 18 July 2024, the Company executed the Letter of Support in favour of Shandong Company, pursuant to which the Company shall provide the Liquidity Support to Shandong Company to cover the Operation Support and Cash Interchange Obligation in the event where Shandong Company fails to do so, including (i) to provide the Operation Support and the Performance Support under the Operation Support Agreement; and (ii) to perform the Cash Interchange Obligation under the Partnership Agreement, in the event where Shandong Company fails to do so. The proposed term shall be 25 years from 2024, that is, the term of the Liquidity Support provided by the Company shall expire in 2049. The proposed annual cap for the liquidity support shall be RMB4,666 million each year (from 2024 until 2049), comprising an estimated amount of RMB3,309 million for the Performance Support and an estimated amount of RMB1,357 million for the Cash Interchange Obligation.

The Group securitised certain of its infrastructure assets (that is, Yantai Project, an electricity power plant located in Yantai, Shandong Province, the PRC) by way of participating in the issuance of the ABS on the Shanghai Stock Exchange, the maturity period of the ABS is expected to be 25 years, the size of which is expected to be approximately RMB3,796 million. Under the ABS

scheme, it is contemplated that the following material steps (in chronological order) shall be effected: (i) a partnership shall be established in the PRC by: Shandong Silk Road International Electricity Co., Ltd. ("**Silk Road International**"), China Kangfu International Leasing Co., Ltd. ("**Kangfu Leasing**") and Huaneng Shandong Power Generation Co., Ltd. together with Silk Road International and Kangfu Leasing, collectively referred to as "**Partners**"; (ii) The ABS shall be issued on the Shanghai Stock Exchange for subscription by eligible investors. Upon the ABS issuance, Kangfu Leasing, Silk Road International and Shandong Company shall make capital contributions to the Partnership; after all partners have duly made full paid-up capital contributions to the Partnership, the Partnership shall acquire from Shandong Company 99.99% equity interest in Huaneng Yantai Bajiao Thermal Power Limited Company ("**Yantai Project Company**") held by it; and (iv) after acquiring interest in Yantai Project Company, the Partnership shall extend the Yantai Shareholder Loan to Yantai Project Company, which shall replace Yantai Project Company's existing indebtedness. To secure the repayment of the Yantai Shareholder Loan, Yantai Project Company shall pledge, among others, all operating revenue from Yantai Project in favour of the Partnership. In addition: (i) Shandong Company, the designated operation support institution for Yantai Project Company under the ABS scheme, shall provide the Operation Support and bear the Cash Interchange Obligation; and (ii) the Company shall execute the Letter of Support in favour of Shandong Company, pursuant to which the Company shall provide the Liquidity Support to Shandong Company to cover the Operation Support and Cash Interchange Obligation in the event where Shandong Company fails to do so.

As disclosed above, Huaneng Group is the ultimate controlling shareholder of the Company. Shandong Company is held as to 20% by Huaneng Group. Hence, Shandong Company is a connected subsidiary and a connected person of the Company pursuant to the Hong Kong Listing Rules. Therefore, the transactions contemplated under the Letter of Support constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

By participating in the ABS, the Company will be able to effectively revitalise its infrastructure assets, enhance its operation and management, and promote the transformation and development of business and operation of the Group. Further, the ABS represents an alternative financing method for the Company, which will diversify the fundraising methods and platforms of the Group and reduce its reliance on traditional debt financing channels. It will also enhance the Company's rolling investment capability and sustainable operation, which will be beneficial to the Group's long-term performance. The Company's participation in the ABS will bring in funding, improve the Company's balance sheet and enhance its investment capacity. The Liquidity Support is conducive for the ABS to obtain the recognition of eligible investors as well as to reduce the cost of issuance.

Please refer to the Company's announcement dated 18 July 2024 for further details on the major terms of the issuance of the ABS, the Letter of Support and the transaction contemplated thereunder.

## REPORT OF THE BOARD OF DIRECTORS

### 3. Provision of renewable entrusted loans to connected subsidiaries

On 2 November 2022, the Company signed a framework agreement with Shandong Company and Huaneng Chaohu Power Generation Co., Ltd. (“**Chaohu Power**”) respectively, stipulating that the Company will provide a renewable entrusted loan of not more than RMB12 billion to Shandong Company, and a renewable entrusted loan of not more than RMB1.2 billion to Chaohu Power. The aforesaid loans have no fixed term, the specific terms of which are subject to the renewable entrusted loan agreements to be actually signed. The extended loan term is one year as a cycle, and the initial loan term shall start from the date of advancement. The purpose of the loan is to guarantee the supply of thermal power enterprises. The loan interest rate under the agreement is determined by the Company, and the fixed interest rate is adopted. The annual interest rate is the total amount of upstream fundraising costs and related taxes, etc., and the actual signed renewable entrusted loan interest rate shall prevail. As disclosed above, Shandong Company is a connected subsidiary of the Company. Chaohu Power is a controlled subsidiary of the Company, in which the Company holds 60% equity interest, Huaneng Group’s wholly-owned subsidiary holds 10% of the equity interest, and Huaihe Energy Power Group Co., Ltd. holds the remaining 30% equity interest. Chaohu Power is a connected subsidiary of the Company. Hence, the provision of renewable entrusted loans to Shandong Company and Chaohu Power constituted continuing connected transactions for the Company.

For the year ended 31 December 2025, the amount of renewable entrusted loans provided by the Company to Shandong Company amounted to RMB11.750 billion and the amount of entrusted loans provided by the Company to Chaohu Power amounted to RMB1 billion.

### 4. Continuing Connected Transactions with Temasek and its subsidiaries and associates

Upon the completion of the acquisition of SinoSing Power Pte. Ltd. by the Company, TPGS Green Energy Pte. Ltd. became an indirect non-wholly owned subsidiary of the Company, of which 75% is owned by Tuas Power Ltd., an indirect wholly-owned subsidiary of the Company, and the remaining 25% is owned by Gas Supply Pte. Ltd., which is a wholly-owned subsidiary of Temasek Holdings (Private) Limited (“Temasek”). Temasek therefore became a substantial shareholder of a subsidiary of the Company and a connected person of the Company, and the ongoing transactions between certain subsidiaries of the Company and the associates of Temasek (“Continuing Connected Transactions with Associates of Temasek”) became continuing connected transactions of the Company under the Hong Kong Listing Rules.

The Company considers that Temasek meets the criteria for a passive investor under Rule 14A.100 of the Hong Kong Listing Rules. As such, any connected transactions or continuing connected transactions of a revenue nature in the ordinary and usual course of our business and on normal commercial terms with an associate of Temasek, pursuant to Rule 14A.99 of the Hong Kong Listing Rules, will be exempt from reporting, annual review, announcement and independent shareholders’ approval requirement under the Hong Kong Listing Rules. This exemption will be applicable to, amongst other things, the types of Continuing Connected Transactions with Associates of Temasek.

If the exemption is no longer applicable in relation to the Continuing Connected Transactions with Associates of Temasek, the Company will comply with the applicable reporting, annual review, announcement and independent shareholders’ approval requirements.

TPGS Green Energy Pte. Ltd. was deregistered in early 2026.

Pursuant to the requirements of Rules 14A.55 and 14A.71 of the Hong Kong Listing Rules, the Company's Independent Non-executive Directors have confirmed that the aforementioned continuing connected transactions of the Company: (i) were entered into in the ordinary and usual course of business of the Company and/or its subsidiaries; (ii) were conducted on normal commercial terms or better; and (iii) have been entered into in accordance with the relevant agreements governing the transactions, the terms of which are fair and reasonable and in the overall interests of the shareholders of the Company. The Company confirms that the execution of the aforementioned continuing connected transactions during the Reporting Period has complied with the applicable pricing policies for such transactions.

Furthermore, the Company has engaged its external auditors to report on its continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants, with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules". Pursuant to Rule 14A.71 of the Hong Kong Listing Rules, the Board confirms that the Company's external auditors have issued a letter confirming the matters described in Rule 14A.56 of the Hong Kong Listing Rules, and the Company's external auditors have issued an unqualified letter regarding the findings and conclusions of their review of the continuing connected transactions described in items 1, 2 and 3 above.

Certain related party transactions disclosed in Note 36 to the consolidated financial statements prepared in accordance with IFRS also constitute continuing connected transactions as defined in

Chapter 14A of the Hong Kong Listing Rules. The Company's disclosure of the connected transactions has complied with the disclosure requirements of Chapter 14A of the Hong Kong Listing Rules.

## Business Competition with the Controlling Shareholder

The ultimate controlling shareholder of the Company, Huaneng Group and its subsidiaries, are also engaged in the power industry in China. To avoid business competition, Huaneng Group and the Company have already entrusted mutually to manage electric power assets in some regions.

To support the business development of the Company, Huaneng Group has committed to avoid business competition during its initial public offerings at domestic and abroad. On 17 September 2010, the Company received an undertaking from Huaneng Group regarding further avoidance of business competition. On the premises of continuing the undertaking previously provided, Huaneng Group further undertook that: (1) it should treat the Company as the only platform for integrating the conventional energy business of Huaneng Group; (2) with respect to the conventional energy business assets of Huaneng Group located in Shandong Province, Huaneng Group undertook that it would take approximately 5 years to improve the profitability of such assets and when the terms become appropriate, it would inject those assets into the Company. The Company had a right of first refusal to acquire from Huaneng Group the newly developed, acquired or invested projects which are engaged in the conventional energy business of Huaneng Group located in Shandong Province; (3) with respect to the non-listed conventional energy business assets of Huaneng Group located in other provincial administrative regions, Huaneng Group undertook that it would take approximately five years, and upon such assets meeting the conditions for listing, to inject such assets into the Company, with a view to supporting the Company's continuous and stable development; and (4) Huaneng Group would continue to perform each of its undertakings to support the development of its listed subsidiaries.

## REPORT OF THE BOARD OF DIRECTORS

On 28 June 2014, with a view to further clarify the scope of the relevant agreement and in line with the requirements under the “Regulatory Guidelines for Listed Companies No. 4 –Undertakings and Performance by Listed Companies and Listed Companies’ De Facto Controllers, Shareholders, Related Parties and Acquirers”, and taking into account the actual situation, Huaneng Group further enhanced the aforesaid non-compete undertaking as follows:

1. the Company would be the sole platform for integrating the conventional energy business of Huaneng Group;
2. with respect to the conventional energy business assets of Huaneng Group located in Shandong Province, Huaneng Group undertook that it would, by the end of 2016, inject into the Company such assets of which the profitability should have been improved and meet with the requirements for injecting into a listed company (such as those assets with clean titles, the injection of which should not reduce the earnings per share of Huaneng Power, of no material noncompliance issues, with positive effect on preservation of and value appreciation of state owned assets, and waiver of pre-emptive rights being obtained from other shareholders of the assets), in addition, the Company should have the right of first refusal to acquire from Huaneng Group the newly developed, acquired or invested projects as engaged in the conventional energy business of Huaneng Group located in Shandong Province;
3. with respect to the other non-listed conventional energy business assets of Huaneng Group located in other provincial administrative regions, Huaneng Group undertook that it would, by the end of 2016, inject into the Company such assets of which the profitability should have been improved and meet with the requirements for injecting into a listed company (such as those assets

with clear titles, the injection of which should not reduce the earnings per share of Huaneng Power, of no material non-compliance issues, with positive effect on preservation of and value appreciation of state owned assets, and waiver of pre-emptive rights being obtained from other shareholders of the assets), so as to support a sustainable and stable development of the Company;

4. Huaneng Group would continue to perform each of its aforesaid undertakings in order to support the development of its subordinated listed companies.

The undertakings in items (1) and (4) above are long-term commitments and are currently being performed. The undertakings in items (2) and (3) were time-limited and conditional commitments, which have already been fulfilled.

Currently, the Company has 18 Directors, 5 of whom hold positions in Huaneng Group. According to the articles of association of the Company, in case a conflict of interest arises, the relevant Directors shall abstain from voting on the relevant resolutions. Therefore, the Company operates independently of Huaneng Group and conducts its business in its own interests.

## PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

The Company and its subsidiaries did not sell, purchase or redeem any shares or other listed securities (including sale of treasury shares) of the Company in 2025. As of 31 December 2025 and during the reporting period, the Company did not hold any treasury shares.

## DIRECTORS OF THE COMPANY

The Directors who were in office during the year were as follows:

Name of Director	Position	Date of appointment
Wang Kui	Chairman, Executive Director	29 August 2023
Liu Ancang	Executive Director, President	23 September 2025
Du Daming	Non-executive Director	5 December 2023
Zhou Yi	Non-executive Director	5 December 2023
Li Lailong	Non-executive Director	5 December 2023
Li Jin	Non-executive Director	24 June 2025
Cao Xin	Non-executive Director	5 December 2023
Gao Guoqin	Non-executive Director	24 June 2025
Ding Xuchun	Non-executive Director	5 December 2023
Wang Jianfeng	Non-executive Director	5 December 2023
Kou Yaozhou	Non-executive Director	23 December 2025
Xia Qing	Independent non-executive Director	16 June 2020
He Qiang	Independent non-executive Director	5 December 2023
Zhang Liying	Independent non-executive Director	5 December 2023
Zhang Shouwen	Independent non-executive Director	5 December 2023
Dang Ying	Independent non-executive Director	5 December 2023
Zhang Xianchong	Independent non-executive Director	23 December 2025
Wang Yu	Employee Representative Director	26 January 2026

Name of Director Ceasing to Hold Office	Position	Date of appointment
Wang Zhijie	Vice Chairman, executive Director Executive Director, President,	5 December 2023
Huang Lixin	Chief Accountant	5 December 2023
Li Haifeng	Non-Executive Director	22 December 2020

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTOR

On 28 October 2025, the Company's Board considered and approved the Amended Management Guidelines Regarding the Holding of the Company's Shares by the Directors and Senior Management of Huaneng Power International, Inc. ("**Management Guidelines**") The standards set out in these guidelines are not less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**"), as set out in Appendix C3 to the Listing Rules. Enquiries have been made with all Directors and each has confirmed compliance with both the Management Guidelines and the Model Code throughout 2025.

## REPORT OF THE BOARD OF DIRECTORS

### DIRECTORS' AND CHIEF EXECUTIVES' RIGHT TO PURCHASE SHARES

For the year ended 31 December 2025, none of the Directors and Chief Executive of the Company or their respective associates had any interests in the shares of the Company or any associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) which are (a) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; (c) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

For the year ended 31 December 2025, none of the Directors, Chief Executive, senior management of the Company or their spouses and children under the age of 18 was given the right to acquire any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of the SFO). During and as at the end of the year 2025, neither the Company nor any of its subsidiaries was a party to any arrangement designed to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### Confirmation of Independence of Independent Non-executive Directors

Each of the independent non-executive Directors of the Company, namely Mr. Xia Qing, Mr. He Qiang, Ms. Zhang Liying, Mr. Zhang Shouwen, Ms. Dang Ying and Mr. Zhang Xianchong has signed a confirmation of independence as an independent non-executive Director for 2025 on 24 March 2026. The Company considers them to be independent.

### Remuneration of Directors and Supervisors

Details regarding the remuneration of the Directors and Supervisors of the Company are set out in Note 38 to the consolidated financial statements prepared

in accordance with International Financial Reporting Standards.

### Five Highest-paid Employees

Details regarding the emoluments of the five highest-paid employees of the Company are set out in Note 37 to the consolidated financial statements prepared in accordance with IFRS.

### Public Float

As at the latest practicable date prior to the publication of this report, the Company has maintained the prescribed public float under the 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.

### Structure of Share Capital

As at 31 December 2025, the total issued share capital of the Company amounted to 15,698,093,359 shares, of which 10,997,709,919 shares were domestic shares, representing 70.06% of the total issued share capital, and 4,700,383,440 shares were foreign shares, representing 29.94% of the total issued share capital. In respect of foreign shares, Huaneng Group through its wholly-owned subsidiaries, China Hua Neng Group Hong Kong Limited and China Huaneng Group Treasury Management (Hong Kong) Limited, held 472,000,000 and 131,596,000 shares, respectively, representing 3.01% and 0.84% of the total issued share capital of the Company. In respect of domestic shares, HIPDC held a total of 5,066,662,118 shares, representing 32.28% of the total issued share capital of the Company, while Huaneng Group held 1,555,124,549 shares, representing 9.91% of the total issued share capital of the Company, and through its concerted party, Huaneng Structural Adjustment No. 1 Securities Investment Private Fund held 31,994,199 shares, representing 0.20% of the total issued share capital of the Company. Other domestic shareholders held a total of 4,343,929,053 shares, representing 27.67% of the total issued share capital.

## Substantial Shareholders

The following table sets out the shareholdings of the top ten shareholders of the Company as at 31 December 2025:

Name of shareholder	Total Number of Shares Held at Year-end	Shareholding Percentage (%)
Huaneng International Power Development Corporation	5,066,662,118	32.28%
HKSCC Nominees Limited	4,203,745,830	26.78%
China Huaneng Group Co., Ltd.	1,555,124,549	9.91%
Hebei Construction & Investment Group Co., Ltd.	493,316,146	3.14%
China Hua Neng Group Hong Kong Limited	472,000,000	3.01%
China Securities Finance Corporation Limited	466,953,720	2.97%
Dalian State-owned Capital Management and Operation Co., Ltd.	265,500,000	1.69%
Jiangsu Guoxin Investment Group Limited	258,452,600	1.65%
Liaoning Energy Investment (Group) Limited	244,205,000	1.56%
Hong Kong Securities Clearing Limited	149,294,613	0.95%

## Substantial Interests and Short Positions in Shares and Underlying Shares of the Company

As of 31 December 2025, according to the register of interests required to be kept under Section 336 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), persons (excluding Directors and the chief executive) with interests or short positions in the shares or underlying shares of the share capital of the Company that would entitle them to exercise or control the exercise of 5% or more of the voting power at any general meeting of the Company are as follows:

Name of Shareholder	Class of Shares	Number of Shares Held	Capacity	Approx. % of Issued Share Capital	Approx. % of Domestic Shares	Approx. % of H Shares
Huaneng Int'l Power Dev. Corp. (Note 2)	Domestic	5,066,662,118 (L)	Beneficial Owner	32.28% (L)	46.07% (L)	-
China Huaneng Group Co., Ltd. (Note 3)	Domestic	1,555,124,549 (L)	Beneficial Owner	9.91% (L)	14.14% (L)	-
China Huaneng Group Co., Ltd. (Note 4)	H Shares	603,596,000 (L)	Beneficial Owner	3.85% (L)	-	12.84% (L)
Shanghai Ruijun Asset Management Co., Ltd.	H Shares	566,084,700 (L)	Investment Manager	3.61% (L)	-	12.04% (L)
BlackRock, Inc. (Note 5)	H Shares	369,385,225 (L)	Interest of Controlled Corporation Group	2.35% (L)	-	7.86% (L)
BlackRock, Inc. (Note 5)	H Shares	240,000 (S)	Interest of Controlled Corporation Group	0.0015% (S)	-	0.01% (S)
Pacific Asset Management Co., Ltd.	H Shares	283,313,241 (L)	Investment Manager	1.80% (L)	-	6.03% (L)

## REPORT OF THE BOARD OF DIRECTORS

### Notes:

- (1) "L" denotes long position, "S" denotes short position.
- (2) As of 31 December 2025, China Huaneng Group Co., Ltd. holds 75% direct interest and 25% indirect interest in Huaneng International Power Development Corporation.
- (3) In addition to 1,555,124,549 Domestic Shares, China Huaneng Group Co., Ltd., through its concert party, Tianjin Huaneng Investment Management Co., Ltd. – Huaneng Structural Adjustment No. 1 Fund, holds 31,994,199 Domestic Shares of the Company.
- (4) China Huaneng Group Co., Ltd. holds 472,000,000 H Shares through its wholly-owned subsidiary China Huaneng Group Hong Kong Limited and 131,596,000 H Shares through its indirectly wholly-owned subsidiary China Huaneng Group Hong Kong Treasury Management Limited.
- (5) As at 31 December 2025, BlackRock, Inc., through its indirectly wholly-owned subsidiary BlackRock Financial Management, Inc., held a short position of 240,000 shares in the Company, and through certain corporations directly or indirectly controlled by it, held in aggregate a long position of 369,385,225 shares in the Company. For details, please refer to the disclosure of interests notice filed by BlackRock, Inc. on the website of the Hong Kong Stock Exchange on 2 December 2025.

Save as disclosed above, as of 31 December 2025, there was no other person recorded in the register of interests required to be kept pursuant to Section 336 of the Securities and Futures Ordinance as having an interest or short position in the shares or underlying shares of the share capital of the Company.

### Directors' and Supervisors' Rights to Acquire Shares

The Company has adopted a code of conduct regarding securities transactions by directors which is not less exacting than the required standard set out in Appendix C3 to the Hong Kong Listing Rules. Having made specific enquiry of all Directors and Supervisors of the Company, all of them have confirmed compliance with the relevant code during the year 2025.

As of 31 December 2025, none of the Directors, the chief executive or Supervisors of the Company had any interests or short positions (including interests or short positions which are taken or deemed or treated as held or taken under the relevant provisions of the Securities and Futures Ordinance) in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance) that: (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance; or (b) were required, pursuant to Section 352 of the Securities and Futures Ordinance, to be recorded in the register kept by the Company; or (c) were required to be notified to the Company and Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix C3 to the Hong Kong Listing Rules.

### Interests of Directors in Contracts and Service Contracts

Save as disclosed in the section headed "Connected Transactions and Continuing Connected Transactions" in this report and the service contracts set out below, none of the Directors of the Company nor any of their connected entities had any material interest in any significant transactions, arrangements or contracts entered into by the Company as at the end of 2025.

No Director has entered into any service contract which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

Each Director of the Company have entered into a service contract with the Company for a term of three years, commencing from the signing of the contract.

## Management Contracts

Save for employment contracts, as at the end of 2025, the Group had not entered into, nor had in existence, any contracts for the management and administration of the whole or any substantial part of the Company's business.

## Remuneration Policy

The Company continuously improves its remuneration and distribution system and has formulated a series of remuneration management policies in alignment with its overall strategy. Employees' salaries are determined based on the principles of "position-based compensation, performance-based remuneration, efficiency first, and emphasis on fairness" and are linked to both the Company's business performance and individual achievements, creating a scientific and effective incentive and restraint mechanism. The remuneration of Directors and senior management receiving compensation from the Company primarily consists of the following components:

### (1) Salaries and allowances

The basic salary, primarily determined through a job position evaluation and factor analysis, with reference to the salary levels of comparable positions in the labor market, accounts for approximately 24% of the total remuneration.

For the year ended 31 December 2025, the remuneration of the members of the senior management of the Company, by band, is set out below:

Remuneration Band	Number of Persons
RMB2.01 million to 3.00 million	0
RMB1.01 million to 2.00 million	2
RMB0 to 1.00 million	3

### (2) Discretionary bonus

Discretionary bonuses, which are primarily determined based on the Company's operating results and the performance of Directors and senior management, account for approximately 59% of the total remuneration.

### (3) Payments on pension, etc.

Contributions to various pension schemes such as endowment insurance, corporate annuity and housing fund established by the Company for the Directors and senior management, account for about 17% of the total remuneration.

According to the resolution passed at a general meeting, the Company paid each independent non-executive Director a subsidy of RMB0.3 million (inclusive of tax) in 2025. Reasonable expenses, including travel and office expenses, incurred by the independent non-executive Directors in attending board meetings and general meetings and in performing their duties under the Company Law and the Company's Articles of Association, will be reimbursed by the Company. No other benefits are provided to the independent non-executive Directors.

## STAFF HOUSING

According to the relevant regulations of the State and local governments, the Company established a housing fund for the employees of the subsidiaries of the Company.

## REPORT OF THE BOARD OF DIRECTORS

### STAFF MEDICAL INSURANCE SCHEME

In accordance with the requirements set by the State and local governments, the Company and its subsidiaries have enrolled their employees in medical insurance schemes.

### RETIREMENT SCHEMES

The Company and its subsidiaries have implemented defined retirement contribution plans in accordance with relevant requirements of the State and local governments.

Pursuant to the defined retirement contribution plans, the Company and its subsidiaries have made contributions in line with the terms and obligations set out in the publicly administered retirement plans. The Company has no other obligations to pay further contributions after paying the prescribed contributions. Contributions payable during the year are recorded as expenses or capital expenditures, and are accounted for as labor cost.

During the financial year ended 31 December 2025, there were no forfeited contributions to the retirement schemes that the Company could utilise to reduce the contributions payable in future years. Accordingly, no forfeited contributions were utilised during the financial year and no forfeited contributions were available as at 31 December 2025 to reduce the level of future contributions to be made by the Company to the retirement plans.

### Interests of Controlling Shareholder in Material Contracts

Save as disclosed in the section "Connected Transactions and Continuing Connected Transactions" of this report and Note 36 to the consolidated financial statements, neither the Company nor any of its subsidiaries entered into any other material contracts with the Company's controlling shareholder or any of its subsidiaries during the year ended 31 December 2025. In addition, no other material contracts relating to the provision of services by the controlling shareholder

or its subsidiaries to the listed issuer or its subsidiaries were entered into during the year ended 31 December 2025.

### Share-linked Agreements

The Company did not enter into or have any share-linked agreements outstanding as of the end of the Reporting Period.

### General Meetings

During the reporting period, the Company convened one annual general meeting and two extraordinary general meetings.

1. The Company's 2024 annual general meeting was held on 24 June 2025. The resolutions passed at the meeting were published in China Securities Journal and Shanghai Securities News on 25 June 2025.
2. The Company's 2025 first extraordinary general meeting, the 2025 first A share class meeting and the 2025 first H share class meeting were held on 23 September 2025. The resolutions passed at these meetings were published in China Securities Journal and Shanghai Securities News on 24 September 2025.
3. The Company's 2025 second extraordinary general meeting was held on 23 December 2025. The resolutions passed at the meeting were published in China Securities Journal and Shanghai Securities News on 24 December 2025.

### Disclosure of Material Events

The Company actively leveraged its role as a listed company to broaden financing channels and explore diversified financing opportunities. On 30 June, the Company obtained approval from the regulatory authorities to publicly issue corporate bonds with an aggregate principal amount of not more than RMB40 billion to professional investors on the Shanghai Stock Exchange within 24 months. To date, the Company has successfully issued six tranches of technology innovation perpetual corporate bonds

with an aggregate amount of RMB12.5 billion and 1 tranche of technology innovation corporate bonds with an aggregate amount of RMB2.5 billion. This has not only enriched the Company's bond financing instruments but also marked the Company's entry into the "technology sector" of the bond market. The issuance costs reached the most favourable levels for the same period, further optimizing the Company's financing structure.

### Other Disclosures

The analysis of the Company's performance based on key financial indicators, a discussion of the principal risks and uncertainties faced by the Company are presented in the Management Discussion and Analysis section of this annual report; specific information on significant events affecting the Company during the year is presented in the MAJOR CORPORATE EVENTS IN 2025 section of this annual report. Furthermore, discussions regarding the Company's environmental policies and performance, relationships with key stakeholders, directors' indemnity provisions, and compliance with relevant regulations that have a significant impact on the Company are also included in the Management Discussion and Analysis, and Corporate Governance Report of this annual report. Such discussions form part of this Directors' Report.

### REQUIREMENTS UNDER THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE

In 2025, in accordance with the requirements under the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange, the Company has completed the preparation and disclosure of the 2025 Environmental, Social and Governance Report on schedule and to a high standard. The report was published simultaneously with the annual report on the Company's website and the Hong Kong Stock Exchange website.

The Company has completed the preparation and disclosure of ESG reports with high quality for ten consecutive years. The Company's ESG practices were selected for inclusion in the "Blue Book on Environmental, Social and Corporate Governance (ESG) of Listed Companies of Central Enterprises" issued by the State-owned Assets Supervision and Administration Commission of the State Council. The Company was also honoured with a number of awards by mainstream media including China Media Group and Banyue Tan Magazine, such as the "Top 100 Pioneer List of Central State-owned Enterprise ESG Listed Companies in China", the "Top 100 Pioneer List of ESG Listed Companies in China", and the "Outstanding ESG Achievements of Enterprises". In addition, the Company received recognitions from industry associations including the China Association for Public Companies and the China Hydropower Quality Management Association, such as the "Best Practice Case for Sustainable Development" and the "First-class Typical ESG Case", fully demonstrating the Company's leading role in ESG practices. The Company's 2025 Environmental, Social and Governance Report was also published on the Company's website and the Shanghai Stock Exchange website in April 2026.

### Corporate Governance Code

During the reporting period, the Company complied with all the code provisions contained in the second part of Appendix C1 to the Listing Rules. For details, please refer to the "Corporate Governance Report" section contained in this annual report.

### DESIGNATED DEPOSIT

As at 31 December 2025, the Company and its subsidiaries did not have any entrusted deposit placed with any financial institutions within the PRC nor did they any overdue time deposit which could not be recovered.

## REPORT OF THE BOARD OF DIRECTORS

### POVERTY ALLEVIATION EXPENDITURE

In 2025, the expenditure on targeted poverty alleviation in the PRC, in the name of the Company, totaled RMB16.171 million.

### LEGAL PROCEEDINGS

As at 31 December 2025, neither the Company nor its subsidiaries were involved in any material litigation or arbitration, nor were there any material litigation or claims pending, threatened, or made against them.

### CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES DURING THE REPORTING PERIOD

1. On 28 April 2025, Mr. Wang Zhijie, Vice Chairman of the Board, and Mr. Li Haifeng, a Director, submitted their resignation letters to the Board, resigning from their positions as Directors and from their roles on the relevant Board committees. At the 2024 annual general meeting of the Company held on 24 June 2025, Mr. Li Jin and Mr. Gao Guoqin were appointed as Directors of the Company and members of the relevant Board committees. For details, please refer to the Company's announcements dated 29 April 2025 and 25 June 2025. Mr. Li Jin and Mr. Gao Guoqin have obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 23 June 2025 and have confirmed that they understand their responsibilities as Directors of the Company.
2. On 10 July 2025, the 13th meeting of the eleventh session of the Board of the Company considered and unanimously approved the Resolution on the Appointment of the Chief Accountant of the Company, pursuant to which Mr. Wen Minggang was appointed as the Chief Accountant of the Company.
3. On 29 July 2025, Mr. Huang Lixin, a Director and the President, submitted his resignation letter to the Board, resigning from his positions as Director, President and from his roles on the relevant Board committees. At the 14th meeting of the eleventh session of the Board held on 29 July 2025, Mr. Liu Ancang was appointed as the President of the Company. At the first extraordinary general meeting of the Company held on 23 September 2025, Mr. Liu Ancang was appointed as a Director of the Company and a member of the relevant Board committees. For details, please refer to the Company's announcements dated 30 July 2025 and 24 September 2025. Mr. Liu Ancang has obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 19 September 2025 and has confirmed that he understand their responsibilities as Directors of the Company.
4. On 28 October 2025, the 15th meeting of the eleventh session of the Board of the Company considered and unanimously approved the Resolution on the Appointment of the General Counsel and Chief Compliance Officer of the Company, pursuant to which Mr. Qin Haifeng was appointed as the General Counsel and Chief Compliance Officer of the Company.
5. At the second extraordinary general meeting of the Company held on 23 December 2025, Ms. Kou Yaozhou was appointed as a Director of the Company and Mr. Zhang Xianchong was appointed as an independent Non-executive Director of the Company. For details, please refer to the Company's announcement dated 24 December 2025. Ms. Kou Yaozhou and Mr. Zhang Xianchong have obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 19 December 2025 and have confirmed that they understand their responsibilities as Directors of the Company.

6. The Company convened the employee representative assembly, at which Mr. Wang Yu was elected as an employee representative Director of the Company. For details, please refer to the Company's announcement dated 27 January 2026. Mr. Wang Yu has obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 26 January 2025 and has confirmed that he understand their responsibilities as Directors of the Company.
7. On 11 February 2026, the 16th meeting of the eleventh session of the Board of the Company considered and unanimously approved the Resolution on the Appointment of a Vice President of the Company, pursuant to which Mr. Lu Xin was appointed as a Vice President of the Company. The Board also considered and unanimously approved the Resolution on the Change of the Secretary to the Board of the Company, pursuant to which Mr. Wen Minggang was appointed as the Secretary to the Board of the Company. Mr. Huang Chaoquan ceased to serve as a Vice President and the Secretary to the Board of the Company due to age.
8. On 24 March 2026, the 18th meeting of the eleventh session of the Board of the Company considered and unanimously approved the resolution in relation to the appointment of the Company Secretary and the Authorised Representative, and resolved to appoint Mr. Wen Minggang as the Company Secretary and an Authorised Representative of the Company.

## ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER

As the Company has yet to confirm the date of the 2025 annual general meeting, the record date(s) for determining the eligibility to attend and vote at the 2025 annual general meeting, entitlement to the final dividend and the period(s) for closure of register, the Company will announce such details in the notice of the 2025 annual general meeting once confirmed. The notice is expected to be issued to shareholders by the end of April or in May 2026.

## MAJOR DISPOSALS/ ACQUISITIONS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES DURING THE YEAR

During the reporting period, the Group did not have any major acquisitions or disposals of subsidiaries, associates and joint ventures.

## AUDITORS

As approved at the 2024 first extraordinary general meeting of the Company, the Company approved the change of its annual auditors upon the expiry of the service terms of Ernst & Young Hua Ming LLP and Ernst & Young as the Company's domestic and overseas auditors, respectively. Ernst & Young Hua Ming LLP and Ernst & Young have confirmed that there are no matters in connection with the change of auditors that need to be brought to the attention of the Board, shareholders or creditors of the Company, and that there are no disagreements or outstanding matters between them and the Company.

As approved at the 2024 first extraordinary general meeting of the Company, BDO China Shu Lun Pan Certified Public Accountants LLP was appointed as the Company's domestic auditor for 2025, and BDO Limited was appointed as the Hong Kong auditor of the Company for 2025. For further details, please refer to the announcement of the Company dated 30 October 2024 and the circular of the Company dated 22 November 2024.

Save as disclosed above, the Company has not changed its auditor in the past three years.

For and on behalf of the Board

**Wang Kui**

*Chairman*

Beijing, China  
24 March 2026

# PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

## Profiles of Directors



**WANG Kui**, aged 58, has joined the Company since November 2008. He currently serves as the chairman and secretary of the CPC Committee of the Company and an assistant to the president of Huaneng Group. He previously served as vice president and CPC Leadership Group member of Xinjiang Energy Development Co., Ltd. (from August 2007 to November 2008, he was a member of the standing committee of the CPC Committee and Deputy Governor of the Kizilsu Kirghiz Autonomous Prefecture in Xinjiang), the vice president and the deputy party secretary of CPC Leadership Group, president and deputy party secretary of CPC Leadership Group (presided over the work) of Shanxi branch of the Company, chief of the Planning and Development Department, the deputy chief economist and the chief of the Planning and Development Department of Huaneng Group, director of the thermal power construction center and director of the engineering technology and economic management center of Huaneng Group. He graduated from Guanghua School of Management, Peking University, majoring in Business Administration for Senior Executives, MBA. He is a professor-level senior engineer.



**LIU Ancang**, aged 57, has joined the Company since March 2016. He currently serves as the director, president and vice secretary of the CPC Committee of the Company. He previously served as Deputy Director of the General Office of Huaneng Group, Vice President and Party Secretary of the Shanghai Branch of the Company, Director of the Board Office and Deputy Director of the General Office of Huaneng Group and Chairman and Party Secretary of Huaneng (Guangdong) Energy Development Co., Ltd. He holds an Executive MBA degree from Xi'an Jiaotong University. He is a professor-level senior engineer.



**DU Daming**, aged 59, has joined the Company since July 2000. He currently serves as the director of the Company and the deputy chief economist of Huaneng Group. He previously served as the chief of Office of Huaneng Group, chief of Board Office, vice president, CPC Leadership Group member, general legal counsel, secretary to the Board of the Company, deputy executive chief of Electric Power Development Division, deputy executive chief of Shale Gas Development and Utilization Office of Huaneng Group, vice president of Green Coal Electricity Co., Ltd., vice chairman, president and vice secretary of the CPC Committee of HIPDC, and deputy executive chief of equity management center of Huaneng Group. He graduated from North China Electric Power University with a master's degree, majoring in electrical engineering. He is a senior engineer.



**ZHOU Yi**, aged 58, has joined the Company since March 2013. He currently serves as the director of the Company, general legal counsel (deputy chief engineer level), Chief Compliance Officer, and managing member of China Management Sciences Society. He previously served as the chief of the secretariat of Office and deputy director of General Office of Huaneng Group, manager of the Manager Work Department of the Company, chief of Corporate Management Department, chief of Corporate Management and Legal Compliance Department and chief of Corporate Law Department (Reform Office) of Huaneng Group. He graduated from the School of Economics of Renmin University of China with a master's degree in Economics majoring in political science and economy and a doctor's degree in management. He is a professor-level senior economist.



**LI Lailong**, aged 57, has joined the Company since June 2009. He currently serves as the director of the Company, the deputy chief economist and the director of Strategic Department (Emerging Industries Department) of Huaneng Group, vice chairman of Energy and Meteorology Committee of Chinese Society for Electrical Engineering, vice chairman of Offshore Wind Power Technology Committee of Chinese Society for Electrical Engineering, chairman of the New Energy Intelligent Power Generation and Equipment Committee, vice chairman of the Academic Committee of the Key Open Laboratory of Energy Meteorology, China Meteorological Administration. He previously served as the plant manager of Huaneng Nanjing Power Plant, the plant manager of Huaneng Fuzhou Power Plant, the vice president of Huaneng Jiangsu Branch, deputy chief and chief of Planning and Development Department of Huaneng Group, chief of New Energy Business Department. He graduated from School of Energy and Power Engineering of Xi'an Jiaotong University, majoring in reactor engineering, with a bachelor's degree in engineering and a master's degree in business administration. He is a professor-level senior engineer.



**LI Jin**, aged 59, has joined the Company since June 2025. He currently serves as the director of the Company, the director and supervisor appointed by Huaneng Group to serve in various subsidiaries, the director of Huaneng Lancang River Hydropower Inc., and the director of Huaneng Jiangsu Energy Development Co., Ltd. He previously served as the vice president, president and a member of the party committee of China Huaneng Finance Co., Ltd., the president and a member of the party committee of Alltrust Insurance Company Limited, the vice president, president, the vice chairman and the secretary of the party committee of Huaneng Capital Services Co., Ltd. and the chairman of the board of directors of Invesco Great Wall Fund Management Co., Ltd. He graduated from the Graduate School of the People's Bank of China with a master's degree in Insurance. He is a the qualification of senior economist.

## PROFILES OF DIRECTORS AND SENIOR MANAGEMENT



**CAO Xin**, aged 54, has joined the Company since December 2023. He currently serves as the director of the Company, president, vice chairman of Hebei Construction & Investment Group Co., Ltd., president of Yanshan Development (Yanshan International Investment) Co., Ltd., chairman of Hebei Construction & Investment Energy Co., Ltd. and chairman of China Suntien Green Energy Corporation Limited. He previously served as the vice president of Hebei Construction & Investment Group Co., Ltd., Chief Executive Officer of China Suntien Green Energy Corporation Limited, and president assistant and manager of the Second Department of Public Utilities of Hebei Construction & Investment Company. He graduated from Renmin University of China, majoring in national economics with a doctoral degree. He is a professor-level senior economist.



**GAO Guoqin**, aged 59, has joined the Company since June 2025. He currently serves as the director of the Company, the party secretary and chairman of the board of directors of Liaoning Energy Investment (Group) Co., Ltd. He previously served as the deputy plant manager and chief engineer of the thermal power plant of Liaoning Tiefa Mineral Bureau, deputy plant manager and plant manager of the thermal power plant of Liaoning Iron and Coal Group, plant manager of the thermal power plant of Liaoning Tiefa Energy Co., Ltd., party secretary, chairman of the board of directors and president of Liaoning Diaobingshan Coal Gangue Power Generation Co., Ltd., deputy chief engineer of Liaoning Energy Group, vice president of Liaoning Energy Industry Co., Ltd., party secretary and chairman of the board of directors of Hongyang Thermal Power, deputy party secretary, deputy chairman and president of Liaoning Energy Investment (Group) Co., Ltd., and party secretary and chairman of Liaoneng Hongyang Thermal Power Co., Ltd.. He graduated from Dalian University of Technology with a master's degree in business administration. He is a researcher-level senior engineer.



**DING Xuchun**, aged 58, has joined the Company since December 2023. He currently serves as the director of the Company, the vice president and member of the CPC Committee and chief safety officer of Jiangsu Guoxin Investment Group Limited. He previously served as vice president, president, deputy secretary of the CPC Committee, secretary of the CPC Committee, chairman of Jiangsu Guoxin Jingjiang Power Generation Co., Ltd., secretary of the CPC Committee and chairman of Jiangsu Guoxin Yangzhou Power Generation Co., Ltd. He graduated from Southeast University and obtained a bachelor's degree and a master's degree in engineering. He is a researcher-level senior engineer.



**WANG Jianfeng**, aged 48, has joined the Company since December 2023. He currently serves as the director of the Company, and the president of Nantong Investment Management Co., Ltd. He previously served as chief of Office and also Supervisory Office of Nantong State-owned Asset Investment Management Co., Ltd., chief of Party-Masses Human Resources Department (concurrently Supervisory Department and Audit Department) of Nantong Urban Construction Group Co., Ltd., and vice president of Nantong Investment Management Co., Ltd. He graduated from Xuzhou Normal University, majoring in Chinese Language and Literature, and Suzhou University, School of Education, majoring in Management of Higher Education, with a Master of Education (MEd).



**KOU Yaozhou**, aged 56, has joined the Company since December 2023. She currently serves as the director of the Company and the Chief Financial Expert of Dalian State-owned Capital Management and Operation Co., Ltd. She previously served as Chief Accountant of Dalian Equipment Investment Group Co., Ltd., General Legal Counsel and Assistant to the president of Dalian State-owned Capital Management and Operation Co., Ltd., and Vice Chairman of the eleventh session of the supervisory committee of the Company. She holds a bachelor's degree in Economics with a major in Taxation from Dongbei University of Finance and Economics. She is a Senior Accountant.



**XIA Qing**, aged 68, has joined the Company since June 2015. He currently serves as the independent non-executive director of the Company, a professor at Tsinghua University, director of Carbon Neutral Sub-Committee on Electricity of the National Energy Internet, the expert of the National Electricity Exchange Agency Alliance, the expert of Guangzhou Electricity Trading Centre, the member of the Southern Regional Electricity Market Management Committee, the expert of China Southern Power Grid Corporation, the deputy director of the Power Market Special Committee of China Electrical Engineering Society and the deputy director of the Energy Storage Committee of the China Energy Research Association. He was an associate professor, professor, and chairman of the degree committee at Tsinghua University. He previously served as the Independent Director of the eighth session of Board of the Company. He graduated from Tsinghua University with a doctoral degree in electrical engineering.



**HE Qiang**, aged 73, has joined the Company since December 2023. He currently serves as the independent non-executive director of the Company, a professor and doctoral supervisor of School of Finance at Central University of Finance and Economics, independent director of Guo Yuan Futures Co., Ltd., independent director of China Minsheng Trust Co., Ltd. and independent director of Yingda Asset Management Co., Ltd. He previously served as the director of the Securities and Futures Research Institute of the Central University of Finance and Economics, a counselor of the Beijing Municipal Government, a member of the 11th, 12th and 13th National Committee of the Chinese People's Political Consultative Conference (CPPCC), and a member of the Economic Committee. He is receiving special government allowance of the State Council. He graduated from Zhongnan University of Economics and Law with a bachelor's degree in political economy.



**ZHANG Liying**, aged 65, has joined the Company since December 2023. She currently serves as the independent non-executive director of the Company, the independent director of Sinopec Group, the executive member of the Chinese Society for Electrical Engineering and chairman of the Urban Power Supply and Reliability Committee, chairman of the Committee of Women Science and Technology Workers and chief expert of the Expert Committee of the China Electricity Council. She previously served as the chief engineer, president assistant and consultant of State Grid Corporation of China. She graduated from North China Electric Power University, majoring in technical economics and management, and obtained a doctoral degree. She is a professor-level senior engineer, and an expert enjoying the State Council's special government allowance.

## PROFILES OF DIRECTORS AND SENIOR MANAGEMENT



**ZHANG Shouwen**, aged 59, has joined the Company since March 2011. He currently serves as the independent non-executive director of the Company, a professor and doctoral supervisor at the Law School of Peking University, chief of the Institute of Economic Law of Peking University, dean of the Institute of Rule of Law and Development of Peking University. He was a lecturer, associate professor and professor at the Law School of Peking University, independent director of the seventh and eighth session of Board of the Company. He graduated from the Law School of Peking University, majoring in international economic law, and obtained a doctoral degree.



**DANG Ying**, aged 51, has joined the Company since December 2023. She currently serves as the independent non-executive director of the Company and the director of Beijing Zhihuiyuan Health Management Services Co., Ltd. She previously served as project manager and senior project manager of Pan-China Certified Public Accountants LLP, deputy chief accountant and president of Finance Department, assistant to the president and chief of Strategy Department and Operation Department of China North Industries Corporation, deputy director of Finance Department and Civilian Products Management Department of China North Industries Group Corporation Limited, the vice president and Chief Financial Officer of Huajin International Trading Co., and consulting expert in Management Accounting of the Ministry of Finance. She graduated from Chinese Academy of Fiscal Sciences, majoring in accounting, and obtained a doctoral degree. She is a Certified Public Accountant in China, a Fellow Chartered Accountant (FCA) in the United Kingdom and a senior accountant.



**ZHANG Xianchong**, aged 66, has joined the Company since December 2025. He currently serves as the independent non-executive director of the Company. He previously served as Party Secretary and president of China Electric Power Technology and Equipment Co., Ltd., Party Secretary and Vice president of Sichuan Electric Power Company, president and Deputy Party Secretary of Jilin Electric Power Co., Ltd., Director of Northeast China Grid Company Limited, Deputy Chief Engineer of State Grid Corporation of China, Deputy Party Secretary of China Energy Construction Group Co., Ltd. and Director, Vice president, and Deputy Party Secretary of China Energy Engineering Corporation Limited. He was a representative of the 9th Party Congress of Sichuan Province and a deputy to the 11th National People's Congress. He holds a Master's degree in Engineering from Wuhan University of Hydraulic and Electric Engineering and is a professor-level senior engineer.



**WANG Yu**, aged 53, has joined the Company since January 2000. He currently serves as the employee representative director and the director of the Administrative Office (Board Office) of the Company, a director of Huaneng (Zhejiang) Energy Development Co., Ltd., and a director of Huaneng Shidaowan Nuclear Power Development Co., Ltd. He previously served as the deputy director and director of the fund settlement centre of the Finance Department, chief of the Second Fund Division and chief of the Fund Division of the Finance and Budget Department, deputy director of the Disciplinary Inspection and Audit Department, director of the Legal and Compliance Department, and employee representative supervisor. He graduated from Ocean University of China, majoring in project management, and obtained a Master of Engineering (MEng) degree.

## Profiles of Senior Management



**QIN Haifeng**, aged 57, has joined the Company since October 2007. He currently serves as the vice president, member of the CPC Committee, general legal counsel and chief compliance officer of the Company, the executive director of Huaneng International Power Fuel Co., Ltd., the director of Hainan Nuclear Power Co., Ltd., the director of Changjiang Environmental Technology Co., Ltd. and the director of Huaneng Clean Energy Research Institute. He previously served as the plant manager of Huaneng Nantong Power Plant vice president and CPC Leadership Group member of Jiangsu branch of the Company, executive director, president and deputy party secretary of CPC Leadership Group of Huaneng Xinjiang Energy Development Co., Ltd., president and deputy secretary of the CPC Committee of Huaneng Shandong Power Generation Co., Ltd. and chairman and secretary of the CPC Committee of Huaneng Gansu Energy Development Company Ltd. He graduated from Xi'an Jiaotong University and obtained a Master in Engineering. He is a professor-level senior engineer.



**DU Canxun**, aged 57, has joined the Company since July 2023. He currently serves as the vice president, member of the CPC Committee and chairman of trade union of the Company, and the vice chairman of China Huaneng Group Fuel Co., Ltd. He previously served as the director of construction management bureau, the secretary of the CPC Committee of Huaneng Jinghong Hydropower Station, and concurrently the plant manager of Jinghong Power Plant, deputy director of Production Management Department of Huaneng Group, executive director and secretary of the CPC Committee of Huaneng Tibet Yarlung Zangbo River Hydropower Development & Investment Company Ltd. and executive director and president of Tibet branch of Huaneng Group. He graduated from the School of Information Engineering of Central South University, majoring in control science and engineering and obtained a doctoral degree. He is a professor-level senior engineer.

## PROFILES OF DIRECTORS AND SENIOR MANAGEMENT



**LU Xin**, aged 50, has joined the Company since December 2000. He currently serves as the vice president and member of the CPC Committee of the Company. He previously served as Head (Director) of the Finance Division (Department) of the Fuel Department (Company) of the Company; chief accountant, party leadership group member, director of the Finance Department, Vice president, chief accountant, member of the Party Committee, director, president and deputy secretary of the Party Committee of China Huaneng Group Fuel Co., Ltd.; and director of the Finance and Asset Management Department of Huaneng Group. He holds a master's degree in Economics, majoring in Political Economy from the School of Management of Shandong University. He is a professor-level senior accountant.



**WEN Minggang**, aged 55, has joined the Company since July 2025. He currently serves as the Chief Accountant, a member of the CPC Committee, and the Secretary to the Board of the Company, as well as vice chairman of China Huaneng Finance Co., Ltd. and a member of the board of directors of Shenzhen Energy Group and vice chairman of Shenzhen Energy Group Co., Ltd. He previously served as the chief accountant and a member of the Party Leadership Group of Huaneng Coal Industry Co., Ltd., deputy director of the coal business department of Huaneng Group, chief accountant and a member of the Party Committee of Huaneng Renewables Corporation Limited, deputy director of the new energy business department of Huaneng Group, chief accountant and a member of the Party Committee of Huaneng Capital Services Company Limited (concurrently serving as director, chairman and legal representative of Huaneng Invesco Private Equity Management Company Limited, and director of Huajing Private Equity Investment Management Co., Ltd.). He holds a master's degree in Accounting from Nankai University. He is a professor-level senior accountant.

## Profiles of Resigned Directors and Senior Management



**WANG Zhijie**, aged 61, has joined the Company since July 2000. During the reporting period, he served as the vice chairman and a member of the CPC Committee of the Company. He previously served as manager of the Manager Work Department and Human Resources Department of the Company, CPC Leadership Group member of HIPDC, leader of Discipline Inspection Team, minister of the Organisation Department (director of Human Resources Department) of the CPC Leadership Group in Huaneng Group. He graduated from Guanghua School of Management, Peking University, majoring in Business Administration for Senior Executives, EMBA. He is a senior engineer.



**HUANG Lixin**, aged 59, has joined the Company since August 2001. He currently serves as a senior consultant of the Company. During the reporting period, he served as the director, president, and vice secretary of the CPC Committee of the Company. He previously served as chief accountant of Huaneng Nantong branch (power plant), deputy manager, manager of Finance Department of the Company and chief of the Finance Department of Huaneng Group, chief accountant and CPC Committee member of the Company, deputy chief of thermal power construction center and the deputy chief of engineering technology and economic management center of Huaneng Group. He graduated from the Economic Management School of Tsinghua University with an EMBA degree. He is a professor level senior accountant.



**LI Haifeng**, aged 46, has joined the Company since December 2020. During the reporting period, he served as the director of the Company. He previously served as the deputy president and vice chairman, the president and chairman of Liaoning Energy Investment (Group) Co., Ltd., the secretary of the CPC Committee and chairman of Liaoning Energy Investment (Group) Co., Ltd. He graduated from Tsinghua University, majoring in materials science and engineering, and a doctoral degree in engineering. He is a professor-level senior research engineer.

## PROFILES OF DIRECTORS AND SENIOR MANAGEMENT



**DUAN Rui**, aged 58, has joined the Company since February 2021. During the reporting period, he served as currently a member of the CPC Committee of the Company, and secretary of the Discipline & Inspection Commission. He previously served as the leader of the Inspection Team of Huaneng Group and deputy director of the Department of Supervision, a member of the Discipline Inspection Group of Party Group, deputy secretary of directly affiliated CPC committee, the secretary of the Discipline Inspection Commission, a member of the CPC Committee and secretary of the Discipline Inspection Commission of HIPDC. He majored in the economic management and graduated from the Party School of the Inner Mongolia Autonomous Region with a master degree. He is a professor-level senior economist.



**HUANG Chaoquan**, aged 60, has joined the Company since March 2000. During the reporting period, he served as the vice president, a member of the CPC Committee, Chairman of trade union and the Secretary to the Board of the Company. He previously served as the director of the Board Office, manager of the Corporate Management Department and director of the Administration Department of the Company. He graduated from Harbin University of Science and Technology with a Master of Engineering (MEng) in Management Engineering. He is a professor-level senior economist.

# CORPORATE INFORMATION

Legal Address of the Company

Hebei Province  
Xiong'an New Area Pilot Zone  
Huaneng Headquarters

Joint Company Secretary

Wen Minggang  
Jiang Xiao  
Huaneng Building  
No. 6 Fuxingmennei Avenue  
Xicheng District, Beijing  
People's Republic of China

Authorized Representatives

Wang Kui  
Wen Minggang

Hong Kong Share Registrar

Hong Kong Registrars Limited  
Shops 1712-1716, 17/F, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## LEGAL ADVISERS TO THE COMPANY

In the PRC

Haiwen & Partners  
20/F, Fortune Financial Center  
No. 5 Dongsanhuan Zhonglu  
Chaoyang District, Beijing  
People's Republic of China

In Hong Kong

Haiwen & Partners (Solicitors) LLP  
Units 601-602 & 610-616, 6/F, One International  
Finance Centre  
1 Harbour View Street, Central  
Hong Kong

## CORPORATE INFORMATION

### AUDITORS OF THE COMPANY

In the PRC:	BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) 4/F, No. 61 East Nanjing Road Huangpu District, Shanghai Postal Code: 200001 People's Republic of China
In Hong Kong:	BDO Limited <i>Registered Public Interest Entity Auditor</i> 25/F, Wing On Centre 111 Connaught Road Central Hong Kong

### LISTING INFORMATION

H Shares:	The Stock Exchange of Hong Kong Limited Stock Code: 902
A Shares:	Shanghai Stock Exchange Stock Code: 600011

### COMPANY PUBLICATIONS

The Company's interim report and annual report (domestic and Hong Kong editions) were published in August 2025 and April 2026, respectively. The Company is required to disclose quarterly reports in accordance with the rules of the Shanghai Stock Exchange. Copies of the interim report and annual report can be obtained at the following addresses:

Beijing:	Huaneng International Power Co., Ltd. Huaneng Building No. 6 Fuxingmennei Avenue Xicheng District, Beijing People's Republic of China  Tel: (8610)-6322 6999 Fax: (8610)-6322 6888
Hong Kong:	Ever-Ascend Financial Communications Group Limited 9/F, Central Center 99 Queen's Road Central, Central Hong Kong  Tel: (852) 2851 1038 Fax: (852) 2815 1352
The website of the Company:	<a href="http://www.hpi.com.cn">http://www.hpi.com.cn</a>

# GLOSSARY

**Equivalent Availability Factor (EAF):** The percentage of unit available hours considering the effect of reduced output within a given period. That is:

$$\text{EAF} = \frac{(\text{Available Hours} - \text{Equivalent Forced Derated Hours})}{\text{Period Hour}} \times 100\%$$

**Gross Capacity Factor (GCF):**

$$\text{GCF} = \frac{\text{Energy Generated}}{(\text{Period Hours} \times \text{Gross Maximum Capacity})} \times 100\%$$

**Net Coal Consumption Rate for Power Supply:** The average amount of standard coal consumed per kilowatt-hour of net electricity supplied by a thermal power generating unit, measured in grams per kilowatt-hour or g/kWh.

**Gross Coal Consumption Rate for Power Generation:** The average amount of standard coal consumed per kilowatt-hour of gross electricity generated by a thermal power generating unit, measured in grams per kilowatt-hour or g/kWh.

**Plant Auxiliary Power Consumption Rate:** The ratio of the electricity consumed during the power generation process to the total electricity generated by a power plant, measured as a percentage (%).

**Utilization Hour:** The operating hours equivalent to the gross actual electricity generation of a unit at its gross maximum capacity (or rated capacity).

**Load Factor:** The ratio of average load to peak load, indicating the degree of load variation. A higher value indicates more balanced production and higher utilization of equipment capacity.

**Electricity Generation (Energy Generated) Power Generation:** The amount of electrical energy produced by a power plant (generating unit), abbreviated as "energy generated". It is the product of the actual active power output of the generator and its actual operating time, resulting from the conversion of primary energy sources.

**On-grid Electricity:** The amount of electricity sold by a power plant to the grid.

*GW: Unit of power, = 10<sup>9</sup>W, Gigawatt*

*MW: = 10<sup>6</sup>W, Megawatt*

*kW: = 10<sup>3</sup>W, Kilowatt*

*kWh: Unit of electrical energy, kilowatt-hour*

# INDEPENDENT AUDITOR'S REPORT

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香港干諾道中111號  
永安中心25樓

## To the shareholders of Huaneng Power International, Inc.

*(Established in the People's Republic of China with limited liability)*

## OPINION

We have audited the consolidated financial statements of Huaneng Power International, Inc. (the "Company") and its subsidiaries (together the "Group") set out on pages 117 to 361, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standard ("IFRS") Accounting Standards issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standard") 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 International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board ("IAASB"). 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 Code of Ethics for Professional Accountants (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, as applicable to audits of the consolidated financial statements of public interest entities. We have also 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (CONTINUED)

### Key audit matters

### How our audit addressed the key audit matters

#### *Impairment of property, plant and equipment*

At 31 December 2025, the Group held property, plant and equipment ("PPE") with the amount of RMB427,239 million, representing 80.88% of the Group's total non-current assets. As described in Notes 2(g), 2(l), 4(b) and 7 to the consolidated financial statements, the Group is required to review PPE for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Management performed an impairment assessment on such PPE by determining the recoverable amounts of the cash-generating units ("CGUs") that the PPE were allocated to. As a result of the impairment assessment, impairment losses of RMB1,951 million were recognised by the Group for the year ended 31 December 2025.

Auditing management's impairment assessment of PPE was complex due to the significant estimates and judgements involved in the projections of future cash flows, including the future sales volumes, fuel prices and discount rates applied to these forecasted future cash flows. These estimates and judgements may be significantly affected by changes in future market, policies or economic conditions.

We obtained an understanding of, evaluated the design of, and tested the operating effectiveness of controls over the PPE impairment assessment process including tests of controls over management's review of the significant assumptions used in the impairment assessment.

Among other audit procedures performed, we evaluated management's assessment of impairment indicators, evaluated the methodology used by the Group and tested the underlying data used in the projections. We also assessed the significant assumptions used in the calculations, which included, amongst others, the future sales volumes, fuel prices, and discount rates. We compared fuel prices to external industry outlook reports and analysed the history of management's estimates. In addition, we involved our valuation specialists to assist us in assessing the valuation methodologies and the assumptions used, including the discount rates.

We evaluated the sensitivity of the significant assumptions described above by assessing the changes to the recoverable amounts of the CGUs resulting from changes in these assumptions.

We also assessed the adequacy of the Group's disclosures regarding the impairment assessment of PPE.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (CONTINUED)

### Key audit matters

### How our audit addressed the key audit matters

#### *Impairment of goodwill*

At 31 December 2025, the Group's goodwill was RMB14,650 million. As described in Notes 2(k), 2(l), 4(a) and 14 to the consolidated financial statements, the Group is required to, at least annually, perform impairment assessments of goodwill. Goodwill was allocated to each CGU or groups of CGUs for impairment testing. A goodwill impairment loss is recognised if the carrying amount of the CGU exceeds its recoverable amount. As a result of the impairment assessment, impairment losses of RMB101 million were recognised by the Group for the year ended 31 December 2025.

Auditing management's goodwill impairment assessment was complex because the determination of the recoverable amount of the underlying CGUs involves significant estimates and judgements, including the future sales volumes, fuel prices, gross margins and terminal growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows of the underlying CGUs. These estimates and judgements may be significantly affected by changes in future market, policies or economic conditions.

We obtained an understanding of, evaluated the design of, and tested the operating effectiveness of controls over the impairment assessment process, including testing controls over management's review of the key assumptions used in the goodwill impairment assessment.

Among other audit procedures performed, we evaluated the methodology used by the Group and tested the underlying data used in the forecast. We evaluated management's key assumptions used in the calculations, which included, amongst others, the future sales volumes, fuel prices, gross margins, terminal growth rates and discount rates. We compared fuel prices to external industry outlook reports and analysed the history of management's estimates. In addition, we involved our valuation specialists to assist us in assessing the valuation methodologies and the assumptions used, including the discount rates and terminal growth rates.

We evaluated the sensitivity of the key assumptions described above by assessing the changes to the recoverable amounts of the underlying CGUs that the goodwill was allocated resulting from changes in these assumptions.

We also assessed the adequacy of the Group's disclosures regarding the impairment assessment of goodwill.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (CONTINUED)

### Key audit matters

### How our audit addressed the key audit matters

#### *Recognition of deferred income tax assets*

At 31 December 2025, the Group had deferred income tax assets of RMB4,994 million from deductible temporary differences and tax losses carried forward before offsetting. At 31 December 2025, the Group did not recognise deferred income tax assets related to deductible temporary differences of RMB23,493 million and unused tax losses of RMB27,576 million. As described in Notes 2(x)(iii), 4(c) and 31 to the consolidated financial statements, the Group recognised deferred income tax assets to the extent that it is probable that future taxable profits and taxable temporary difference will be available to utilise the deductible temporary differences and tax losses carried forward.

Auditing management's recognition of deferred income tax assets is complex because it involves management's significant estimation and assumptions, including future taxable profits, future tax rates, the reversal of deductible and taxable temporary differences, and the possible utilisation of tax losses carried forward that could be significantly affected by changes in tax law framework and future market, policies or economic conditions.

We obtained an understanding of, evaluated the design of, and tested the operating effectiveness of controls over the recognition of deferred income tax assets, including testing controls over management's review of the significant assumptions used in the taxable profit forecast.

Among other audit procedures performed, we compared the future tax rates, the deductible and taxable temporary differences, and the possible utilisation of tax losses carried forward, with the tax law framework. We tested whether the Group's utilisation of tax losses carried forward and reversal of deductible temporary differences in management's calculation were less than the taxable profit and taxable temporary differences for the respective years.

Further, we evaluated management's significant assumptions in determining the future available taxable profits, for example, the future sales volumes and fuel prices. We compared fuel prices to external industry outlook reports and analysed the history of management's estimates. We also tested the underlying data used in the taxable profit forecast and compared management's assumptions described above to the assumptions that management used to perform the impairment assessment of PPE and goodwill.

We also assessed the adequacy of the Group's disclosures regarding the deferred income tax assets.

## INDEPENDENT AUDITOR'S REPORT

### OTHER MATTERS

The consolidated financial statements of the Group for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 25 March 2025.

### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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.

### RESPONSIBILITIES OF THE DIRECTORS 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 IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## INDEPENDENT AUDITOR'S REPORT

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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 Group'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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

## INDEPENDENT AUDITOR'S REPORT

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

We communicate with the Audit Committee 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 the Audit Committee 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 the Audit Committee, 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.

**BDO Limited**

*Certified Public Accountants*

**Chan Wing Fai**

Practising Certificate no. P05443

Hong Kong, 24 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025  
(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB, except per share data)

	Notes	For the year ended 31 December	
		2025	2024
<b>Operating revenue</b>	5	<b>229,288,058</b>	245,550,923
Tax and levies on operations		<b>(2,759,240)</b>	(2,008,686)
<b>Operating expenses, net</b>			
Fuel		<b>(119,666,447)</b>	(142,115,478)
Maintenance		<b>(5,470,456)</b>	(5,056,136)
Provision for impairment losses on financial and contract assets		<b>(110,599)</b>	(20,219)
Depreciation	6	<b>(27,791,279)</b>	(26,301,768)
Labour	37	<b>(19,625,223)</b>	(18,649,680)
Purchase of electricity		<b>(7,424,882)</b>	(9,070,030)
Others, net	6	<b>(17,318,517)</b>	(18,331,413)
Total operating expenses		<b>(197,407,403)</b>	(219,544,724)
<b>Profit from operations</b>		<b>29,121,415</b>	23,997,513
Interest income		<b>354,584</b>	605,919
<b>Financial expenses, net</b>			
Interest expense	6	<b>(7,075,104)</b>	(7,786,460)
Exchange loss and bank charges, net		<b>(33,575)</b>	(260,237)
Total financial expenses, net		<b>(7,108,679)</b>	(8,046,697)
Share of profits less losses of associates and joint ventures	8	<b>1,149,868</b>	1,259,904
Other investment gain	6	<b>16,016</b>	4,647
<b>Profit before income tax expense</b>	6	<b>23,533,204</b>	17,821,286
Income tax expense	33	<b>(4,003,179)</b>	(3,815,093)
<b>Net profit</b>		<b>19,530,025</b>	14,006,193

The notes on pages 128 to 361 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB, except per share data)

	Notes	For the year ended 31 December	
		2025	2024
<b>Other comprehensive (loss)/income, net of tax</b>			
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Fair value changes of other equity instrument investments		<b>(109,055)</b>	(53,003)
Share of other comprehensive income/(losses) of joint ventures and associates		<b>33,452</b>	(56,274)
Income tax effect		<b>27,264</b>	13,251
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive (losses)/income of joint ventures and associates		<b>(3,958)</b>	10,530
Cash flow hedges:			
Effective portion of changes in fair value of hedging instruments		<b>(948,222)</b>	378,996
Reclassification adjustments for gains/(losses) included in profit or loss		<b>270,183</b>	(101,943)
Exchange differences on translation of foreign operations		<b>181,441</b>	4,268
Income tax effect		<b>115,267</b>	(47,099)
<b>Other comprehensive (loss)/income, net of tax</b>		<b>(433,628)</b>	148,726
<b>Total comprehensive income</b>		<b>19,096,397</b>	14,154,919

The notes on pages 128 to 361 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB, except per share data)

	Notes	For the year ended 31 December	
		2025	2024
<b>Net profit attributable to:</b>			
– Equity holders of the Company		<b>14,536,770</b>	10,184,633
– Non-controlling interests		<b>4,993,255</b>	3,821,560
		<b>19,530,025</b>	14,006,193
<b>Total comprehensive income attributable to:</b>			
– Equity holders of the Company		<b>14,250,991</b>	10,233,398
– Non-controlling interests		<b>4,845,406</b>	3,921,521
		<b>19,096,397</b>	14,154,919
<b>Earnings per share attributable to the shareholders of the Company (expressed in RMB per share)</b>			
– Basic and diluted	34	<b>0.75</b>	0.46

The notes on pages 128 to 361 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

	Notes	As at 31 December 2025	2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	427,238,716	402,936,461
Right-of-use assets	41	28,062,656	24,682,142
Investments in associates and joint ventures	8	25,417,483	24,672,883
Investment properties		844,745	591,512
Other equity instrument investments	10	481,760	589,920
Power generation licence	11	4,377,797	4,267,763
Mining rights	12	1,609,115	1,609,115
Deferred income tax assets	31	2,496,673	3,155,100
Derivative financial assets	13	6,678	38,105
Goodwill	14	14,650,354	14,389,046
Other non-current assets	15	23,022,709	22,345,178
<b>Total non-current assets</b>		<b>528,208,686</b>	499,277,225
<b>Current assets</b>			
Inventories	16	11,003,718	13,444,394
Other receivables and assets	17	13,692,859	14,546,074
Accounts and notes receivables	18	47,239,242	48,073,224
Contract assets	5(c)	57,473	47,863
Derivative financial assets	13	20,552	256,065
Bank balances and cash	35	19,455,513	19,932,035
<b>Total current assets</b>		<b>91,469,357</b>	96,299,655
<b>Total assets</b>		<b>619,678,043</b>	595,576,880

The notes on pages 128 to 361 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

	Notes	As at 31 December 2025	2024
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	20	15,698,093	15,698,093
Other equity instruments	21	77,538,362	80,170,696
Capital surplus		23,254,811	23,710,857
Surplus reserves	22	8,140,030	8,140,030
Reserve funds		1,167,034	771,124
Currency translation differences		(136,451)	(457,669)
Retained earnings		22,890,395	15,761,198
		<u>148,552,274</u>	<u>143,794,329</u>
<b>Non-controlling interests</b>	40	<u>70,985,522</u>	<u>66,784,717</u>
<b>Total equity</b>		<u>219,537,796</u>	<u>210,579,046</u>
<b>Non-current liabilities</b>			
Long-term loans	24	157,066,582	151,827,548
Long-term bonds	25	49,969,166	37,248,235
Lease liabilities	41	8,839,438	7,429,666
Deferred income tax liabilities	31	2,650,742	3,010,015
Derivative financial liabilities	13	387,029	271,621
Other non-current liabilities	26	6,446,025	6,472,682
<b>Total non-current liabilities</b>		<u>225,358,982</u>	<u>206,259,767</u>

The notes on pages 128 to 361 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

	Notes	As at 31 December 2025	2024
<b>EQUITY AND LIABILITIES (Continued)</b>			
<b>Current liabilities</b>			
Accounts payable and other liabilities	27	<b>61,903,244</b>	62,033,482
Contract liabilities	5(c)	<b>3,726,286</b>	3,528,664
Taxes payable	28	<b>2,761,307</b>	2,235,283
Dividends payable		<b>353,205</b>	428,446
Derivative financial liabilities	13	<b>594,100</b>	176,614
Short-term bonds	29	<b>11,530,532</b>	8,017,110
Short-term loans	30	<b>61,931,729</b>	61,165,908
Current portion of long-term loans	24	<b>29,320,309</b>	31,950,932
Current portion of long-term bonds	25	<b>2,005,398</b>	8,447,643
Current portion of lease liabilities	41	<b>646,756</b>	670,924
Current portion of other non-current liabilities	26	<b>8,399</b>	83,061
<b>Total current liabilities</b>		<b>174,781,265</b>	178,738,067
<b>Total liabilities</b>		<b>400,140,247</b>	384,997,834
<b>Total equity and liabilities</b>		<b>619,678,043</b>	595,576,880

The consolidated financial statements were approved for issue by the Board of Directors on 24 March 2026 and were signed on its behalf by.

**Wang Kui**  
Director

**Liu Ancang**  
Director

The notes on pages 128 to 361 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025  
(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

	Attributable to equity holders of the Company										Total equity				
	Share capital	Other equity instruments	Share premium	Hedging reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Other reserve in other comprehensive income	Other capital reserve	Subtotal	Surplus reserves	Reserve funds		Currency translation differences	Retained earnings	Total	Non-controlling interests
<b>Balance as at 1 January 2025</b>	15,698,093	80,170,696	24,770,682	(226,693)	185,446	(59,058)	(959,520)	23,710,857	8,140,030	771,124	(457,669)	15,761,198	143,794,329	66,784,717	210,579,046
Profit for the year	-	2,773,242	-	-	-	-	-	-	-	-	-	11,763,528	14,536,770	4,993,255	19,530,025
Other comprehensive income for the year:															
Fair value changes of other equity investment instruments, net of tax	-	-	-	-	(81,791)	-	(81,791)	-	-	-	-	-	(81,791)	-	(81,791)
Share of other comprehensive income/(losses) of joint ventures and associates, net of tax	-	-	-	-	33,452	(3,958)	-	29,494	-	-	-	-	29,494	-	29,494
Changes in fair value of effective portion and reclassification of cash flow hedges, net of tax	-	-	-	(554,700)	-	-	(554,700)	-	-	-	-	-	(554,700)	(8,072)	(562,772)
Currency translation differences	-	-	-	-	-	-	-	321,218	-	321,218	-	-	321,218	(139,777)	181,441
Total comprehensive income for the year	-	2,773,242	-	(554,700)	(48,339)	(3,958)	(606,997)	-	-	321,218	-	11,763,528	14,250,991	4,845,406	19,096,397
2024 dividends (Note 23)	-	-	-	-	-	-	-	-	-	-	-	(4,238,484)	(4,238,484)	(2,277,936)	(6,516,420)
Issue of other equity instruments (Note 21)	-	24,500,000	-	-	-	-	(17,769)	(17,769)	-	-	-	-	24,482,231	-	24,482,231
Redemption of other equity instruments (Note 21)	-	(27,000,000)	-	-	-	-	-	-	-	-	-	-	(27,000,000)	-	(27,000,000)
Cumulative distribution of other equity instruments (Note 21)	-	(2,905,576)	-	-	-	-	-	-	-	-	-	-	(2,905,576)	(60,692)	(2,966,268)
Net capital injection from non-controlling interests of subsidiaries	-	-	-	-	-	-	28,217	28,217	-	-	-	-	28,217	1,693,024	1,721,241
Acquisition of subsidiaries	-	-	-	-	-	-	140,503	140,503	-	-	-	-	140,503	-	140,503
Share of other capital reserve of investees accounted for under the equity method	-	-	-	-	-	-	-	-	-	-	-	63	63	-	63
Others	-	-	-	-	-	-	-	-	-	395,910	-	(395,910)	-	-	-
Transfer from retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2025</b>	15,698,093	77,538,362	24,770,682	(781,393)	137,107	(63,016)	(808,569)	23,254,811	8,140,030	1,167,034	(136,451)	22,890,395	148,552,274	70,985,522	219,537,796

The notes on pages 128 to 361 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

	Attributable to equity holders of the Company										Total equity				
	Share capital	Other equity instruments	Share premium	Hedging reserve	Capital surplus			Subtotal	Surplus reserves	Reserve funds		Currency translation differences	Retained earnings	Total	Non-controlling interests
					Fair value reserve of financial assets at fair value through other comprehensive income	Other reserve in other comprehensive income	Other capital reserve								
Balance as at 1 January 2024	15,698,093	79,626,169	24,770,682	(451,936)	281,472	(69,588)	(959,254)	23,571,376	8,140,030	479,264	(366,687)	11,614,870	138,763,115	40,591,363	179,354,478
Profit for the year	-	2,924,430	-	-	-	-	-	-	-	-	-	7,260,203	10,184,633	3,821,560	14,006,193
Other comprehensive income for the year:															
Fair value changes of other equity investment instruments, net of tax	-	-	-	-	(39,752)	-	-	(39,752)	-	-	-	-	(39,752)	-	(39,752)
Share of other comprehensive income/(losses) of joint ventures and associates, net of tax	-	-	-	-	(56,274)	10,550	-	(45,744)	-	-	-	-	(45,744)	-	(45,744)
Changes in fair value of effective portion and reclassification of cash flow hedges, net of tax	-	-	-	225,243	-	-	-	225,243	-	-	(90,982)	-	225,243	4,711	229,954
Currency translation differences	-	-	-	-	-	-	-	-	-	-	(90,982)	-	(90,982)	95,250	4,268
Total comprehensive income for the year	-	2,924,430	-	225,243	(96,026)	10,550	-	139,747	-	-	(90,982)	7,260,203	10,233,398	3,921,521	14,154,919
2023 dividends	-	-	-	-	-	-	-	-	-	-	-	(3,139,619)	(3,139,619)	(1,431,679)	(4,571,298)
Issue of other equity instruments	-	2,051,000	-	-	-	-	(13,072)	(13,072)	-	-	-	-	2,037,928	-	2,037,928
Redemption of other equity instruments	-	(1,500,000)	-	-	-	-	-	-	-	-	-	-	(1,500,000)	-	(1,500,000)
Cumulative distribution of other equity instruments	-	(2,930,903)	-	-	-	-	-	-	-	-	-	-	(2,930,903)	(59,833)	(2,990,736)
Net capital injection from non-controlling interests of subsidiaries	-	-	-	-	-	-	(26,399)	(26,399)	-	-	-	-	(26,399)	24,844,909	24,818,510
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	146,364	146,364
Withdrawal of investment by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(739,126)	(739,126)
Acquisition of non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	317,604	317,604	(488,802)	(171,198)
Share of other capital reserve of investees accounted for under the equity method	-	-	-	-	-	39,205	39,205	39,205	-	-	-	-	39,205	-	39,205
Transfer from retained earnings	-	-	-	-	-	-	-	-	291,860	-	-	(291,860)	-	-	-
<b>Balance as at 31 December 2024</b>	<b>15,698,093</b>	<b>80,170,696</b>	<b>24,770,682</b>	<b>(226,693)</b>	<b>185,446</b>	<b>(59,058)</b>	<b>(959,520)</b>	<b>23,710,957</b>	<b>8,140,030</b>	<b>771,124</b>	<b>(457,669)</b>	<b>15,761,198</b>	<b>143,794,329</b>	<b>66,784,717</b>	<b>210,579,046</b>

The notes on pages 128 to 361 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025  
(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

	Notes	For the year ended 31 December	
		2025	2024
<b>OPERATING ACTIVITIES</b>			
Profit before income tax expense		<b>23,533,204</b>	17,821,286
Adjustments to reconcile profit before income tax expense to net cash provided by operating activities:			
Depreciation of property, plant and equipment	6	<b>26,463,338</b>	25,184,490
Depreciation of investment property	6	<b>28,836</b>	26,059
Depreciation of right-of-use assets	6	<b>1,299,105</b>	1,091,219
Provision for impairment losses on property, plant and equipment	6	<b>1,950,764</b>	1,610,720
Provision for impairment of goodwill	6	<b>100,908</b>	–
Provision for impairment losses on right of use assets		<b>25,648</b>	17,747
Provision for impairment of other non-current assets	6	<b>34,815</b>	42,597
Amortisation of other non-current assets	6	<b>172,750</b>	114,893
Recognition of provision for loss allowance for receivables		<b>110,599</b>	20,219
Recognition of provision for inventory obsolescence	6	<b>32,970</b>	43,076
Other investment gain	6	<b>(16,016)</b>	(4,647)
Net loss on disposal of non-current assets	6	<b>32,696</b>	594,377
Share of profits less losses of associates and joint ventures	8	<b>(1,149,868)</b>	(1,259,904)
Interest income		<b>(354,583)</b>	(605,919)
Interest expense	6	<b>7,075,104</b>	7,786,460
Others		<b>469,039</b>	672,633
Changes in working capital:			
Inventories		<b>2,403,619</b>	(1,584,719)
Other receivables and assets		<b>1,190,560</b>	1,678,307
Accounts and notes receivables		<b>1,844,930</b>	(875,121)
Contract assets		<b>(51,338)</b>	(3,280)
Restricted cash		<b>(79,010)</b>	63,347
Accounts payable and other liabilities		<b>3,929,425</b>	(3,221,499)
Contract liabilities		<b>206,815</b>	144,986
Taxes payable		<b>1,203,372</b>	3,059,435
Interest received		<b>354,583</b>	605,919
Income tax expense paid		<b>(3,599,365)</b>	(2,492,420)
Net cash provided by operating activities		<b>67,212,900</b>	50,530,261

The notes on pages 128 to 361 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

	Notes	For the year ended 31 December	
		2025	2024
<b>INVESTING ACTIVITIES</b>			
Cash dividends and investment gains received		<b>626,074</b>	458,126
Proceeds from disposal of investments		<b>138</b>	129,963
Proceeds from disposal of property, plant and equipment, land use rights and other non-current assets		<b>776,739</b>	410,754
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries		<b>9,598</b>	–
Cash received from acquisition of subsidiaries		–	357,042
Payment for the purchase of property, plant and equipment		<b>(58,326,308)</b>	(61,783,435)
Capital injections for investments in associates and joint ventures		<b>(326,441)</b>	(1,263,419)
Others		<b>(51,378)</b>	(35,806)
Net cash used in investing activities		<b>(57,291,578)</b>	(61,726,775)

The notes on pages 128 to 361 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025  
(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

	Notes	For the year ended 31 December	
		2025	2024
<b>FINANCING ACTIVITIES</b>			
Issuance of short-term bonds		40,400,000	44,800,000
Repayments of short-term bonds		(36,900,000)	(42,900,000)
Proceeds from short-term loans		80,498,845	84,175,674
Repayments of short-term loans		(79,875,978)	(80,235,416)
Proceeds from long-term loans		46,478,640	51,989,801
Repayments of long-term loans		(47,538,728)	(53,078,509)
Issuance of long-term bonds		14,000,000	16,800,000
Repayments of long-term bonds		(7,735,969)	(11,100,000)
Interest paid and distribution to other equity instruments		(10,602,295)	(11,176,353)
Net proceeds from the issuance of other equity instruments		24,482,231	2,037,928
Redemption of other equity instruments		(27,000,000)	(1,500,000)
Net capital injection from non-controlling interests of subsidiaries		932,227	24,858,770
Dividends paid to shareholders of the Company		(4,238,484)	(3,139,619)
Dividends paid to non-controlling interests of subsidiaries		(2,413,866)	(1,617,750)
Withdrawal of investment by non-controlling interests		–	(653,275)
Acquisition of non-controlling interests		–	(565,631)
Lease payments		(1,268,380)	(4,374,884)
Others		285,604	(707,331)
Net cash (used in)/provided by financing activities		(10,496,153)	13,613,405
Effect of foreign exchange rate changes, net		19,299	33,580
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(555,532)</b>	2,450,471
Cash and cash equivalents as at beginning of the year		18,601,106	16,150,635
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR</b>	35	<b>18,045,574</b>	18,601,106

The notes on pages 128 to 361 are an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

*(Prepared in accordance with IFRS Accounting Standards)*

*(Amounts expressed in thousands of RMB)*

## 1 COMPANY ORGANISATION AND PRINCIPAL ACTIVITIES

Huaneng Power International, Inc. (the “Company”) was established in the People’s Republic of China (the “PRC”) as a Sino-foreign joint stock limited company on 30 June 1994. The registered address of the Company has been changed from Huaneng Building, 6 Fuxingmennei Street, Xicheng District, Beijing, the PRC to Huaneng Headquarters, New Area Pilot Block, Xiongan, Hebei Province, the PRC. The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the generation and sale of electric power to the respective regional or provincial grid companies in the PRC, the Republic of Singapore (“Singapore”) and the Islamic Republic of Pakistan (“Pakistan”). The Company conducts its business in Singapore through SinoSing Power Pte Ltd. (“SinoSing Power”) and its subsidiaries and in Pakistan through Huaneng Shandong Ruyi (Hong Kong) Energy Co., Ltd. (“Hong Kong Energy”) and its subsidiaries.

The directors consider Huaneng International Power Development Corporation (“HIPDC”) and China Huaneng Group Co., Ltd. (“Huaneng Group”) as the controlling shareholders of the Company, with HIPDC being the parent company and Huaneng Group being the ultimate parent company of the Company, respectively. Both HIPDC and Huaneng Group are established in the PRC.

## 2 MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and derivative financial assets and liabilities.

As at 31 December 2025, the Group had net current liabilities of approximately RMB83,312 million. Taking into consideration the unutilised banking facilities exceeding approximately RMB430.0 billion as at 31 December 2025, the Group is expected to refinance certain of its short-term loans and bonds and also to consider alternative sources of financing, where applicable and when needed. Therefore, the directors of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and accordingly, the consolidated financial statements are prepared on a going concern basis.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (b) Changes in accounting policies

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's consolidated financial statements.

Amendments to IAS 21 *Lack of Exchangeability*

The nature and the impact of the revised IFRS Accounting Standards that are applicable to the Group are described below:

#### (i) Amendments to IAS 21 Lack of Exchangeability

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of consolidated financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments did not have any material impact on the Group's consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

*(Prepared in accordance with IFRS Accounting Standards)*

*(Amounts expressed in thousands of RMB)*

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest, and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Consolidation (Continued)

#### (i) Business combinations

The acquisition method is used to account for the business combinations of the Group (including business combinations under common controls). The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (Note 2(k)). If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. In a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate. In prior reporting periods, the acquirer may have recognised changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognised in other comprehensive income shall be recognised on the same basis as would be required if the acquirer had directly disposed of the previously held equity interest.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs. The Group may elect to apply, or not apply, an optional test (the concentration test) to permit a simplified assessment of whether an acquired set of activities and assets is not a business, and the Group makes such an election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the concentration test is not met, or if the entity elects not to apply the test, the Group then perform further assessment to determine whether an acquisition meet the minimum requirements to be a business.

When an acquisition does not constitute an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities, it is not defined as a business and therefore is identified as an asset acquisition.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

*(Prepared in accordance with IFRS Accounting Standards)*

*(Amounts expressed in thousands of RMB)*

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Consolidation (Continued)

#### (ii) Changes in ownership interests in subsidiaries

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the equity owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(m)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (Note 2(c) (iii)).

#### (iii) Associates and joint ventures

Associates are investees over which the Group has significant influence on the financial and operating decisions. A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

Investments in associates and joint ventures are initially recognised at cost and are subsequently measured using the equity method of accounting, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The excess of the initial investment cost over the proportionate share of the fair value of identifiable net assets of investee acquired is included in the initial investment cost (Note 2(k)). Any shortfall of the initial investment cost to the proportionate share of the fair value of identifiable net assets of investee acquired is recognised in the current period profit or loss and long-term investment cost is adjusted accordingly.

When applying the equity method, the Group adjusts net profit or loss of the investees, including the fair value adjustments on the net identifiable assets of the associates and joint ventures and the adjustments to align with the accounting policies of the Company and the Company's financial reporting periods. The current period investment income is then recognised based on the proportionate share of the Group in the investees' net profit or loss. Net losses of investees are recognised to the extent of the carrying value of long-term equity investments and any other constituting long-term equity investments in investees that in substance form part of the investments in the investees. The Group continues to recognise investment losses and provision if they bear additional obligations which meet the recognition criteria.

The Group adjusts the carrying amount of the investment and directly recognises it into related other comprehensive income based on the proportionate share on the movements of the investees' other comprehensive income.

When the investees appropriate profit or declare dividends, the carrying value of long-term equity investments is reduced correspondingly by the proportionate share of the distribution.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Consolidation (Continued)

#### (iii) Associates and joint ventures (Continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or the joint venture and its carrying value and recognises the amount in the consolidated statement of profit or loss and other comprehensive income.

Profits or losses resulting from transactions between the Group and the associates and joint ventures are recognised in the Group's financial statements only to the extent of the unrelated third party investor's interests in the associates and joint ventures. Loss from transactions between the Group and the associates and joint ventures is fully recognised and not eliminated when there is evidence for asset impairment.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

Gains and losses arising from dilution of investments in associates and joint ventures are recognised in the consolidated statement of profit or loss and other comprehensive income.

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less provision for impairment losses (Note 2(l)) unless classified as held for sale (or included in a disposal group that is classified as held for sale). Investment income from investments in associates and joint ventures is accounted for by the Company based on dividends received and receivable.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(m)).

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (d) Separate financial statements of the Company

Investments in subsidiaries are accounted for at cost less impairment unless classified as held for sale (or included in a disposal group that is classified as held for sale). Cost also includes direct attributable costs of investment. Investment income is recognised when the subsidiaries declare dividend.

### (e) Segment reporting

The Group determines the operating segment based on the internal organisation structure, management requirement and internal reporting system for purposes of presenting reportable segment information.

An operating segment represents a component of the Group that meets all the conditions below: (i) the component earns revenue and incurs expenses in its daily operating activities; (ii) chief operating decision maker of the Group regularly reviews the operating results of the component in order to make decisions on allocating resources and assessing performance; (iii) the financial position, operating results, cash flows and other related financial information of the component are available. When two or more operating segments exhibit similar economic characteristics and meet certain conditions, the Group combines them as one reportable segment.

### (f) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of each of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions.

As at the end of reporting period, foreign currency monetary items are translated into functional currency at the spot exchange rate as at the end of reporting period. Exchange differences are directly expensed in current period profit or loss unless they arise from foreign currency loans borrowed for purchasing or construction of qualifying assets which is eligible for capitalisation or they arise from monetary items that qualify as hedging instruments in cash flow hedges which are recorded in other comprehensive income to the extent that the hedge is effective.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (f) Foreign currency translation (Continued)

#### (iii) Foreign subsidiaries

The operating results and financial position of the foreign subsidiaries are translated into presentation currency as follows:

Asset and liability items in each statement of financial position of foreign operations are translated at the closing rates at the end of reporting period; equity items excluding retained earnings are translated at the spot exchange rates at the date of the transactions. Income and expense items in the statement of comprehensive income of the foreign operations are translated at exchange rates that approximate to those prevailing at the dates of the transactions. All resulting translation differences are recognised in other comprehensive income, except to the extent that the differences are attributable to non-controlling interests.

The cash flows denominated in foreign currencies and cash flows of overseas subsidiaries are translated at average exchange rates approximating the rates at the dates when cash flows incurred. The effect of the foreign currency translation on the cash and cash equivalents is presented in the statement of cash flows separately.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint ventures that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint venture that includes a foreign operation that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

Property, plant and equipment consists of dams, port facilities, buildings, electric utility plant in service, transportation facilities, others and construction-in-progress ("CIP"). Property, plant and equipment acquired or constructed are initially recognised at cost and carried at the net value of cost less accumulated depreciation and accumulated impairment loss, unless classified as held for sale (or included in a disposal group that is classified as held for sale).

CIP is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Subsequent costs about property, plant and equipment are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Other subsequent expenditures not qualified for capitalisation are charged in the current period profit or loss when they are incurred.

Depreciation of property, plant and equipment is provided based on book value of the asset less estimated residual value over the estimated useful life using straight-line method. For those impaired property, plant and equipment, depreciation is provided based on book value after deducting impairment provision over the estimated useful life of the asset. The estimated useful lives are as follows:

	<b>Estimated useful lives</b>
Dams	8 – 50 years
Port facilities	20 – 40 years
Buildings	8 – 30 years
Electric utility plant in service	5 – 30 years
Transportation facilities	8 – 27 years
Others	5 – 14 years

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (g) Property, plant and equipment (Continued)

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. At the end of each year, the Group reviews the estimated useful lives, residual values and the depreciation method of the property, plant and equipment and make adjustment when necessary. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.

Property, plant and equipment is derecognised when it is disposed of, or is not expected to bring economic benefit through use or disposal. The amount of disposal proceeds arising from sale, transfer, disposal or write-off of the property, plant and equipment less book value and related tax expenses is recorded in 'operating expenses – others' in the statement of comprehensive income.

The carrying amount of property, plant and equipment is written down immediately to their recoverable amount when their carrying amount is greater than their recoverable amount (Note 2(l)).

### (h) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (Note 2(ac)), including the leasehold property held as a right-of-use asset to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at cost. Depreciation of investment properties is provided based on book value of the asset less estimated residual value over the estimated useful life using straight-line method. For those impaired investment properties, depreciation is provided based on book value after deducting impairment provision over the estimated useful life of the asset. The estimated useful lives are as follows:

	Estimated useful lives
Land use rights	40 – 50 years
Buildings	8 – 30 years

Rental income from investment properties is accounted for as described in Note 2(aa).

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) Power generation licence

The Group acquired the power generation licence as part of the business combination with Tuas Power. The power generation licence is initially recognised at fair value at the acquisition date. The licence has an indefinite useful life and is not amortised. The assessment that the licence has an indefinite useful life is based on the expected renewal of power generation licence without significant restriction and cost, together with the consideration on related future cash flows generated and the expectation of continuous operations. It is tested annually for impairment and carried at cost less accumulated impairment loss. The useful life of the power generation licence is reviewed by the Group each financial period to determine whether events and circumstances continue to support the indefinite useful life assessment.

### (j) Mining rights

Mining rights are stated at cost less accumulated amortisation and impairment losses (note 2(l)) and are amortised based on the units of production method over estimated proved and probable reserves of the mines, unless the mining rights are classified as held for sale (or included in a disposal group that is classified as held for sale).

### (k) Goodwill

After initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested for impairment annually or more frequent if events or changes in circumstances indicate that the carrying value may be impaired (Note 2(l)).

On disposal of a cash-generating unit ("CGU") during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (I) Impairment of non-financial assets

The carrying amounts of property, plant and equipment, mining rights, intangible assets, right-of-use assets with definite useful lives and long-term equity investments not accounted for as financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill, indefinite life intangible assets and intangible assets not yet available for use are tested for impairment annually regardless of whether there are indications of impairment or more frequently if events or changes in circumstances indicate a potential impairment. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. In testing a CGU for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual CGU if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of CGUs.

Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

An impairment loss in respect of goodwill is not reversed. Except for goodwill, all impaired non-financial assets are subject to review for possible reversal of impairment at each reporting date. 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.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (m) Financial instruments

#### (i) Recognition and initial measurement

All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

#### (ii) Classification and subsequent measurement of financial assets

##### (1) Classification of financial assets

On initial recognition, the Group categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL) based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

An entity's business model refers to how an entity manages its financial assets in order to generate cash flows. The entity's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective determined by the Group's key management personnel.

On initial recognition of an equity investment that is not held for trading, the Group may make an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (m) Financial instruments (Continued)

#### (ii) Classification and subsequent measurement of financial assets (Continued)

##### (1) Classification of financial assets (Continued)

The Group assesses the contractual cash flow characteristics of a financial asset whether contractual cash flows are solely payments of principal and interest (“SPPI”). Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group assesses whether the financial assets contain a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. Financial assets with cash flows that are SPPI are classified and measured at amortised cost.

All financial assets not classified as measured at amortised cost or FVOCI as described in the above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### (2) Subsequent measurement of financial assets

###### – Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss, unless the financial assets are part of a hedging relationship.

###### – Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss when the financial asset is derecognised, through the amortisation process or in order to recognise impairment gains or losses.

###### – Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

###### – Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income and are transferred to retained earnings on derecognition.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (m) Financial instruments (Continued)

#### (iii) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL or measured at amortised cost.

– **Financial liabilities at FVTPL**

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

These liabilities are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

– **Financial liabilities at amortised cost**

These liabilities are subsequently measured at amortised cost using the effective interest method.

#### (iv) Offsetting

Financial assets and financial liabilities are separately presented in the statement of financial position without offsetting. However, financial assets and financial liabilities are offset when, and only when the Group:

- currently has a legally enforceable right to set off the amounts;
- intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (m) Financial instruments (Continued)

#### (v) Derecognition

The Group derecognises a financial asset when one of the following conditions is met:

- the contractual rights to the cash flows from the financial asset expire;
- the Group transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; and
- the Group transfers the rights to receive the contractual cash flows in a transaction in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the two amounts below is recognised in profit or loss:

- the carrying amount of the financial asset transferred (measured at the date of derecognition); and
- the consideration received, along with the cumulative gain or loss previously recognised in other comprehensive income, for the part derecognised.

The Group derecognises a financial liability (or part of it) when, and only when, its contractual obligation (or part of it) is discharged or cancelled, or expires.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### (vi) Credit losses

The Group recognises loss allowance for expected credit losses (“ECLs”) on the following items:

- financial assets measured at amortised cost;
- contract assets as defined in IFRS 15;
- lease receivables; and
- debt investments measured at FVOCI.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (m) Financial instruments (Continued)

#### (vi) Credit losses (Continued)

Financial assets measured at fair value, including debt investments or equity investments measured at FVTPL, other equity investments designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

#### **Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

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

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for accounts receivable, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial 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 instrument since initial recognition or the financial instrument is not determined to have low credit risk at the reporting date, in which cases the loss allowance is measured at an amount equal to lifetime ECLs.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (m) Financial instruments (Continued)

#### (vi) Credit losses (Continued)

##### **Low credit risk**

If the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations, the credit risk on a financial instrument is considered low.

##### **Significant increases in credit risk**

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

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 is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due.

The Group considers a financial asset to be in default when 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).

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (m) Financial instruments (Continued)

#### (vi) Credit losses (Continued)

##### ***Credit-impaired financial assets***

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concession that would not otherwise consider;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; and
- the disappearance of an active market for that financial asset because of financial difficulties of the issuer.

##### ***Presentation of allowance for ECLs***

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss.

The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investments that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income.

##### ***Write-off policy***

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (m) Financial instruments (Continued)

#### (vii) Cash flow hedge

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction, and could affect profit or loss.

The hedged items of cash flow hedge are the designated items with respect to the risks associated with future cash flow changes, and can be reliably measurable. Hedging instruments are designated financial instruments for cash flow hedge whose cash flows are expected to offset changes in the cash flows of a hedged item.

When designating a hedging relationship and on an ongoing basis, the Group shall analyse the sources of hedge ineffectiveness that are expected to affect the hedging relationship during its term. If a hedging relationship ceases to meet the hedging effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, the Group shall adjust the hedge ratio of the hedging relationship, so that it meets the qualifying criteria again, which is referred to as rebalancing.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. The cash flow hedge reserve is adjusted to the lower of the following:

- the cumulative gain or loss on the hedging instrument from inception of the hedge; and
- the present value of the cumulative change in the hedged expected future cash flows from inception of the hedge.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income. Any remaining gain or loss on the hedging instrument is hedge ineffectiveness that shall be recognised in profit or loss.

On rebalancing, the hedge ineffectiveness of the hedging relationship is determined and recognised immediately before adjusting the hedging relationship. Adjusting the hedge ratio allows an entity to respond to changes in the relationship between the hedging instrument and the hedged item that arise from their underlying or risk variables. The Group adjusts the hedge ratio by increasing the volume of the hedged items or hedging instruments. Hence, increases in volumes refer to the quantities that are part of the hedging relationship, and decreases in volumes are not part of the hedging relationship.

The amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (m) Financial instruments (Continued)

#### (vii) Cash flow hedge (Continued)

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

If the amount that has been accumulated in the cash flow hedge reserve is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, the Group immediately reclassifies the amount that is not expected to be recovered in profit or loss.

When the Group discontinues hedge accounting for a cash flow hedge, the Group accounts for the amount that has been accumulated in the cash flow hedge reserve as follows:

- if the hedged future cash flows are still expected to occur, that amount shall remain in the cash flow hedge reserve until the future cash flows occur;
- if the hedged future cash flows are no longer expected to occur, that amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss. A hedged future cash flow that is no longer highly probable to occur may still be expected to occur.

When the future cash flows occur, the amounts accumulated in the hedging reserve of the effective portion are reclassified to profit or loss or included directly in the initial cost of the non-financial item. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

### (n) Dividend distribution

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the consolidated financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (o) Inventories

Inventories include fuel for power generation, materials for repairs and maintenance and spare parts, and are stated at lower of cost and net realisable values.

Inventories are initially recorded at cost and are charged to fuel costs or repairs and maintenance, respectively when used, or capitalized to property, plant and equipment when installed, as appropriate, using weighted average cost basis. Cost of inventories includes costs of purchase and transportation costs.

When the forecast transaction that is hedged results in the recognition of the inventory, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the inventory.

Provision for inventory obsolescence is determined by the excess of cost over net realisable value. Net realisable values are determined based on the estimated selling price less estimated conversion costs during power generation, selling expenses and related taxes in the ordinary course of business.

### (p) Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group 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;

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (p) Related parties (Continued)

A party is considered to be related to the Group if: (Continued)

- (b) the party is an entity where any of the following conditions applies: (Continued)
  - (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); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

### (q) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

### (r) Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance expenses in the statement of profit or loss and other comprehensive income.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (s) Borrowings

Borrowings are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### (t) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. 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 or sale are in progress. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale complete.

The amount of specific borrowing costs capitalised is net of the investment income on any temporary investment of the funds pending expenditure on the asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (u) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### (v) Other equity instruments

Perpetual corporate bonds and other equity instruments are classified as equity if they are non-redeemable, or redeemable only at the Company's option, and any interests or dividends are discretionary. Interests or dividends on such instruments classified as equity are recognised as distributions within equity. When these equity instruments are redeemed according to the contractual terms, the redemption price is charged to equity.

### (w) Payables

Payables primarily include accounts payable and other liabilities, and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (x) Taxation

#### (i) Value-added tax ("VAT")

The domestic sales of power, heat and goods of the Group are subject to VAT. VAT payable is determined by applying 13%, 9% and 6% on the taxable revenue after offsetting deductible input VAT of the period.

#### (ii) Goods and service tax ("GST")

The power sales of the subsidiaries in Singapore are subject to goods and service tax of the country where they operate. GST payable is determined by applying 9% on the taxable revenue after offsetting deductible GST of the period.

The subsidiaries in Pakistan are subject to goods and service tax of the country where they operate. The applicable tax rates in respect of capacity payment, operation and maintenance services and sales of power are 0%, 16% and 18% respectively on the taxable revenue.

#### (iii) Current and deferred income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (1) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (x) Taxation (Continued)

#### (iii) Current and deferred income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- (1) when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- (2) in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (y) Employee benefits

Employee benefits include all expenditures relating to the employees for their services. The Group recognises employee benefits as liabilities during the accounting period when employees render services and allocate to related cost of assets and expenses based on different beneficiaries.

In connection with pension obligations, the Group operates various defined contribution plans in accordance with the local conditions and practices in the countries and provinces in which it operate. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate publicly administered pension insurance plan on mandatory and voluntary bases. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefits when incurred. Prepaid contributions are recognised as assets to the extent that a cash refund or a reduction in the future payment is available.

### (z) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When government grants are received in the form of monetary assets, they are measured at the amount received or receivable. When the grant is in the form of non-monetary assets, it is measured at fair value. When fair value cannot be measured reliably, a nominal amount is assigned.

Asset-related government grant is recognised as deferred income and is amortised evenly in profit or loss over the useful lives of related assets.

Income-related government grant that is used to compensate subsequent related expenses or losses of the Group is recognised as deferred income and recorded in profit or loss when related expenses or losses are incurred. When the grant is used to compensate expenses or losses that were already incurred, they are directly recognised in the current period profit or loss.

### (aa) Revenue and other income

Income is increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in equity, other than those relating to contributions from equity participants.

Revenue is recognised when (or as) the Group satisfies a performance obligation in the contract by transferring the control over a promised good or service to a customer.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (aa) Revenue and other income (Continued)

When two or more performance obligations are identified, the Group allocates the transaction price to each performance obligation identified in the contract on a relative stand-alone selling price basis at contract inception and recognises as revenue the amount of the transaction price that is allocated to that performance obligation.

Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Group recognises a refund liability if the entity receives consideration from a customer and expects to refund some or all of that consideration to the customer. Where the contract contains a significant financing component, the Group recognises revenue at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the promised amount of consideration and its present value is amortised using the effective interest rate. The Group will not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

A performance obligation is satisfied over time if one of the following criteria is met:

- When the customer simultaneously receives and consumes the benefits provided by the Group's performance, as the Group performs;
- When the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;
- When the Group's performance does not create an asset with an alternative use to the entity and the Group has an enforceable right to payment for performance completed to date.

For performance obligations satisfied over time, revenue is recognised on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (aa) Revenue and other income (Continued)

For performance obligations satisfied at a point in time, revenue is recognised when the customer obtains control of the promised good or service in the contract. The Group considers indicators of the transfer of control, which include, but are not limited to, the following:

- The Group has a present right to payment for the asset;
- The Group has transferred physical possession of the asset;
- The customer has legal title to the asset or the significant risks and rewards of ownership of the asset;  
or
- The customer has accepted the asset.

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets (Note 2(m) (vi)). They are reclassified to trade receivables when the right to the consideration becomes unconditional. The Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer is presented as a contract liability.

The Group determines whether it is a principal or an agent at the time of the transaction based on whether it owns the control of the goods or services before the transfer of such goods or services to the customer. Where the Group is in control of that good or service prior to transferring the same to a customer, the Group is a principal, and revenue shall be recognised based on the total consideration received or receivable. Otherwise, the Group is an agent, and revenue shall be recognised at the amount expected to be entitled to collect, and such amount shall be determined based on net amount of total consideration received or receivable less amounts payable to other related parties.

Further details of revenue and income recognition policies are as follows:

#### (i) Sales of power

Revenue is recognised upon transmission of electricity to the power grid when the control of the electricity is transferred at the same time.

#### (ii) Sales of heat

Revenue is recognised upon transmission of heat to the customers when the control of the heat is transferred at the same time.

#### (iii) Service revenue

Service revenue refers to amounts received from port service, transportation service, maintenance service and heating pipeline service that is recognised over time during the provision of service, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue is recognised on a straight-line basis because the entity's inputs are expended evenly throughout the performance period.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (aa) Revenue and other income (Continued)

Further details of revenue and income recognition policies are as follows: (Continued)

#### (iv) Coal ash, coal and raw material sales revenue

Revenue is recognised when the control of the coal ash, coal and raw materials is transferred to the customers.

#### (v) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

#### (vi) Dividend income

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

#### (vii) Interest income

Interest income from deposits is recognised on a time proportion basis using the effective interest method. Interest income from finance leases is recognised on a basis that reflects a constant periodic rate of return on the net investment in the finance lease.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (ab) Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (i) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (ii) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;
- (iii) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss and other comprehensive income on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of:

- (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less
- (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (ac) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) as a single lease component.

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

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

	<b>Depreciation period</b>
Buildings	2.5 – 10 years
Electric utility plant in service	8 – 25 years
Transportation facilities	30 years
Land use rights	10 – 50 years
Others	5 – 30 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (ac) Leases (Continued)

#### Group as a lessee (Continued)

##### *(ii) Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

##### *(iii) Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for its short-term leases (elected by class of underlying asset) of certain offices and apartments for employees (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

#### Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (ac) Leases (Continued)

#### Group as a lessor (Continued)

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income of such leases is recognised in the statement of profit or loss and other comprehensive income so as to provide a constant periodic rate of charge over the lease terms.

### (ad) Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefit is probable.

### (ae) Fair value management

The Group measures its derivative financial instruments and equity investments at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (ae) Fair value management (Continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### (af) Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

### (ag) Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its consolidated financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (ah) Issued but not yet effective IFRS Accounting Standards

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the consolidated financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

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

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

### (i) Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted.

The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (ah) Issued but not yet effective IFRS Accounting Standards (Continued)

#### (ii) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity*

On 18 December 2024, the IASB published amendments to IFRS 9 and IFRS 7: *Contracts Referencing Nature-dependent Electricity*. The amendments only apply to contracts that reference nature-dependent electricity and clarify the application of the "own-use" requirements for in-scope contracts. The amendments will allow an entity designating a contract referencing nature-dependent electricity as the hedging instrument in a hedge of forecast electricity transactions, to designate a variable nominal amount of forecast electricity transactions as the hedged item, if specified criteria are met.

IFRS 7 has been amended to require disclosures relating to contracts that have been excluded from the scope of IFRS 9 as a result of the amendments. In such cases, an entity must disclose in a single note:

- Information about the contractual features that expose the entity to variability in an underlying amount of electricity and the risk that the entity would be required to buy electricity during a delivery interval where it cannot use it.
- Information about unrecognised contractual commitments arising from such contracts.
- Qualitative and quantitative information about the effects on the entity's financial performance for the reporting period, based on the information that the entity used to assess whether it was a net purchaser of electricity.

The IFRS 7 disclosure amendments must be applied when the IFRS 9 amendments are applied. If an entity does not restate comparative information, then the entity must not present comparative disclosures.

The effective date of the amendments is for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The Group is currently analysing the new requirements and assessing the impact on the presentation and disclosure of the Group's consolidated financial statements.

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (ah) Issued but not yet effective IFRS Accounting Standards (Continued)

#### (iii) *Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7.*

Details of the amendments that are expected to be applicable to the Group are as follows:

- *IFRS 7 Financial Instruments: Disclosures:* The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.
- *IFRS 9 Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.
- *IFRS 10 Consolidated Financial Statements:* The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.
- *IAS 7 Statement of Cash Flows:* The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (ah) Issued but not yet effective IFRS Accounting Standards (Continued)

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

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified “roles” of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 *Statement of Cash Flows*, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 *Basis of Preparation of Financial Statements*. These new requirements are expected to impact all reporting entities. IFRS 18 and all consequential amendments are effective for reporting periods beginning on or after 1 January 2027, with earlier application permitted. Retrospective application is required.

The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group’s consolidated financial statements.

#### (v) *Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transactions is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed. However, the amendments are available now.

#### (vi) *Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency*

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require to translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation’s comparative figures. The amendments introduce certain additional disclosures. The amendments are not expected to have any significant impact on the Group’s consolidated financial statements.

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## 3 FINANCIAL AND CAPITAL RISKS MANAGEMENT

### (a) Financial risk management

Risk management, including the management of financial risks, is carried out under the instructions of the Strategic Committee of the Board of Directors and the Risk Management Team. The Group works out general principles for overall management as well as management policies covering specific areas. In considering the importance of risks, the Group identifies and evaluates risks at head office and individual power plant level, and requires analysis and proper communication of the information collected periodically.

SinoSing Power and its subsidiaries and Huaneng Shandong Ruyi (Pakistan) Energy (Private) Co., Ltd. (“Ruyi Pakistan Energy”) and Shandong Huatai Electric Power Operation & Maintenance (Private) Co., Ltd. (“Huatai Power”), the subsidiaries of Hong Kong Energy, are subject to financial risks that are different from the entities operating within the Chinese Mainland. They have a series of controls in place to maintain the cost of risks occurring and the cost of managing the risks at an acceptable level. Management continually monitors the risk management process to ensure that an appropriate balance between risk and control is achieved. SinoSing Power and its subsidiaries, Ruyi Pakistan Energy and Huatai Power have their written policies and financial authorisation limits in place which are reviewed periodically. These financial authorisation limits seek to mitigate and eliminate operational risks by setting approval thresholds required for entering into contractual obligations and investments.

### (i) Market risk

#### (1) Foreign exchange risk

Foreign exchange risk of the entities operating within the Chinese Mainland primarily arises from loans denominated in foreign currencies of the Group. SinoSing Power and its subsidiaries are exposed to foreign exchange risk on bank balances, accounts receivable, other receivables and assets, accounts payable, long-term bonds and other liabilities that are denominated primarily in US\$, a currency other than the Singapore dollar (“S\$”), their functional currency. Ruyi Pakistan Energy is exposed to foreign exchange risk on bank balances, financial lease receivables, accounts payable and other liabilities and long-term loans that are denominated primarily in US\$, a currency other than Pakistan rupee (“PKR”), their functional currency. The Group manages exchange risk through closely monitoring the interest and exchange market.

As at 31 December 2025, if RMB had weakened/strengthened by 5% (2024: 5%) against US\$ with all other variables constant, the Group would further recognise an exchange gain/loss amounting to RMB0.18 million (2024: RMB1.71 million). The ranges of such sensitivity disclosed above were based on the observation on the historical trend of related exchange rates during the previous year under analysis.

As at 31 December 2025, if S\$ had weakened/strengthened by 10% (2024: 10%) against US\$ with all other variables constant, SinoSing Power and its subsidiaries would further recognise exchange gain/loss amounting to RMB1 million (2024: RMB7 million). The range of such sensitivity disclosed above was based on the management’s experience and forecast.

SinoSing Power and its subsidiaries also are exposed to foreign exchange risk on fuel purchases and long-term loans that are denominated primarily in US\$. They substantially hedge their estimated foreign currency exposure in respect of forecast fuel purchases for a period in the future using primarily foreign currency contracts.

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## 3 FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)

### (a) Financial risk management (Continued)

#### (i) Market risk (Continued)

##### (1) Foreign exchange risk (Continued)

As at 31 December 2025, if PKR had weakened/strengthened by 5% (2024: 5%) against US\$ with all other variables constant, Ruyi Pakistan Energy would further recognise an exchange gain/loss amounting to RMB100 million (2024: exchange loss/gain amounting to RMB73 million). The range of such sensitivity disclosed above was based on the management's experience and forecast.

Ruyi Pakistan Energy is exposed to foreign exchange risk on payments of long-term loans that are denominated primarily in US\$. Ruyi Pakistan Energy entered into an agreement on a tariff adjustment mechanism with Central Power Purchasing Agency (Guarantee) Limited ("CPPA-G") and the tariff adjustment mechanism was approved by the National Electric Power Regulatory Authority. The mechanism mitigates foreign exchange risk by decreasing or increasing electricity tariff when PKR strengthens or weakens against US\$.

##### (2) Price risk

The other equity instrument investments of the Group designated as at FVOCI are exposed to equity security price risk.

Detailed information relating to the other equity instrument investments is disclosed in Note 10. The Group closely monitors the pricing trends in the open market in determining its long-term strategic stake holding decisions.

The Group is exposed to fuel price risk on fuel purchases. In particular, SinoSing Power and its subsidiaries use fuel oil swaps to hedge against such a risk and designate them as cash flow hedges. Please refer to Note 13 for details.

##### (3) Cash flow interest rate risk

The interest rate risk of the Group primarily arises from loans. Loans borrowed at variable rates expose the Group to cash flow interest rate risk. The exposures of these risks are disclosed in Notes 24 and 30 to the consolidated financial statements. The Group has entered into interest rate swap agreements with banks to hedge against a portion of cash flow interest rate risk.

As at 31 December 2025, if interest rates on RMB-denominated borrowings had been 50 basis (2024:50 basis) points higher/lower with all other variables held constant, interest expense for the year would have been RMB1,099 million (2024: RMB1,078 million) higher/lower. If interest rates on US\$-denominated borrowings had been 50 basis (2024:50 basis) points higher/lower with all other variables held constant, interest expense for the year would have been RMB22 million (2024: RMB29 million) higher/lower. The ranges of such sensitivity disclosed above were based on the observation on the historical trend of related interest rates during the previous year under analysis.

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## 3 FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)

### (a) Financial risk management (Continued)

#### (i) Market risk (Continued)

#### (3) Cash flow interest rate risk (Continued)

TP-STM Water Resources Pte. Ltd. ("TPSTMWR") also entered into a number of floating-to-fixed interest rate swap agreements to hedge against cash flow interest rate risk of loans.

According to the interest rate swap agreements, TPSTMWR agrees with the counterparty to settle the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amount quarterly until 2044. Please refer to Note 13 for details.

#### (ii) Credit risk

Credit risk arises from bank deposits, accounts and notes receivables, contract assets, other receivables and assets and other non-current assets. The maximum exposures of contract assets, other non-current assets, other receivables and assets, accounts and notes receivables and bank deposits are disclosed in Notes 5(c), 15, 17, 18 and 35 to the consolidated financial statements, respectively.

Bank deposits are placed with reputable banks and financial institutions. In addition, a significant portion is deposited with a non-bank financial institution which is a related party of the Group. The Group has a director on the Board of this non-bank financial institution and exercises influence. Corresponding maximum exposures of these bank deposits are disclosed in Note 36 (a) (i) to the consolidated financial statements.

The majority of the power plants of the Group operating within the PRC sell electricity generated to their sole customers, the power grid companies of their respective provinces or regions where the power plants operate. These power plants communicate with their individual grid companies periodically and believe that adequate provision for loss allowance on accounts receivable has been made in the consolidated financial statements.

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## 3 FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)

### (a) Financial risk management (Continued)

#### (ii) Credit risk (Continued)

Pursuant to Cai Jian [2020] No. 4 *Opinions on the Promotion of Healthy Development over Non-water Renewable Energy Power Generation* jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration in January 2020, the application process of renewable energy tariff premium has been further simplified to file the project tariff supplementary information on the National Renewable Energy Information Management Platform. The tariff premium receivables are settled in accordance with prevailing government policies and prevalent payment trends of the Ministry of Finance. There is no due date for settlement. The directors are of the opinion that the application process will be completed in due course and these trade receivables from tariff premium are fully recoverable considering there were no bad debt experiences with the grid companies in the past and such tariff premium is funded by the PRC government. On 20 January 2020, the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration jointly issued Cai Jian [2020] No. 5 Notice on the *Measures for Administration of Funds for Tariff Premium of Renewable Energy and abolished the Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy* issued in 2012. The new measures clarified that the total amount of funds for tariff premium will be determined by the Ministry of Finance in accordance with the principle of determining expenditure by revenue, and the capacity of newly installed renewable energy projects within the premium scope will be determined by the National Development and Reform Commission and the Energy Administration. At the same time, the stock projects included in the annual construction plan could be enrolled in the list of subsidies after approved by the power grid company. As at 31 December 2025, most relevant projects of the Group have been approved for renewable energy subsidies, and some projects are under application for approval.

Singapore subsidiaries derive revenue mainly from the sale of electricity to the National Electricity Market of Singapore operated by Energy Market Company Pte. Ltd., which does not have high credit risk. Singapore subsidiaries also derive revenue mainly from retailing electricity to household and business. These customers engage in a wide spectrum of manufacturing and commercial activities in a variety of industries. Singapore subsidiaries also entered into a build-operate-transfer agreement with a Singapore government related entity for certain water related projects, the contract assets were recognised accordingly, and the Singapore government related entity does not have high credit risk.

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## 3 FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)

### (a) Financial risk management (Continued)

#### (ii) Credit risk (Continued)

Ruyi Pakistan Energy derives revenue from the sale of electricity to CPPA-G, which is measured on the basis of lifetime ECLs.

The Group measures loss allowances for accounts and notes receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As at 31 December 2025, for accounts receivable amounting to RMB3,258 million with specific credit risk, the Group measures their credit risk individually and recognised loss allowances amounting to RMB240 million. For other accounts and notes receivables and contract assets, the Group measures loss allowances based on the past due status and further distinguish them by the Group's different customer bases and business types into five categories as stated in below table. The Group's historical credit loss experience does not indicate significantly different loss patterns for these five categories.

Accounts and notes receivables and contract assets	Gross carrying amount	ECL	Loss allowance
Receivables from domestic sales of power	41,203,974	-	-
Receivables from domestic sales of heat	1,873,442	-	-
Receivables from overseas sales of power	938,091	1.17%	11,022
Receivables from domestic sales of others	226,648	-	-
Receivables from overseas sales of others	1,141,639	-	-
Total	45,383,794		11,022

Finance lease receivables are mainly from a domestic related party, business enterprises in Singapore and CPPA-G in Pakistan. As the related party and Singapore local enterprises have a good track of records and no historical losses have been incurred, the Group concluded that these receivables have low credit risk and remote possibility of default. The finance lease receivables from CPPA-G are secured against the sovereign guarantee issued by the Government of Pakistan pursuant to the designated agreement. The ECLs of the finance lease receivables are measured on the basis of lifetime ECLs, and a 0.03% of risk of default against the Government of Pakistan is considered during the assessment. The ECLs relating to the finance lease receivables reversed during the year were RMB1.85 million.

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### 3 FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)

#### (a) Financial risk management (Continued)

##### (ii) Credit risk (Continued)

The Group measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk.

Other receivables	Gross carrying amount	Loss allowance
Within 1 year	2,043,108	7,688
1-2 years	811,498	142,040
2-3 years	189,792	17,189
3-4 years	275,319	31,850
4-5 years	117,619	5,717
Over 5 years	316,683	83,905
Total	3,754,019	288,389

Expected loss rates are based on actual loss experience over the past 5 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, the current conditions, and the Group's view of economic conditions over the expected lives of the receivables.

##### (iii) Liquidity risk

Liquidity risk management is to primarily ensure the ability of the Group to meet its liabilities as and when they are fall due. The liquidity reserve comprises the undrawn borrowing facility and cash and cash equivalents available as at each month end in meeting the Group's liabilities.

The Group maintains flexibility in funding by cash generated by their operating activities and availability of committed credit facilities.

Financial liabilities due within 12 months are presented as current liabilities in the statement of financial position. The cash flows of derivative financial liabilities and repayment schedules of the long-term loans, long-term bonds, other non-current liabilities and lease liabilities are disclosed in Notes 13, 24, 25, 26 and 41, respectively.

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## 3 FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)

### (b) Fair value estimation

#### (i) Fair value measurements

The following table presents the assets and liabilities that are measured at fair value at 31 December 2025 on a recurring basis.

	Level 1	Level 2	Level 3	Total
<b>Recurring fair value measurements</b>				
<b>Assets</b>				
Derivatives used for hedging (Note 13)	–	27,230	–	27,230
Other equity instrument investments (Note 10)	–	–	481,760	481,760
Total assets	–	27,230	481,760	508,990
<b>Liabilities</b>				
Derivatives used for hedging (Note 13)	–	981,129	–	981,129
Total liabilities	–	981,129	–	981,129

The following table presents the assets and liabilities that are measured at fair value at 31 December 2024 on a recurring basis.

	Level 1	Level 2	Level 3	Total
<b>Recurring fair value measurements</b>				
<b>Assets</b>				
Derivatives used for hedging (Note 13)	–	294,170	–	294,170
Other equity instrument investments (Note 10)	–	–	589,920	589,920
Total assets	–	294,170	589,920	884,090
<b>Liabilities</b>				
Derivatives used for hedging (Note 13)	–	448,235	–	448,235
Total liabilities	–	448,235	–	448,235

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*(Amounts expressed in thousands of RMB)*

## 3 FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)

### (b) Fair value estimation (Continued)

#### (i) Fair value measurements (Continued)

As at 31 December 2025, the Group had no financial instruments traded in active markets. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of relevant observable inputs and minimise the use of unobservable inputs. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- The forward exchange contracts and fuel oil swaps are both valued using quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The model incorporates various market observable inputs including the annualised yields of similar securitisation products and interest rate curves. The carrying amounts of accounts receivable are the same as their fair values.
- The material other equity instrument investments in unlisted securities are valued using a market-base valuation technique based on assumptions that are not supported by observable market prices or rates. The Group determines comparable public companies based on industry, size, leverage and strategy and calculates an appropriate price multiple, such as price to book ("P/B") multiple for each comparable company identified.

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## 3 FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)

### (b) Fair value estimation (Continued)

#### (i) Fair value measurements (Continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B	0.62-1.23 (31 December 2024: 1.19-1.31)	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB21.85 million. (31 December 2024: RMB32.76 million).
		Discount for lack of marketability	18.05%-19.85% (31 December 2024: 18.05%-19.85%)	10% increase/decrease in multiple would result in decrease/increase in fair value by RMB4.81 million. (31 December 2024: RMB7.21 million).

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

During the years ended 31 December 2025 and 2024, there were no transfers of financial instruments between level 1 and level 2, or transfers into or out of level 3.

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### 3 FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)

#### (b) Fair value estimation (Continued)

##### (i) Fair value measurements (Continued)

The movements during the year in the balance of the level 3 fair value measurements are as follows:

	For the year ended 31 December	
	2025	2024
Other equity instrument investments		
<b>Beginning of the year</b>	<b>589,920</b>	642,923
Addition	<b>1,000</b>	–
Disposal	<b>(105)</b>	–
Fair value changes	<b>(109,055)</b>	(53,003)
<b>End of the year</b>	<b>481,760</b>	589,920
Changes in fair value recognised in other comprehensive income for the year, net of tax	<b>(81,791)</b>	(39,752)

##### (ii) Fair value disclosures

The carrying value less provision for loss allowances on accounts receivable, other receivables and assets, accounts payable and other liabilities, short-term bonds and short-term loans approximated to their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The estimated fair values of long-term loans and long-term bonds (both including current maturities) were approximately RMB186.15 billion and RMB51.98 billion as at 31 December 2025 (31 December 2024: RMB182.12 billion and RMB46.81 billion), respectively. The aggregate book values of these liabilities were approximately RMB186.39 billion and RMB51.98 billion as at 31 December 2025 (31 December 2024: RMB183.78 billion and RMB45.70 billion), respectively.

#### (c) Capital risk management

The objectives of the Group for managing capital are to safeguard the ability of the Group in continuing as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by using debt ratio analysis. This ratio is calculated as total liabilities (sum of current liabilities and non-current liabilities) divided by total assets as shown in the consolidated statement of financial position. During 2025, the strategy of the Group's capital management remained unchanged from 2024. The debt ratio of the Group as at 31 December 2025 was 64.57% (31 December 2024: 64.64%).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

*(Prepared in accordance with IFRS Accounting Standards)*

*(Amounts expressed in thousands of RMB)*

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### (a) Accounting estimates on impairment of goodwill

In accordance with the accounting policies stated in Note 2(l), the Group performs annual tests on whether goodwill has suffered any impairment or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amounts of CGU or CGUs to which goodwill has been allocated are determined based on value-in-use calculations. The annual goodwill impairment assessment is complex because the determination of the recoverable amount of the underlying CGUs involves significant estimates and judgements, including the future sales volumes, fuel prices, gross margin and terminal growth rate used to estimate future cash flows and discount rates applied to these forecasted future cash flows of the underlying CGUs. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations. Even though the Group has concluded that no single climate-related assumption is a key assumption for the 2025 test of goodwill, the Group considered expectations for increased costs of emissions and cost increases due to stricter recycling requirements in the cash-flow forecasts in assessing value-in-use amounts. These estimates and judgements may be significantly affected by changes in future market or economic conditions.

### (b) Accounting estimates on impairment of property, plant and equipment

In accordance with the accounting policies stated in Note 2(l), the Group reviews at each reporting date to determine whether there is any indication of impairment on property, plant and equipment. If any such indication exists, then the recoverable amount of property, plant and equipment is estimated. The impairment assessment is by determining the recoverable amounts of the CGUs that the PPE are allocated to. The impairment assessment of property, plant and equipment was complex due to the significant estimates and judgements involved in the projections of future cash flows, including the future sales volumes, fuel prices, and discount rates applied to these forecasted future cash flows. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations. Even though the Group has concluded that no single climate-related assumption is a key assumption for the 2025 test of property, plant and equipment, the Group considered expectations for increased costs of emissions and cost increases due to stricter recycling requirements in the cash-flow forecasts in assessing value-in-use amounts. These estimates and judgements may be significantly affected by changes in future market or economic conditions.

### (c) Deferred income tax assets

The Group recognises the deferred income tax assets to the extent that it is probable that future taxable profit and taxable temporary differences will be available against which the deductible temporary differences and tax losses carried forward can be utilised, using tax rates that are expected to be applied in the period when the asset is recovered. Recognition of deferred income tax assets was complex because it requires significant estimation and judgement, and it involves significant assumptions, including future taxable profits, future tax rates, the reversal of deductible and taxable temporary differences, and the possible utilisation of tax losses carried forward that could be significantly affected by changes in the tax law framework and future market or economic conditions. Further details on deferred taxes are disclosed in Note 31 to the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

### 5 REVENUE AND SEGMENT INFORMATION

#### (a) Disaggregation of revenue

In the following table, revenue is disaggregated by major products and/or service lines of revenue recognition. The table also includes a reconciliation of the disaggregated operating revenue to the Group's reportable segments (Note 5(b)).

For the year ended 31 December 2025	PRC power segment	Overseas power segment Note 1	All other segments	Inter- segment revenue	Total
– Sales of power and heat	202,437,921	18,523,422	–	–	220,961,343
– Sales of coal ash, coal and raw materials	557,853	4,452	–	–	562,305
– Port service	–	–	738,972	(520,832)	218,140
– Transportation service	–	–	229,968	(124,889)	105,079
– Lease income	98,392	1,137,892	–	–	1,236,284
– Others	2,978,375	3,220,024	7,029	(521)	6,204,907
Total	<u>206,072,541</u>	<u>22,885,790</u>	<u>975,969</u>	<u>(646,242)</u>	<u>229,288,058</u>
Revenue:					
– From contracts with customers within the scope of IFRS 15					228,051,774
– From other sources					1,236,284
					<u>1,236,284</u>
For the year ended 31 December 2024	PRC power segment	Overseas power segment Note 1	All other segments	Inter- segment revenue	Total
– Sales of power and heat	216,074,348	21,479,550	–	–	237,553,898
– Sales of coal ash, coal and raw materials	1,391,546	3,136	–	–	1,394,682
– Port service	–	–	736,370	(519,439)	216,931
– Transportation service	–	–	216,500	(144,321)	72,179
– Lease income	77,615	1,334,092	–	–	1,411,707
– Others	2,489,244	2,401,171	33,502	(22,391)	4,901,526
Total	<u>220,032,753</u>	<u>25,217,949</u>	<u>986,372</u>	<u>(686,151)</u>	<u>245,550,923</u>
Revenue:					
– From contracts with customers within the scope of IFRS 15					244,139,216
– From other sources					1,411,707
					<u>1,411,707</u>

Note 1: The overseas power segment mainly consists of the operations in Singapore and Pakistan.

The revenue from the sale of power and heat and the sale of coal ash, coal and raw materials is recognised at the point in time upon the transfer of products, whereas the revenue from port service, transportation service, maintenance service, and heating pipeline service is recognised over time during the provision of such services. Lease income is recognised over the lease term.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
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(Amounts expressed in thousands of RMB)

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment information

Directors and certain senior management of the Company perform the function as the chief operating decision maker (collectively referred to as the “senior management”). The senior management reviews the internal reporting of the Group in order to assess performance and allocate resources. The Company has determined the operating segments based on these reports. The reportable segments of the Group are the PRC power segment, overseas power segment and all other segments (mainly including port and transportation operations). No operating segments have been aggregated to form a reportable segment.

Senior management assesses the performance of the operating segments based on a measure of profit before income tax expense under China Accounting Standards for Business Enterprises (“PRC GAAP”) excluding dividend income received from other equity instrument investments, share of profits of China Huaneng Finance Co., Ltd. (“Huaneng Finance”) and operating results of the centrally managed and resource allocation functions of headquarters (“segment results”). Other information provided, except as noted below, to the senior management of the Company is measured under PRC GAAP.

Segment assets exclude prepaid income tax, deferred income tax assets, other equity instrument investments, investment in Huaneng Finance and assets related to the centrally managed and resource allocation functions of the headquarters that are not attributable to any operating segment (“corporate assets”). Segment liabilities exclude current income tax liabilities, deferred income tax liabilities and liabilities related to the centrally managed and resource allocation functions of the headquarters that are not attributable to any operating segment (“corporate liabilities”). These are part of the reconciliation to total assets and liabilities of the consolidated statement of financial position.

All sales among the operating segments have been eliminated as internal transactions when preparing the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

### 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### (b) Segment information (Continued)

(Under PRC GAAP)

	PRC power segment	Overseas power segment	All other segments	Total
<b>For the year ended 31 December 2025</b>				
Total revenue	206,072,541	22,885,790	975,969	229,934,300
Intersegment revenue	–	–	(646,242)	(646,242)
External revenue	206,072,541	22,885,790	329,727	229,288,058
Segment results	20,312,465	2,971,496	397,323	23,681,284
Interest income	150,013	203,432	1,139	354,584
Interest expense	(6,183,413)	(821,864)	(69,827)	(7,075,104)
Impairment loss of property, plant and equipment	(1,949,343)	–	–	(1,949,343)
Impairment loss of other non-current assets	(34,815)	–	–	(34,815)
Recognition of provision for inventory obsolescence	(33,543)	573	–	(32,970)
(Provision for)/ reversal of impairment loss on financial and contract assets	(129,988)	19,389	–	(110,599)
Depreciation and amortisation	(26,417,049)	(829,624)	(269,552)	(27,516,225)
Net (loss)/gain on disposal of non-current assets	(68,334)	22,713	18	(45,603)
Share of profits less losses of associates and joint ventures	688,850	–	318,815	1,007,665
Income tax expense	(3,727,102)	(397,894)	(13,884)	(4,138,880)
	PRC power segment	Overseas power segment	All other segments	Total
<b>For the year ended 31 December 2024</b>				
Total revenue	220,032,753	25,217,949	986,372	246,237,074
Intersegment revenue	–	–	(686,151)	(686,151)
External revenue	220,032,753	25,217,949	300,221	245,550,923
Segment results	14,119,298	3,657,056	377,483	18,153,837
Interest income	198,389	403,129	4,401	605,919
Interest expense	(6,743,867)	(952,217)	(90,376)	(7,786,460)
Impairment loss of property, plant and equipment	(1,531,373)	(79,347)	–	(1,610,720)
Impairment loss of other non-current assets	(60,344)	–	–	(60,344)
Recognition of provision for inventory obsolescence	(36,912)	(6,164)	–	(43,076)
Reversal of/(provision for) impairment loss on financial and contract assets	28,423	24,584	(39,226)	13,781
Depreciation and amortisation	(24,810,209)	(742,928)	(284,218)	(25,837,355)
Net loss on disposal of non-current assets	(584,141)	(1,446)	(23)	(585,610)
Share of profits less losses of associates and joint ventures	755,079	–	299,524	1,054,603
Income tax expense	(3,369,477)	(594,571)	(12,518)	(3,976,566)

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FOR THE YEAR ENDED 31 DECEMBER 2025  
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 (Amounts expressed in thousands of RMB)

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment information (Continued)

(Under PRC GAAP)

	PRC power segment	Overseas power segment	All other segments	Total
<b>31 December 2025</b>				
Segment assets	556,294,327	39,069,839	10,752,932	606,117,098
Including:				
Additions to non-current assets (excluding financial assets and deferred income tax assets)	63,211,327	499,261	174,519	63,885,107
Investments in associates	14,643,543	–	5,774,652	20,418,195
Investments in joint ventures	1,844,262	–	1,126,632	2,970,894
Segment liabilities	<u>(378,269,520)</u>	<u>(15,335,400)</u>	<u>(2,662,311)</u>	<u>(396,267,231)</u>
	PRC power segment	Overseas power segment	All other segments	Total
<b>31 December 2024</b>				
Segment assets	528,529,486	41,577,645	10,530,303	580,637,434
Including:				
Additions to non-current assets (excluding financial assets and deferred income tax assets)	69,243,347	274,749	45,346	69,563,442
Investments in associates	14,160,764	–	5,575,405	19,736,169
Investments in joint ventures	1,962,702	–	961,959	2,924,661
Segment liabilities	<u>(360,122,762)</u>	<u>(18,846,796)</u>	<u>(1,819,180)</u>	<u>(380,788,738)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

### 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### (b) Segment information (Continued)

A reconciliation of external revenue to operating revenue is provided as follows:

	For the year ended 31 December	
	2025	2024
External revenue (PRC GAAP)	<b>229,288,058</b>	245,550,923
Operating revenue per IFRS Accounting Standards consolidated statement of profit or loss and other comprehensive income	<b>229,288,058</b>	245,550,923

A reconciliation of segment results to profit before income tax expense is provided as follows:

	For the year ended 31 December	
	2025	2024
Segment results (PRC GAAP)	<b>23,681,284</b>	18,153,837
<i>Reconciling items (PRC GAAP):</i>		
Loss related to the headquarters	<b>(156,613)</b>	(252,206)
Share of profits of Huaneng Finance	<b>112,841</b>	183,721
Dividend income of other equity instrument investments	<b>6,430</b>	761
Subtotal	<b>23,643,942</b>	18,086,113
Impact of IFRS Accounting Standards adjustments*	<b>(110,738)</b>	(264,827)
Profit before income tax expense per IFRS Accounting Standards consolidated statement of profit or loss and other comprehensive income	<b>23,533,204</b>	17,821,286

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## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment information (Continued)

Reportable segment assets are reconciled to total assets as follows:

	As at 31 December	
	2025	2024
Total segment assets (PRC GAAP)	606,117,098	580,637,434
<i>Reconciling items (PRC GAAP):</i>		
Investment in Huaneng Finance	2,001,411	1,985,070
Deferred income tax assets	2,810,400	3,256,059
Prepaid income tax	182,305	149,539
Other equity instrument investments	481,760	589,920
Corporate assets	196,853	224,731
Subtotal	<u>611,789,827</u>	<u>586,842,753</u>
Impact of IFRS Accounting Standards adjustments*	<u>7,888,216</u>	<u>8,734,127</u>
Total assets per IFRS Accounting Standards consolidated statement of financial position	<u>619,678,043</u>	<u>595,576,880</u>

Reportable segment liabilities are reconciled to total liabilities as follows:

	As at 31 December	
	2025	2024
Total segment liabilities (PRC GAAP)	(396,267,231)	(380,788,738)
<i>Reconciling items (PRC GAAP):</i>		
Current income tax liabilities	(984,098)	(872,057)
Deferred income tax liabilities	(1,703,211)	(1,711,662)
Corporate liabilities	(317,205)	(422,469)
Subtotal	<u>(399,271,745)</u>	<u>(383,794,926)</u>
Impact of IFRS Accounting Standards adjustments*	<u>(868,502)</u>	<u>(1,202,908)</u>
Total liabilities per IFRS Accounting Standards consolidated statement of financial position	<u>(400,140,247)</u>	<u>(384,997,834)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment information (Continued)

Other material items:

	Reportable segment total	Headquarters	Share of profits of Huaneng Finance	Impact of IFRS Accounting Standards adjustments*	Total
<b>For the year ended 31 December 2025</b>					
Total revenue	229,288,058	-	-	-	229,288,058
Interest expense	(7,075,104)	-	-	-	(7,075,104)
Depreciation and amortisation	(27,516,225)	(17,687)	-	(430,117)	(27,964,029)
Impairment loss of property, plant and equipment	(1,949,343)	-	-	(1,421)	(1,950,764)
Impairment loss of right-of-use assets	-	-	-	(25,648)	(25,648)
Impairment loss on other non-current assets	(34,815)	-	-	-	(34,815)
Recognition of provision for inventory obsolescence	(32,970)	-	-	-	(32,970)
Impairment loss of goodwill	-	-	-	(100,908)	(100,908)
Provision for impairment losses on financial and contract asset	(110,599)	-	-	-	(110,599)
Share of profits less losses of associates and joint ventures	1,007,665	-	112,841	29,362	1,149,868
Net loss on disposal of non-current assets	(45,603)	-	-	12,907	(32,696)
Income tax expense	(4,138,880)	-	-	135,701	(4,003,179)
<b>For the year ended 31 December 2024</b>					
Total revenue	245,550,923	-	-	-	245,550,923
Interest expense	(7,786,460)	-	-	-	(7,786,460)
Depreciation and amortisation	(25,837,355)	(38,704)	-	(540,602)	(26,416,661)
Impairment loss of property, plant and equipment	(1,610,720)	-	-	-	(1,610,720)
Impairment loss of right of use assets	-	-	-	(17,747)	(17,747)
Impairment loss of other non-current assets	(60,344)	-	-	17,747	(42,597)
Recognition of provision for inventory obsolescence	(43,076)	-	-	-	(43,076)
Provision for impairment losses on financial and contract asset	13,781	-	-	(34,000)	(20,219)
Share of profits less losses of associates and joint ventures	1,054,603	-	183,721	21,580	1,259,904
Net loss on disposal of non-current assets	(585,610)	-	-	(8,767)	(594,377)
Income tax expense	(3,976,566)	-	-	161,473	(3,815,093)

\* IFRS Accounting Standards adjustments above primarily represented the reclassification adjustments and adjustments related to business combination, borrowing cost and reserve fund. Other than the reclassification adjustments, the differences will be gradually eliminated following subsequent depreciation and amortisation of related assets or the extinguishment of liabilities.

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## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment information (Continued)

#### Geographical information (Under IFRS Accounting Standards):

##### (i) External revenue generated from the following countries:

	For the year ended 31 December	
	2025	2024
PRC	206,402,268	220,332,974
Overseas	22,885,790	25,217,949
Total	229,288,058	245,550,923

The geographical locations of customers are based on the locations at which the electricity was transferred, goods were delivered, and services were provided.

##### (ii) Non-current assets (excluding financial assets and deferred income tax assets) are located in the following countries:

	As at 31 December	
	2025	2024
PRC	496,064,926	465,319,492
Overseas	22,290,311	22,007,431
Total	518,355,237	487,326,923

The non-current asset information above is based on the locations of the assets.

The information on sales to major customers of the Group which accounted for 10% or more of external revenue is as follows:

In 2025, the revenue from grid companies under common control of State Grid Corporation of China within the PRC power segment in total accounted for 80% of external revenue (2024: 81%). The sales to a subsidiary of State Grid Corporation of China which accounted for 10% or more of external revenue are as follows:

	For the year ended 31 December			
	2025		2024	
	Amount	Proportion	Amount	Proportion
State Grid Shandong Electric Power Company	30,905,606	13%	34,219,109	14%

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### 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### (c) Contract assets and liabilities

The contract assets primarily relate to the Group's rights to consideration for service completed but not billed at end of the year. The contract assets are transferred to receivables when the rights become unconditional according to the contract.

The contract liabilities primarily relate to the advance received from customers for heat sales and heating pipeline upfront fees. The contract liabilities of RMB263 million (2024: RMB299 million) at the beginning of the year has been recognised as revenue of heating pipeline service in 2025. The contract liabilities of RMB3,140 million (2024: RMB2,930 million) at the beginning of the year has been recognised as revenue of heat sales in 2025.

#### (i) The transaction prices allocated to remaining performance obligations (unsatisfied or partially unsatisfied) related to heating pipeline upfront fees are as follows:

	As at 31 December	
	2025	2024
Within 1 year	<b>307,588</b>	279,892
Over 1 year	<b>2,900,974</b>	3,171,583
Total (Note 26)	<b>3,208,562</b>	3,451,475

The transaction prices allocated to the above remaining performance obligations expected to be recognised in more than one year relate to the provision of heating pipeline services, of which the performance obligations are to be satisfied within 17 years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amount disclosed above does not include variable consideration which is constrained.

#### (ii) Performance obligations

The Group has elected the practical expedient of not disclosing the remaining obligation excluding heating pipeline upfront fees. As allowed by IFRS 15, no information is provided about the performance obligations at 31 December 2025 that have an original expected duration of one year or less.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 6 PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense was determined after charging/(crediting) the following:

	For the year ended 31 December	
	2025	2024
Total interest expense	<b>8,082,182</b>	8,658,252
Less: amounts capitalised in property, plant and equipment	<b>1,007,078</b>	871,792
Interest expense charged to the consolidated statement of profit or loss and other comprehensive income	<b>7,075,104</b>	7,786,460
Including: Interest expense on lease liabilities	<b>273,539</b>	296,106
Depreciation of property, plant and equipment	<b>26,463,338</b>	25,184,490
Depreciation of investment properties	<b>28,836</b>	26,059
Depreciation of right-of-use assets	<b>1,299,105</b>	1,091,219
	<b>27,791,279</b>	26,301,768
Included in other investment gain		
– (Gain)/loss from disposal of investments in associates and subsidiaries	<b>(6,748)</b>	4,103
– Dividends on other equity instrument investments	<b>(6,430)</b>	(761)
– Ineffective portion of changes in fair value of cash flow hedge	<b>4,316</b>	–
– Others	<b>(7,154)</b>	(7,989)
	<b>(16,016)</b>	(4,647)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 6 PROFIT BEFORE INCOME TAX EXPENSE (CONTINUED)

	For the year ended 31 December	
	2025	2024
Included in other operating expenses:		
– Operating expense of Ruyi Pakistan Energy	2,676,340	1,925,195
– Other materials expense	1,466,401	1,584,670
– Electricity charges	1,137,303	840,774
– Cost of sales of raw materials	629,773	1,166,569
– Water charges	410,108	583,581
– Insurance expense	627,851	546,510
– Cleaning, greening and fire protection expense	407,050	412,926
– Transportation allowance	203,318	207,237
– Pollutant charge and carbon emission trading cost*	185,242	387,035
– Water conservancy fund and disabled security fund	131,386	134,229
– Test and inspection expense	436,961	386,804
– Service charge	871,872	1,086,861
– Heating pipeline related cost	155,214	159,397
– Auditors' remuneration-audit services	30,336	56,033
– Other consulting expense	156,833	148,899
– Office expense	249,212	241,620
– Minimum lease payments under operating leases, lease payments not included in the measurement of lease liabilities	433,789	530,499
– Amortisation of other non-current assets	172,750	114,893
– Property management expense	133,477	139,258
– Information technology maintenance expense	178,931	133,975
– Travel expense	203,556	198,512
– Business entertainment expense	21,029	32,741
– Research and development expenditure	1,919,917	1,524,082
– Net loss on disposal of non-current assets	32,696	594,377
– Recognition of provision for inventory obsolescence (Note 16)	32,970	43,076
– Impairment loss on property, plant and equipment (Note 7)	1,950,764	1,610,720
– Impairment loss on right of use assets (Note 41(a))	25,648	17,747
– Impairment loss on goodwill (Note 14)	100,908	–
– Impairment loss on other non-current assets**	34,815	42,597
– Government grants***	(1,144,244)	(120,719)
– Donations	56,694	65,165
– Penalty	244,639	106,020
– Safety production expense	1,466,396	1,640,000
– Service fees on transmission and transformer facilities of Huaneng International Power Development Company (“HIPDC”)	47,947	47,947
– Others	1,630,635	1,742,183
Total	17,318,517	18,331,413

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

## 6 PROFIT BEFORE INCOME TAX EXPENSE (CONTINUED)

- \* The Group receives free quotas of carbon emission rights from the government on an annual basis and recognises the received free quota at the nominal amount (i.e., nil). When the annual actual emissions exceed the free quota of carbon emission rights, the Group should purchase the quota of carbon emission rights from other parties and recognises the emission costs as other operating expenses.
- \*\* In 2025, the impairment loss on other non-current assets included impairment losses of RMB13 million on pre-construction cost and an impairment loss of RMB22 million on intangible assets recognised in other non-current assets.
- \*\*\* In 2025, the government grants related to income mainly included heat supply subsidy of RMB289 million (2024: RMB304 million), thermal coal subsidy of RMB302 million (2024: RMB315 million), VAT reduction and rebate of RMB247 million (2024: RMB164 million) and environmental subsidy of RMB159 million (2024: RMB144 million). In 2024, the government grant recognised in prior years that is expected to be returned by Huaneng Power International, Inc. Jining Power Plant ("Jining Power Plant") is RMB1,097 million. Please refer to Note 27 for details.

## 7 PROPERTY, PLANT AND EQUIPMENT

	Dams	Port facilities	Buildings	Electric utility plant in service	Transportation facilities	Others	CIP	Total
<b>As at 1 January 2024</b>								
Cost	2,353,642	4,038,384	15,403,101	638,861,202	1,178,155	10,073,054	59,971,856	731,879,394
Accumulated depreciation	(560,766)	(1,073,215)	(6,866,260)	(318,463,566)	(751,413)	(6,554,750)	–	(334,269,970)
Accumulated impairment losses	(459,602)	(439,190)	(387,852)	(25,359,452)	(783)	(105,182)	(2,181,544)	(28,933,605)
Net book value	<u>1,333,274</u>	<u>2,525,979</u>	<u>8,148,989</u>	<u>295,038,184</u>	<u>425,959</u>	<u>3,413,122</u>	<u>57,790,312</u>	<u>368,675,819</u>
<b>Year ended 31 December 2024</b>								
Beginning of the year	1,333,274	2,525,979	8,148,989	295,038,184	425,959	3,413,122	57,790,312	368,675,819
Acquisition	–	–	94,957	1,219,480	–	94,179	–	1,408,616
Additions	–	–	5,530	968,286	28,602	148,103	59,421,080	60,571,601
Transfer from CIP	4,594	9,840	361,576	44,023,951	8,384	891,223	(45,299,568)	–
Other additions	–	–	117,092	73,363	–	6,478	–	196,933
Reclassification to investment property	–	–	(1,537)	–	–	–	–	(1,537)
Disposals/write-off	–	–	(14,179)	(257,956)	(1,177)	(11,964)	–	(285,276)
Depreciation charge	(40,637)	(141,793)	(589,987)	(24,004,271)	(65,818)	(549,809)	–	(25,392,315)
Impairment charge	(210,252)	–	(99,061)	(1,222,432)	(165)	(11,565)	(67,245)	(1,610,720)
Reclassification	(49,645)	–	144,741	(104,405)	44	9,265	–	–
Other decrease	–	–	(61,494)	(506,420)	(29)	(1,830)	–	(569,773)
Currency translation differences	–	–	–	(57,406)	–	801	(282)	(56,887)
End of the year	<u>1,037,334</u>	<u>2,394,026</u>	<u>8,106,627</u>	<u>315,170,374</u>	<u>395,800</u>	<u>3,988,003</u>	<u>71,844,297</u>	<u>402,936,461</u>

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(Amounts expressed in thousands of RMB)

### 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Dams	Port facilities	Buildings	Electric utility plant in service	Transportation facilities	Others	CIP	Total
<b>As at 1 January 2025</b>								
Cost	2,285,532	4,048,224	16,123,673	680,905,414	1,205,637	10,988,060	74,087,806	789,644,346
Accumulated depreciation	(578,344)	(1,215,008)	(7,518,137)	(339,728,594)	(808,846)	(6,885,309)	-	(356,734,238)
Accumulated impairment losses	(669,854)	(439,190)	(498,909)	(26,006,446)	(991)	(114,748)	(2,243,509)	(29,973,647)
Net book value	1,037,334	2,394,026	8,106,627	315,170,374	395,800	3,988,003	71,844,297	402,936,461
<b>Year ended 31 December 2025</b>								
Beginning of the year	1,037,334	2,394,026	8,106,627	315,170,374	395,800	3,988,003	71,844,297	402,936,461
Acquisition	-	-	945	2,873,403	-	80,681	-	2,955,029
Additions	-	1,484	3,356	384,518	18,105	146,729	49,435,148	49,989,340
Transfer from CIP	39,665	557	308,760	53,101,849	8,480	638,566	(54,097,877)	-
Other additions	-	-	60,229	115,102	1,642	115,902	-	292,875
Reclassification to investment property	-	-	(37,595)	-	-	-	-	(37,595)
Disposals/write-off	-	-	(9,202)	(606,340)	(1,568)	(45,734)	-	(662,844)
Depreciation charge	(33,547)	(143,262)	(433,260)	(24,998,635)	(57,619)	(660,534)	-	(26,326,857)
Impairment charge	-	-	(14,048)	(1,879,216)	-	(15,778)	(41,722)	(1,950,764)
Reclassification	-	(74)	13,781	465,343	3,748	(482,798)	-	-
Other decrease	(1,176)	-	(43,313)	(19,705)	(1,157)	(22,483)	-	(87,834)
Currency translation differences	-	-	-	130,784	-	121	-	130,905
End of the year	1,042,276	2,252,731	7,956,280	344,737,477	367,431	3,742,675	67,139,846	427,238,716
<b>As at 31 December 2025</b>								
Cost	2,323,869	4,050,191	16,464,284	732,754,194	1,219,151	11,155,530	69,389,259	837,356,478
Accumulated depreciation	(611,739)	(1,358,270)	(7,965,506)	(361,280,509)	(850,722)	(7,285,011)	-	(379,351,757)
Accumulated impairment losses	(669,854)	(439,190)	(542,498)	(26,736,208)	(998)	(127,844)	(2,249,413)	(30,766,005)
Net book value	1,042,276	2,252,731	7,956,280	344,737,477	367,431	3,742,675	67,139,846	427,238,716

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Interest capitalization

The increase in property, plant and equipment includes borrowing costs capitalised in respect of the construction of property, plant and equipment by the Group, amounting to approximately RMB1,007 million (2024: RMB872 million). The weighted average capitalisation rate applied to borrowing costs was approximately 2.70% per annum (2024: 2.57%).

### Security

As at 31 December 2025 and 2024, certain items of property, plant and equipment of the Group were pledged to banks as collateral for short-term loans (Note 30) and long-term loans (Note 24).

### Buildings without ownership certificates

As at 31 December 2025, the Group had production and administrative buildings (among which production buildings are included under the category of power generation facilities in operation) with a carrying amount of approximately RMB2,382 million (31 December 2024: RMB3,889 million) for which the property ownership certificates were in the process of being obtained. The Company's management considers that it has the legal right to legitimately and effectively occupy or use the aforesaid property, plant and equipment. Up to the date of approval of the consolidated financial statements, no legal proceedings, claims or judgments have been brought against the Group in respect of the use of these buildings.

### Impairment

The amount of impairment loss on property, plant and equipment was RMB1,951 million, which included a provision for impairment of property, plant and equipment of RMB1,728 million recognised for the CGU based on the impairment test (Note 1), and a provision for impairment of individual property, plant and equipment intended for scrapping of RMB223 million (Note 3).

### Note 1: Impairment of CGUs

The Group determines the recoverable amount of each cash-generating unit that shows indicators of impairment based on the present value of the expected future cash flows of the cash-generating unit, and performs impairment testing on each cash-generating unit accordingly. For the period ended 30 June 2025, an impairment loss of RMB254 million was recognised in respect of property, plant and equipment. Details are as follows:

Company name	30 June 2025*		Impairment provision (RMB million)	
	Net book value of CGUs before impairment (RMB million)	Recoverable amount (RMB million)	2025	2024
Huaneng Qufu Thermal Power Co., Ltd ("Qufu Thermal Power") (a)	246	129	117	–
Shangan Power Plant of Huaneng International Power Co., Ltd. ("Shangan Power Plant") (b)	4,498	4,361	137	–
Total	4,744	4,490	254	–

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### 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Impairment (Continued)

##### Note 1: Impairment of CGUs (Continued)

The Group determines the recoverable amount of each cash-generating unit that shows indicators of impairment based on the present value of the expected future cash flows of the cash-generating unit, and performs impairment testing on each cash-generating unit accordingly. For the period ended 30 September 2025, further impairment loss of RMB254 million was recognised in respect of property, plant and equipment. Details are as follows:

Company name	30 September 2025**		Impairment provision (RMB million)	
	Net book value of CGUs before impairment (RMB million)	Recoverable amount (RMB million)	2025	2024
Huaneng Chongqing Luohuang Power Generation Co., Ltd. ("Luohuang Power Plant") (c)	1,947	1,693	254	–

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

The Group determines the recoverable amount of each cash-generating unit (CGU) that shows indicators of impairment based on the present value of the expected future cash flows of the cash-generating unit, and performs impairment testing on each cash-generating unit accordingly. For the year ended 31 December 2025, further impairment losses of RMB1,220 million, RMB26 million, RMB22 million and RMB101 million were recognised in respect of property, plant and equipment, right-of-use assets, other non-current assets and goodwill, respectively. Details are as follows:

Company name	31 December 2025***		Impairment provision (RMB million)	
	Net book value of CGUs before impairment (RMB million)	Recoverable amount (RMB million)	2025	2024
Huaneng Yizheng Wind Power Co., Ltd. (Yizheng Wind Power) (d)	213	147	66	–
Huaneng Guilin Gas Distributed Energy Co., Ltd. (Guilin Gas Turbine) (e)	411	257	154	–
Huaneng Sihong New Energy Co., Ltd. (Sihong New Energy) (f)	267	135	132	71
Huaneng Shandong Sishui New Energy Co., Ltd. (Sishui Biomass) (g)	267	32	235	–
Huaneng Hunan Yueyang Power Generation Co., Ltd. (Yueyang Power Plant) (h)	3,089	2,827	262	–
Huaneng (Guangdong) Energy Development Co., Ltd. Shantou Power Plant (Shantou Power Plant) (i)	1,304	784	520	–
Total	5,551	4,182	1,369	71

\* Qufu Thermal Power and Shangan Power Plant identified impairment indicators for the relevant cash-generating units in June 2025 and performed impairment testing with an assessment date of 30 June 2025. No further impairment indicators were identified as at 31 December 2025; therefore, no impairment testing was performed at 31 December 2025.

\*\* Luohuang Power Plant identified impairment indicators for the relevant cash-generating units in September 2025 and performed impairment testing with an assessment date of 30 September 2025. No further impairment indicators were identified as at 31 December 2025; therefore, no impairment testing was performed at 31 December 2025.

\*\*\* Yizheng Wind Power, Guilin Gas Turbine, Sihong New Energy, Shantou Power Plant, Sishui Biomass and Yueyang Power Plant identified impairment indicators for the relevant cash-generating units in December 2025 and performed impairment testing with an assessment date of 31 December 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

*(Prepared in accordance with IFRS Accounting Standards)*

*(Amounts expressed in thousands of RMB)*

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (a) Qufu Thermal Power

###### 1) Background of CGUs with impairment provision

Qufu Thermal Power operates two 225MW coal-fired units with a total installed capacity of 450MW, which commenced commercial operation in February 2006.

###### 2) Reasons for impairment

Reasons for no impairment recognised in 2024

Qufu Thermal Power achieved profitability for two consecutive years (2023 and 2024). In the opinion of management, no impairment indicators were identified for the year ended 31 December 2024.

Reasons for impairment recognised in 2025

Pursuant to the relevant policies of Shandong Province, and in accordance with the “Action Plan for the Transformation and Upgrading of the Coal-Fired Power Industry in Shandong Province”, the “Report on the Heating Substitution Plan for the Transformation and Upgrading of Coal-Fired Power in Qufu City” issued by the Jining Municipal Energy Administration, and the “Reply Letter on Clarifying the Shutdown Schedule of Units 1 and 2 of Qufu Power Plant” issued by the Shandong Provincial Energy Administration, the two units of Qufu Thermal Power are expected to be shut down and decommissioned together in April 2026. Accordingly, Qufu Thermal Power identified impairment indicators for its long-lived asset group and performed an impairment test on that cash-generating unit.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (a) Qufu Thermal Power (Continued)

##### 3) Assumptions of impairment assessment

As at 30 June 2025, the Company performed an impairment test on the generating units of Qufu Thermal Power as a single asset group. The key parameters used in estimating the recoverable amount included future sales volume (power generation hours), fuel price and discount rate (Note 2). Other parameters applied in the impairment test mainly included the average electricity tariff. The key parameters used in the impairment test are set out in the table below:

Company name	Sales volume (power generation hours) Unit: hours/year		Tariff (excluding tax) Unit: RMB/MWh		Fuel prices (price of standard coal into the furnace)* Unit: RMB/ton	
	Forecast period	Actual in 2025	Forecast period	Actual in 2025	Forecast period	Actual in 2025
	Qufu Thermal Power	Jan-Apr 2026: 1,181	3,775	Jan-Apr 2026: 371.86	399.87	Jan-Apr 2026: 870.66

\* Standard coal refers to coal with a calorific value of 7,000 kilocalories per kilogram (7,000 kcal/kg).

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (a) Qufu Thermal Power (Continued)

##### 3) Assumptions of impairment assessment (Continued)

Sales volume (power generation hours)

The Company estimates the utilisation hours of the generating units during the forecast period based on its understanding of market conditions and relevant policies on electricity trading, taking into account the efficiency of the units. The two 225 MW units of Qufu Thermal Power are both sub-critical units with coal consumption rates higher than those of units with the same installed capacity, resulting in higher variable costs for the units. Based on the Company's pricing strategy in the electricity spot market and its principles for unit start-up and shut-down, the two units of Qufu Thermal Power rank behind other units in the dispatch order. Furthermore, under the influence of the rapid growth of new energy and electricity transmitted from other regions, coal-fired units in Shandong Province are accelerating their transition towards auxiliary regulating power sources, with a clear downward trend in utilisation hours. Taking into account the actual utilisation hours in recent years, the utilisation hours for January to April 2026 are estimated to be 1,181 hours.

Fuel prices (price of standard coal into the furnace)

The Company estimates the fuel price during the forecast period based on its understanding of the coal sourcing structure, coal supply and demand conditions, and relevant industry policies. The average coal price in 2025 decreased by a certain margin compared with 2024. Early 2026 coincides with the winter heating season, which represents a high point in the coal market price. The unit price of standard coal is expected to increase to a certain extent for the period from January to April 2026, amounting to RMB870.66 per tonne.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (a) Qufu Thermal Power (Continued)

##### 3) Assumptions of impairment assessment (Continued)

Tariff (excluding tax)

The Company estimates the average settlement tariff during the forecast period based on its understanding of relevant national policies and regional electricity trading policies, taking into account the current tariff level and the upward adjustment of the base tariff. In November 2023, the “Notice of the National Development and Reform Commission and the National Energy Administration on Establishing a Capacity Tariff Mechanism for Coal-Fired Power” (NDRC Price [2023] No. 1501) (hereinafter referred to as “Document No. 1501”) required the adjustment of the existing single-part tariff for coal-fired power to a two-part tariff, establishing a coal-fired power capacity tariff mechanism with effect from 1 January 2024. Pursuant to the “Notice on Implementing Document No. 1501 to Improve the Capacity Tariff Mechanism in Shandong Province” (Lu Fa Gai Price [2023] No. 1022) issued by the Shandong Provincial Development and Reform Commission, the National Energy Agency Shandong Regulatory Office and the Shandong Provincial Energy Administration, the coal-fired power capacity tariff in Shandong for 2024–2025 was determined based on recovering 30% of the fixed costs of coal-fired units, with a standard of RMB100 per kilowatt per annum (including tax). Concurrently, the linkage between the existing market-based capacity compensation tariff mechanism in Shandong and the coal-fired power capacity tariff mechanism was strengthened, and the levy standard on the user side for the existing market-based capacity compensation tariff was temporarily adjusted from RMB0.0991 per kilowatt-hour (including tax) to RMB0.0705 per kilowatt-hour (including tax). The Company considered both capacity tariff and energy tariff in its tariff forecast, taking into account the lower on-grid tariff of heating units during the heating period in early 2026, the comprehensive tariff for January to April 2026 was forecasted to be RMB371.86 per megawatt-hour.

As at 30 June 2025, Qufu Thermal Power estimated the recoverable amount based on the present value of the future cash flows of the cash-generating unit using the aforementioned parameters, and recognised an impairment loss of RMB117 million in respect of property, plant and equipment. The Company engaged Beijing Tianjian Xingye Asset Evaluation Co., Ltd. to independently evaluate and calculate the recoverable amount of the above cash-generating unit, and a valuation report on the CGU was issued.

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FOR THE YEAR ENDED 31 DECEMBER 2025

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### **(b) Shangan Power Plant**

###### 1) Background of CGUs with impairment provision

Shangan Power Plant operates coal-fired units comprising two 350 MW units in Phase I, two 330 MW units in Phase II and two 660 MW units in Phase III, all located in Jingxing County, Shijiazhuang City, Hebei Province. The units commenced operation in 1990, 1997 and 2008 respectively, with a total installed capacity of 2,560 MW.

###### 2) Reasons for impairment

Reasons for no impairment recognised in 2024

Shangan Power Plant achieved profitability for two consecutive years in 2023 and 2024. In the opinion of management, no impairment indicators were identified for the year ended 31 December 2024.

Reasons for impairment recognised in 2025:

On 30 April 2025, the Shijiazhuang Municipal Development and Reform Commission submitted a report to the Hebei Provincial Development and Reform Commission regarding the “Plan for Eliminating Backward Production Capacity in the Coal-Fired Power Industry During the 15th Five-Year Plan Period”. According to the document issued by the Shijiazhuang Municipal Development and Reform Commission, it was explicitly stated that support would no longer be provided for the life extension of the two 350 MW units and the two 330 MW units of Shangan Power Plant upon the expiry of their operational lifespans. Pursuant to the relevant policies of Hebei Province, following communication with the relevant competent authorities in Hebei Province and after deliberation by the Company, it was decided that Shangan Power Plant plans to shut down its Phase I units in 2027, while the Phase II units will be converted to emergency standby status (expected to remain on emergency standby until 2030). Accordingly, Shangan Power Plant identified impairment indicators for its long-lived asset group and performed an impairment test on that cash-generating unit.

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (b) Shangan Power Plant (Continued)

##### 3) Assumptions of impairment assessment

As at 30 June 2025, the Company performed an impairment test on the generating units of Shangan Power Plant as a single asset group. The key parameters used in estimating the recoverable amount included future sales volume (power generation hours), fuel prices and discount rate (Note 2). Other key parameters applied in the impairment test mainly included the average electricity tariff. The key parameters used in the impairment test are set out in the table below:

Company name	Sales volume (power generation hours) Unit: hours/year		Tariff (excluding tax) Unit: RMB/MWh		Fuel prices (price of standard coal into the furnace)* Unit: RMB/ton	
	Forecast period	Actual in	Forecast period	Actual in	Forecast period	Actual in
		2025		2025		2025
Shangan power Plant (Phase I: 2 × 350MW)	2026: 4,454	4,572	2026: 381.13	400.52	2026: 739.11	721.67
	2027: 4,088		2027: 369.70		2027: 713.23	
Shangan power Plant (Phase II: 2 × 330MW)	2026: 2,927	3,626	2026: 381.13	400.52	2026: 739.11	721.67
	2027: 2,927		2027: 369.70		2027: 713.23	
Shangan power Plant (Phase III: 2 × 660MW)	2026 and afterwards: 4,879	4,861	2026: 381.13	400.52	2026: 739.11	721.67
			2027: 369.70		2027: 713.23	
			2028: 358.61		2028: 687.34	
			2029 and afterwards: 347.85		2029 and afterwards: 661.46	

\* Standard coal refers to coal with a calorific value of 7,000 kilocalories per kilogram (7,000 kcal/kg).

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FOR THE YEAR ENDED 31 DECEMBER 2025

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (b) Shangan Power Plant (Continued)

##### 3) Assumptions of impairment assessment (Continued)

Sales volume (power generation hours)

Based on its understanding of market conditions and relevant electricity trading policies, as well as the power generation efficiency of its units, the company estimates the utilization hours of its power generation units for the forecast period. The forecasts are as follows: In the coming years, it is expected that the total annual electricity consumption of the whole society will grow steadily, and coal-fired power will further transition to a role of providing basic guaranteed capacity and system regulation. Considering the uncertainties in the future thermal power market, such as the impact of new energy installed capacity and changes in spot trading rules, the heating area of Shangan Power Plant is expected to increase in 2026, leading to growth in heat supply. Currently, Hebei Province adopts a “power generation determined by heat supply” model, so the power generation of Shangan Power Plant during the heating season is expected to increase. At the same time, to address the major reforms in the electricity spot market and the operational mechanism of the power system, Shangan Power Plant will continuously optimize its unit operation methods and trading strategies.

The power generation hours for each group of units are set out as follows:

- (1) For the Phase I:  $2 \times 350$  MW units of Shangan Power Plant, actual utilisation hours in 2025 were 4,572 hours; utilisation hours are estimated to be 4,454 hours in 2026 and 4,088 hours in 2027.
- (2) For the Phase II:  $2 \times 330$  MW units of Shangan Power Plant, actual utilisation hours in 2025 were 3,626 hours; utilisation hours for 2026 and 2027 are estimated to be 2,927 hours.
- (3) For the Phase III:  $2 \times 660$  MW units of Shangan Power Plant, actual utilisation hours in 2025 were 4,861 hours; utilisation hours for 2026 and thereafter are estimated to be 4,879 hours.

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (b) Shangan Power Plant (Continued)

##### 3) Assumptions of impairment assessment (Continued)

Fuel prices (price of standard coal into the furnace)

The Company estimates the fuel price during the forecast period based on its understanding of the coal sourcing structure, coal supply and demand conditions, and relevant industry policies.

Since 2024, the supply-demand imbalance in the domestic coal market has continued to ease, with supply and demand remaining in a loose balance, and coal prices have shown an overall downward trend.

According to the "Notice on Further Improving the Coal Market Price Formation Mechanism" (NDRC Price [2022] No. 303, hereinafter referred to as "Document No. 303") issued by the National Development and Reform Commission (NDRC) in 2022, Document No. 303 explicitly requires guiding coal (thermal coal) prices to operate within a reasonable range. When coal prices rise significantly or are likely to rise significantly, price intervention measures will be initiated promptly in accordance with procedures based on Article 30 of the "Price Law" and other relevant provisions to guide coal prices back to a reasonable range. When coal prices fall excessively, appropriate measures will be taken comprehensively to guide a reasonable rebound in coal prices. The company comprehensively considers factors such as the implementation timeline of national policies and the construction and commissioning timing of new coal production capacity, combined with the power plant's own coal structure, coal sources, and transportation factors, and anticipates that there may be repeated fluctuations between coal supply and demand. Therefore, fuel prices will gradually decline to the reasonable range specified in Document No. 303. Over the long term, coal prices over the past decade have experienced periods of both relatively loose and relatively tight supply. Given that coal prices are affected by multiple factors and exhibit cyclical patterns, when forecasting long-term coal prices, the company bases its projections on the average coal procurement price over the past ten years and expects the coal price at Shangan Power Plant to gradually decrease to RMB661.46 per ton.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (b) Shangan Power Plant (Continued)

##### 3) Assumptions of impairment assessment (Continued)

Tariff (excluding tax)

Based on its understanding of relevant national policies and regional electricity trading policies, combined with the current electricity price level and the upward adjustment of the benchmark electricity price, the company estimates the average settlement electricity price for the forecast period. In November 2023, Document No. 1501 required the adjustment of the current single-tariff system for coal-fired power to a two-part tariff system, establishing a coal-fired power capacity tariff mechanism effective from 1 January 2024. According to the "Notice on Implementing the Coal-Fired Power Capacity Tariff Mechanism" (Ji Fa Gai Neng Jia [2023] No. 1841) issued by the Hebei Provincial Development and Reform Commission, the coal-fired power capacity tariff for coal-fired power units in Hebei Province is determined based on recovering a certain proportion of the fixed costs of coal-fired power units. In response to the needs of the power system and the functional transformation of coal-fired power, the National Development and Reform Commission issued the "Notice on Deepening the Market-Oriented Reform of New Energy On-Grid Electricity Prices to Promote High-Quality Development of New Energy" (Fa Gai Jia Ge [2025] No. 136, hereinafter referred to as "Document No. 136") on 9 February 2025, to deepen the market-oriented reform of new energy on-grid electricity prices and promote the full entry of new energy on-grid electricity into the electricity market, with prices formed through market transactions. On 26 December 2025, the Hebei Provincial Development and Reform Commission issued the "Notice on Further Clarifying Matters Related to the Coal-Fired Power Capacity Tariff Mechanism" (Ji Fa Gai Neng Jia [2025] No. 1422), which stipulates that from 2026 onwards, the annual standard for the coal-fired power capacity tariff in Hebei Province will be adjusted to RMB165 per kilowatt (including tax, the same below), with a monthly standard of RMB13.75 per kilowatt, subject to subsequent adjustments based on the functional transformation of coal-fired power. The long-term contract signing rate for thermal power at Shangan Power Plant in 2025 decreased, and the remaining electricity will be priced through monthly transactions and spot market transactions. At the same time, influenced by factors such as loose supply and demand and the increased penetration of new energy, the spot market will transition from being solely priced by thermal power to alternating pricing by thermal power and new energy, with trading prices expected to show increased volatility and a downward average price trend. In the future, the comprehensive electricity price will also gradually decline from the current level to a stable level.

For the Phase II units converted to emergency standby status (expected to remain on emergency standby until 2030), pursuant to the "Notice on Clarifying the Capacity Tariff for Emergency Standby Power Sources" (Ji Fa Gai Neng Jia [2024] No. 752) issued by the Hebei Provincial Development and Reform Commission, the capacity tariff for emergency standby units included in the emergency standby unit list in Hebei Province is set at RMB170 per kilowatt per annum (including tax).

As at 30 June 2025, Shangan Power Plant estimated the recoverable amount based on the present value of the future cash flows of the cash-generating unit using the aforementioned parameters, and recognised an impairment loss of RMB137 million in respect of property, plant and equipment. The Company engaged Beijing Tianjian Xingye Asset Evaluation Co., Ltd. to independently evaluate and calculate the recoverable amount of the above cash-generating unit, and a valuation report on the CGU was issued.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (c) Luohuang Power Plant

###### 1) Background of CGUs with impairment provision

Huaneng Chongqing Luohuang Power Generation Co., Ltd. (hereinafter referred to as “Luohuang Power Plant”) operates coal-fired units comprising two 360 MW units in Phase I, two 360 MW units in Phase II and two 600 MW units in Phase III, all located in Luohuang Town, Jiangjin District, Chongqing. The units commenced operation in 1991, 1998 and 2006 respectively, with a total installed capacity of 2,640 MW.

###### 2) Reasons for impairment

Reasons for no impairment recognised in 2024

Luohuang Power Plant achieved profitability for two consecutive years in 2023 and 2024. In the opinion of management, no impairment indicators were identified for the year ended 31 December 2024.

Reasons for impairment recognised in 2025

On 19 August 2025, the Chongqing Municipal Development and Reform Commission and the Chongqing Municipal Energy Administration convened a meeting to advance the preliminary work for the “shutting down small units to build large ones” project at Luohuang Power Plant. The meeting required the formulation of a work plan for the project, under which the two 360 MW coal-fired units of Phase I of Luohuang Power Plant will be retired and decommissioned in 2026, and the two 360 MW coal-fired units of Phase II will be retired and decommissioned in 2028. Accordingly, Luohuang Power Plant identified impairment indicators for its long-lived asset group and performed an impairment test on that cash-generating unit.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

### 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Impairment (Continued)

##### Note 1: Impairment of CGUs (Continued)

##### (c) Luohuang Power Plant (Continued)

##### 3) Assumptions of impairment assessment

As at 30 September 2025, the Company performed an impairment test on the coal-fired generating units of Luohuang Power Plant as a single asset group. The key parameters used in estimating the recoverable amount included future sales volume (power generation hours), fuel prices and discount rate (Note 2). Other parameters applied in the impairment test mainly included the average electricity tariff. The key parameters used in the impairment test are set out in the table below:

Company name	Sales volume (power generation hours) Unit: hours/year		Tariff (excluding tax) Unit: RMB/MWh		Fuel prices (price of standard coal into the furnace)* Unit: RMB/ton	
	Forecast period	Actual in	Forecast period	Actual in	Forecast period	Actual in
		2025		2025		2025
Luohuang Power Plant (Phase 1: 2 × 360MW)	2026: 1,600	5,090	2026: 403.17	420.97	2026: 841.18	844.17
Luohuang Power Plant (Phase 2: 2 × 360MW)	2026: 3,200	3,590	2026: 403.17	420.97	2026: 841.18	844.17
	2027: 3,600		2027: 397.63		2027: 832.86	
	2028: 3,645		2028: 395.33		2028: 824.54	
Luohuang Power Plant (Phase 3: 2 × 600MW)	2026: 3,200	4,456	2026: 403.17	420.97	2026: 841.18	844.17
	2027: 3,600		2027: 397.63		2027: 832.86	
	2028: 3,800		2028: 395.33		2028: 824.54	
	2029 and afterwards: 4,000		2029 and afterwards: 393.11		2029 and afterwards: 816.23	

\* Standard coal refers to coal with a calorific value of 7,000 kilocalories per kilogram (7,000 kcal/kg).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (c) Luohuang Power Plant (Continued)

##### 3) Assumptions of impairment assessment (Continued)

Sales volume (power generation hours)

The Company estimates the utilisation hours of the generating units during the forecast period based on its understanding of market conditions and relevant policies on electricity trading, taking into account the efficiency of the units. In 2025, affected by the increase in installed capacity of gas turbines and wind power, as well as the increase in purchased electricity, the electricity generation of coal-fired units in the Chongqing region declined. According to the "14th Five-Year Plan for Electric Power Development in Chongqing", the average annual growth rate of total social electricity consumption in Chongqing during the 14th Five-Year Plan period is planned to be 6.4%, with overall electricity demand maintaining a rapid growth trend. In June 2025, the "Xinjiang Power to Chongqing" project was commissioned, significantly impacting the generation space for coal-fired units in Chongqing, and coal-fired power will further transition towards playing a role in basic guarantee and system regulation. Electricity generation from coal-fired units in the Chongqing region is expected to decrease in 2026. From 2027 to 2029, it is expected that the growth in electricity demand will gradually cover the increase in new installed capacity and purchased electricity, and utilisation hours of coal-fired units are expected to increase.

The utilisation hours for each group of units are set out as follows:

- (1) For the Phase I  $2 \times 360$  MW units of Luohuang Power Plant, actual utilisation hours in 2025 were 5,090 hours. Utilisation hours for 2026 are estimated to be 1,600 hours.
- (2) For the Phase II  $2 \times 360$  MW units of Luohuang Power Plant, actual utilisation hours in 2025 were 3,590 hours. Utilisation hours are estimated to be 3,200 hours in 2026, 3,600 hours in 2027 and 3,645 hours in 2028.
- (3) For the Phase III  $2 \times 600$  MW units of Luohuang Power Plant, actual utilisation hours in 2025 were 4,456 hours. Utilisation hours are estimated to be 3,200 hours in 2026, 3,600 hours in 2027, 3,800 hours in 2028 and 4,000 hours in 2029 and thereafter.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (c) Luohuang Power Plant (Continued)

##### 3) Assumptions of impairment assessment (Continued)

Fuel prices (price of standard coal into the furnace)

The Company estimates the fuel price during the forecast period based on its understanding of the coal sourcing structure, coal supply and demand conditions, and relevant industry policies.

Since 2024, the supply-demand imbalance in the domestic coal market has continued to ease, with supply and demand remaining in a loose balance, and coal prices have shown an overall downward trend.

Pursuant to Document No. 303 issued by the National Development and Reform Commission in 2022, it was explicitly required to guide the price of coal (thermal coal) to operate within a reasonable range. When coal prices increase significantly or are likely to increase significantly, price intervention measures will be initiated in accordance with the procedures under Article 30 of the Price Law, among other provisions, to guide coal prices back to the reasonable range. When coal prices experience excessive declines, appropriate measures will be taken comprehensively to guide a reasonable rebound in coal prices. Taking into account the timing of the implementation of national policies and the construction and commissioning of new coal production capacity, together with factors such as the plant's own coal mix, coal sources and transportation, the Company expects that coal prices will gradually decline. Over a longer-term horizon, coal prices over the past decade have experienced periods of both relative supply surplus and relative supply tightness. Given that coal prices are influenced by multiple factors and exhibit cyclical patterns, the Company based its long-term coal price forecast on the average standard coal consumption price over the past ten years, and expects the standard coal consumption price for Luohuang Power Plant to gradually decrease to RMB816.23 per tonne.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (c) Luohuang Power Plant (Continued)

##### 3) Assumptions of impairment assessment (Continued)

##### Tariff

The Company estimates the average settlement tariff during the forecast period based on its understanding of relevant national policies and regional electricity trading policies, taking into account the current tariff level and the upward adjustment of the base tariff.

Document No. 1501 issued in November 2023 required the adjustment of the existing single-part tariff for coal-fired power to a two-part tariff, establishing a coal-fired power capacity tariff mechanism with effect from 1 January 2024.

Pursuant to the “Notice on Implementing the Coal-Fired Power Capacity Tariff Mechanism” (Yu Fa Gai Price [2023] No. 1506) issued by the Chongqing Municipal Development and Reform Commission, the standard for coal-fired power capacity tariff in Chongqing for 2024–2025 was RMB165 per kilowatt per annum (including tax).

In December 2024, the Central China Energy Regulatory Administration and other authorities issued the “Notice on Issuing the Rules for Medium- and Long-Term Electricity Trading in Chongqing” (Central China Energy Regulation Market [2024] No. 149), stipulating that medium- and long-term trading prices are to be determined through market-oriented means (such as bilateral negotiations and centralized bidding). In time-segmented trading, the “benchmark tariff for coal-fired power generation enterprises + floating tariff” is adopted as the flat segment tariff, with an upward or downward fluctuation not exceeding 20%, while tariffs for other time segments are determined based on the flat segment tariff with adjustments. For enterprises in high-energy-consuming industries, the flat segment tariff is not subject to the 20% upward cap restriction. On 9 February 2025, the National Development and Reform Commission issued Document No. 136, deepening the market-oriented reform of new energy feed-in tariffs and promoting the full entry of new energy generation into the electricity market, with prices to be determined through market transactions.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (c) Luohuang Power Plant (Continued)

##### 3) Assumptions of impairment assessment (Continued)

Tariff (Continued)

The Chongqing region entered the continuous settlement trial operation for the spot market in November 2025. Influenced by a significant increase in electricity purchased from outside the region and the entry of new energy into the market, the electricity market exhibits a situation of supply exceeding demand. Meanwhile, in April 2025, the National Development and Reform Commission and the National Energy Administration issued the "Notice on Issuing the Basic Rules for the Electricity Ancillary Services Market" (NDRC Energy Regulation [2025] No. 411), aiming to standardise the development of the national electricity ancillary services market and further explore the regulatory potential of the power system through market mechanisms. It is expected that the trading price for Luohuang Power Plant in future periods will show a downward trend in average prices, and the comprehensive tariff in future periods will gradually decline from the current level before stabilising.

As at 30 September 2025, Luohuang Power Plant estimated the recoverable amount based on the present value of the future cash flows of the cash-generating unit using the aforementioned parameters, and recognised an impairment loss of RMB254 million in respect of property, plant and equipment. The Company engaged Beijing Tianjian Xingye Asset Evaluation Co., Ltd. to independently evaluate and calculate the recoverable amount of the above cash-generating unit, and a valuation report on the CGU was issued.

##### (d) Yizheng Wind Power

##### 1) Background of CGUs with impairment provision

Huaneng Yizheng Wind Power Co., Ltd. (hereinafter referred to as "Yizheng Wind Power") operates 59.4 MW of wind turbine generating units with a unit capacity of 2.2 MW, comprising 27 wind turbine units, which commenced commercial operation on 31 July 2018.

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 (Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (d) Yizheng Wind Power (Continued)

##### 2) Reasons for impairment

Reasons for no impairment recognised in 2024

Yizheng Wind Power achieved profitability for two consecutive years in 2023 and 2024, and no impairment indicators were identified for the year ended 31 December 2024.

Reasons for impairment recognised in 2025

In 2025, in order to comply with the environmental inspection requirements of the relevant authorities, Yizheng Wind Power was required to implement a full shutdown of four wind turbines that are located within a 200-metre radius of residential areas. Simultaneously, relevant rectification measures were implemented to adjust the operating mode of the wind turbines, resulting in restricted operating hours for 16 wind turbines, while the remaining 7 wind turbines continued to operate normally. Due to the impact of the restricted operating hours of the above wind turbines, the utilisation hours of the wind turbines of Yizheng Wind Power decreased. Accordingly, Yizheng Wind Power identified impairment indicators for its long-lived asset group and performed an impairment test on that cash-generating unit.

##### 3) Assumptions of impairment assessment

In 2025, the Company performed an impairment test on the 23 wind turbines after excluding the four turbines to be decommissioned, treating them as a cash-generating unit. The key parameters used in estimating the recoverable amount included future sales volume (power generation hours) and discount rate (Note 2). Other parameters applied in the impairment test mainly included the average electricity tariff. The key parameters used in the impairment test are set out in the table below:

Company name	Sales volume (power generation hours) Unit: hours/year		Tariff (excluding tax) Unit: RMB/MWh	
	Forecast period	Actual in 2025	Forecast period	Actual in 2025
Yizheng Wind Power	2026 and afterwards: 900	1,167	2026 and afterwards: 534.57	514.80

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FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (d) Yizheng Wind Power (Continued)

##### 3) Assumptions of impairment assessment (Continued)

Sales volume (power generation hours)

As a major province in terms of energy consumption, Jiangsu Province has strong grid integration capacity and significant electricity demand. In 2024, the installed capacity of new energy in Jiangsu exceeded that of coal-fired power for the first time, becoming the largest power source. The new energy absorption rate remained above 99%, with essentially no wind curtailment. Based on the Company's historical actuals and the above regional context, and applying the best estimate in accordance with the Company's operating conditions, the on-grid utilisation hours for 2026 are expected to be 900 hours, representing a decrease compared with 2025. This decrease is mainly attributable to the restricted operating hours of the wind turbines, which result in lower utilisation hours.

##### Tariff

Pursuant to the "Notice on the Feed-in Tariff for Wind Power Projects such as Huaneng Yizheng" issued by the Jiangsu Provincial Price Bureau on 24 August 2018, the feed-in tariff including tax for Yizheng Wind Power was RMB610 per megawatt-hour, and the feed-in tariff excluding tax was RMB539.82 per megawatt-hour, comprising a benchmark feed-in tariff excluding tax of RMB346.02 per megawatt-hour and a subsidy tariff excluding tax of RMB193.81 per megawatt-hour. In accordance with Document No. 136 and the "Implementation Plan for Deepening the Market-Oriented Reform of New Energy Feed-in Tariffs in Jiangsu Province to Promote High-Quality Development of New Energy" issued by the Provincial Development and Reform Commission (Su Fa Gai Gui Fa [2025] No. 5), from 2026 onwards, the on-grid electricity of new energy projects is required to fully enter the electricity market in principle, with feed-in tariffs to be formed through market transactions. Additionally, the existing policy on the scale of electricity with guaranteed characteristics will be appropriately aligned, and the volume of mechanism electricity for new energy projects shall not exceed 90% of their on-grid electricity. For the year 2025, the proportion of non-spot transaction electricity volume of Yizheng Wind Power to its total grid-connected electricity volume was approximately 59%. From 2026 onwards, the proportion of mechanism-based electricity volume will stabilize at around 90%. Accordingly, Yizheng Wind Power estimates that the comprehensive feed-in tariff excluding tax for 2026 and thereafter will be RMB534.57 per megawatt-hour.

As at 31 December 2025, the Company estimated the recoverable amount based on the present value of the future cash flows of the cash-generating unit using the aforementioned parameters, and recognised an impairment loss of RMB66 million in respect of assets. The Company engaged Beijing Tianjian Xingye Asset Evaluation Co., Ltd. to independently perform a valuation of the recoverable amount of the above cash-generating unit, and a valuation report on the CGU was issued.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (e) Guilin Gas Turbine

###### 1) Background of CGUs with impairment provision

Huaneng Guilin Gas Turbine Distributed Energy Co., Ltd. (hereinafter referred to as "Guilin Gas Turbine") operates three 51 MW gas turbine units, two 25 MW steam turbine units and one 7 MW steam turbine unit, with a total installed capacity of 210 MW, which commenced commercial operation on 9 December 2017. Pursuant to the "Approval of the Huaneng Guilin World Tourism Project" (Gui Fa Gai Neng Yuan [2013] No. 1175) issued by Guangxi Zhuang Autonomous Region, the operating mode of Guilin Gas Turbine is "heat-determined electricity". Heat-determined electricity is an operating mode for cogeneration systems in which the amount of electricity generated is determined by the heating load, with the electricity generated being a by-product of the heat supply.

###### 2) Reasons for impairment

Reasons for no impairment recognised in 2024

In 2023 and 2024, Guilin Gas Turbine recorded losses of RMB16 million and RMB10 million, respectively. Guilin Gas Turbine considered that the unit price of natural gas procurement and the on-grid tariff in 2025 were expected to remain broadly consistent with those in 2024, and that the comprehensive on-grid tariff would subsequently maintain an upward trend. The heat supply was expected to increase to the average level of the past three years on the basis of 2024, with electricity generation and heat supply moving towards a coordinated improvement, further enhancing the efficiency of the cogeneration gas-fired generating units. In the opinion of management, after taking into account factors such as the expected profitability of Guilin Gas Turbine and the stability of regional tariff policies, no impairment indicators were identified for the year ended 31 December 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (e) Guilin Gas Turbine (Continued)

##### 2) Reasons for impairment (Continued)

Reasons for impairment recognised in 2025

In 2025, natural gas prices continued to rise. Due to the increase in the unit price of heat supply under the “gas-steam linkage” mechanism and a decline in customer demand for heat, the heat supply of Guilin Gas Turbine declined significantly. In January 2025, the Guangxi Electric Power Trading Center issued the “Notice on the Results of the 2025 Annual Medium- and Long-Term Electricity Trading” (Gui Dian Jiao Yi Han [2025] No. 30), which indicated that the average transaction price for annual market electricity direct trading was lower than the benchmark coal-fired tariff. In order to safeguard power generation revenue, Guilin Gas Turbine actively applied not to participate in market trading. In June 2025, the Guangxi Electric Power Trading Center and the Guangxi Grid Power Dispatching and Control Center jointly issued the “Implementation Plan for the Continuous Settlement Trial Operation of the Southern Regional Electricity Spot Market in Guangxi” (Gui Dian Jiao Yi Han [2025] No. 347), which stipulated that the imbalance charges arising from non-market power sources supplying electricity back to the market in reverse would be shared or allocated among coal-fired, gas-fired and hydropower generation enterprises under the dispatch of Guangxi Central Dispatching. Consequently, the on-grid tariff was further reduced. After excluding the impact of the imbalance charges, the on-grid tariff for Guilin Gas Turbine in 2025 decreased by 4.59% compared with 2024. At the same time, the heat load of the industrial park fell below the design value, and potential major heat supply customers were unable to relocate into the area due to policy adjustments and planning changes, resulting in a decline in heat supply. The aforementioned decrease in on-grid tariff and decline in heat supply resulted in an operating loss of RMB18 million for 2025, representing a worsening trend compared with 2024, with operations falling short of expectations.

In view of the above, Guilin Gas Turbine identified impairment indicators for its CGU and performed an impairment test on the asset group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
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(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (e) Guilin Gas Turbine (Continued)

##### 3) Assumptions of impairment assessment

As at 31 December 2025, the Company performed an impairment test on the gas-fired generating units of Guilin Gas Turbine as a single asset group. The key parameters used in estimating the recoverable amount included future sales volume (power generation hours and heat supply). Other parameters applied in the impairment test included the average electricity tariff. The key parameters used in the impairment test are set out in the table below:

Company name	Sales volume (power generation hours) Unit: hours/year		Tariff (excluding tax) Unit: RMB/MWh		Fuel prices (price of standard coal into the furnace)* Unit: RMB/ton	
	Forecast period	Actual in	Forecast period	Actual in	Forecast period	Actual in
		2025		2025		2025
Guilin Gas Turbine	2026 and afterwards: 1,559	1,548	2026: 719.17 2027: 716.80 2028: 714.44 2029: 712.07 2030 and afterwards: 709.70	699.65	2026 and afterwards: 33.87	26.32

Sales volume (heat supply):

The Company estimates the heat supply during the forecast period based on the current heat supply structure, factors affecting heat supply capacity, and the development of the heat supply market in future years.

In 2022, 2023 and 2024, the Company's heat supply business declined year by year, with annual heat consumption of 353,600 tonnes, 344,400 tonnes and 338,700 tonnes, respectively. In 2025, heat consumption was 263,200 tonnes, experienced a significant decline, primarily due to the following reasons: firstly, natural gas, as the core raw material for heat supply, saw a significant price increase during the year. Under the Company's "gas-steam linkage" heat sales pricing mechanism, the unit heat sales price was adjusted upward accordingly, and the price leverage directly suppressed the heat demand of end-users; secondly, heat users in the industrial park experienced a rigid decline in industrial heat demand due to contraction in market orders and reduction in production scale. It is expected that the production and operating activities of downstream industrial users will gradually return to normal in 2026. Heat supply for 2026 and thereafter is forecasted to return to the level of 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (e) Guilin Gas Turbine (Continued)

##### 3) Assumptions of impairment assessment (Continued)

Sales volume (power generation hours)

The utilisation hours of Guilin Gas Turbine in 2022, 2023, 2024 and 2025 were 1,537 hours, 1,621 hours, 1,531 hours and 1,548 hours, respectively. Based on the average utilisation hours over the past four years, the Company expects that the utilisation hours for 2026 and thereafter will stabilise at 1,559 hours.

Tariff

The Company estimates the average electricity tariff during the forecast period based on its understanding of relevant national policies and regional electricity trading policies, taking into account the current tariff level and the upward adjustment of the base tariff.

On 21 December 2024, the Guangxi Zhuang Autonomous Region Energy Administration and the Southern Regulatory Bureau of the National Energy Administration issued the "Notice on Matters Relating to the Market-Oriented Trading of Electricity in Guangxi for 2025" (Gui Neng Dian Li [2024] No. 594), which stipulated that gas-fired power generation enterprises may voluntarily choose to enter the market on an annual basis, and that the full electricity volume of those entering the market would be settled in accordance with market rules.

Pursuant to the "Letter of the Guangxi Zhuang Autonomous Region Development and Reform Commission on Matters Relating to Optimising the Feed-in Tariff for Natural Gas Power Generation" (Gui Fa Gai Jia Fei Han [2024] No. 1897), the capacity tariff was adjusted to RMB27.50 per kilowatt per month (including tax), determined by recovering a certain proportion of the fixed costs of natural gas generating units, taking into account the peak-shaving needs of the power system, the functional transformation of natural gas power generation, the affordability of electricity users and other factors.

On 9 February 2025, the National Development and Reform Commission issued Document No. 136, deepening the market-oriented reform of new energy feed-in tariffs and promoting the full entry of new energy generation into the electricity market, with prices to be determined through market transactions.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (e) Guilin Gas Turbine (Continued)

##### 3) Assumptions of impairment assessment (Continued)

##### Tariff (Continued)

On 20 June 2025, the Guangxi Electric Power Trading Center and the Guangxi Grid Power Dispatching and Control Center issued the "Implementation Plan for the Continuous Settlement Trial Operation of the Southern Regional Electricity Spot Market in Guangxi" (Gui Dian Jiao Yi Han [2025] No. 347). In 2025, due to the combined impact of persistently high unit prices for domestic natural gas procurement and significant changes in the Guangxi electricity market, Guilin Gas Turbine applied to withdraw from the electricity market for that year. During the spot trial operation in 2025, Guilin Gas Turbine participated in the allocation of imbalance funds for reverse power supply. The comprehensive feed-in tariff excluding tax for 2025 was RMB699.65 per megawatt-hour. After eliminating the impact of the imbalance funds, the comprehensive feed-in tariff excluding tax for 2025 was RMB738.81 per megawatt-hour. On 19 December 2025, the Guangxi Zhuang Autonomous Region Energy Administration issued the "Notice of the Guangxi Zhuang Autonomous Region Energy Administration on Matters Relating to the Market-Oriented Trading of Electricity in Guangxi for 2026", which clarified that gas-fired power generation enterprises may voluntarily choose to enter the market on an annual basis. Those electing to participate in electricity market trading shall have their full electricity volume settled in accordance with market rules and may not withdraw from the market during the year. Guilin Gas Turbine plans to elect to participate in electricity market trading in 2026, and market-oriented units will no longer be allocated imbalance funds.

The management of Guilin Gas Turbine considers that, with the absence of imbalance fund allocation in 2026, the average on-grid tariff for 2026 is expected to be slightly higher than the comprehensive settlement unit price in 2025. However, the future on-grid tariff is expected to show a downward trend as a result of the impact of new energy installed capacity.

As at 31 December 2025, Guilin Gas Turbine estimated the recoverable amount based on the present value of the future cash flows of the cash-generating unit using the aforementioned parameters, and recognised an impairment loss of RMB154 million in respect of property, plant and equipment. The Company engaged Beijing Tianjian Xingye Asset Evaluation Co., Ltd. to independently evaluate and calculate the recoverable amount of the above cash-generating unit, and a valuation report on the CGU was issued.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (f) Sihong New Energy

###### 1) Background of CGUs with impairment provision

Sihong New Energy operates solar photovoltaic generating units with a capacity of 109.4 MW, which commenced commercial operation in July 2020. In 2024, 38.23 MW of photovoltaic module arrays were dismantled, and 23.696 MW of photovoltaic module arrays and other generating facilities were relocated and recommissioned. It is planned that all remaining photovoltaic power generation equipment with a capacity of 71.17 MW will be dismantled by the end of 2026.

###### 2) Reasons for impairment

Reasons for impairment recognised in 2024

In accordance with relevant government environmental protection requirements, Sihong New Energy is required to demolish, relocate, and reconstruct its "Sihong Photovoltaic Power Generation Leading Reward Incentive Base 2019 Project No. 4" which it operates. In 2024, Sihong New Energy completed the demolition of 38.23 MW of photovoltaic module arrays and other power generation facilities. Due to the impact of the relocation, power generation decreased year-over-year in 2024, and the enterprise experienced its first operating loss. Sihong New Energy identified indicators of impairment in its long-lived asset group and performed an impairment test on that asset group.

Reasons for impairment recognised in 2025

According to the "Sihong County Wind Power Project Cooperation Agreement" signed between the company and the Sihong County People's Government in 2025, due to changes in the government's land use planning, the government is unable to provide relocation land for the remaining dismantled capacity of 71.17 MW. By the end of 2026, Sihong New Energy is required to completely dismantle all photovoltaic power generation equipment corresponding to the remaining capacity of 71.17 MW. It is expected that this portion of the photovoltaic power generation equipment cannot be reconstructed. The relevant asset group has shown indicators of impairment, and an impairment test will be performed on that asset group.

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (f) Sihong New Energy (Continued)

##### 3) Assumptions of impairment assessment

In 2025, the Company performed an impairment test on the generating units of Sihong New Energy as a single asset group. The key parameters used in estimating the recoverable amount included future sales volume (generation hours) and discount rate (Note 2). Other parameters applied in the impairment test mainly included the average electricity tariff. The key parameters used in the impairment test are set out in the table below:

Company name	Sales volume (power generation hours) Unit: hours/year		Tariff (excluding tax) Unit: RMB/MWh	
	Forecast period	Actual in 2025	Forecast period	Actual in 2025
Sihong New Energy (Relocated Part: 23.696MW)	2026: 1,484 2027 to 2041: decreased by about 7.85 hours each year 2042–2044: 1,360 2045: 735	970	2026 and afterwards: 355.46	360.65
Sihong New Energy (Proposed Dismantling Part: 71.17MW)	2026: 1,484	970	2026: 355.46	360.65

#### Sales volume (power generation hours)

The Company forecasts the photovoltaic degradation rate based on the feasibility study report and historical generation performance. The degradation rate is 2.50% in the first year of operation, increasing by 0.50% per annum in subsequent years, with a maximum degradation rate of 13.38%. Utilisation hours are calculated year by year on this basis. In 2024 and 2025, actual utilisation hours were relatively low due to the impact of dismantling. For 2026, on-grid electricity is forecasted based on the installed capacity and utilisation hours of the actually operating generating units. In 2045, due to the expiry of the operating life of the photovoltaic equipment, utilisation hours are forecasted to be 735 hours.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

*(Prepared in accordance with IFRS Accounting Standards)*

*(Amounts expressed in thousands of RMB)*

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (f) Sihong New Energy (Continued)

##### 3) Assumptions of impairment assessment (Continued)

##### Tariff

Pursuant to the work plan for the competitive selection of the Sihong Photovoltaic Power Generation Leading Reward Incentive Base 2019, Sihong New Energy enjoys a feed-in tariff approved by the Sihong County People's Government in September 2019 of RMB400 per megawatt-hour (including tax), comprising a benchmark tariff of RMB391 per megawatt-hour (including tax) and a subsidy tariff of RMB9 per megawatt-hour (including tax), and is eligible to participate in green electricity trading. Meanwhile, in accordance with the relevant requirements of the "Notice of the National Development and Reform Commission and the National Energy Administration on Deepening the Market-Oriented Reform of New Energy Feed-in Tariffs to Promote High-Quality Development of New Energy" (NDRC Price [2025] No. 136) and the "Implementation Plan for Deepening the Market-Oriented Reform of New Energy Feed-in Tariffs in Jiangsu Province to Promote High-Quality Development of New Energy" issued by the Provincial Development and Reform Commission (Su Fa Gai Gui Fa [2025] No. 5), starting from 2026, due to the impact of the electricity spot market, both the trading volume and prices of green electricity have declined, and taking into account the tariff level in 2025, the average tariff during the forecast period is RMB355.46 per megawatt-hour (excluding tax).

As at 31 December 2025, the Company estimated the recoverable amount based on the present value of the future cash flows of the asset group using the aforementioned parameters, and recognised an impairment loss of RMB132 million in respect of property, plant and equipment. The Company engaged Beijing Tianjian Xingye Asset Evaluation Co., Ltd. to independently evaluate and calculate the recoverable amount of the above asset group, and a valuation report on the CGU was issued.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
 (Prepared in accordance with IFRS Accounting Standards)  
 (Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (g) Sishui Biomass

##### 1) Background of CGUs with impairment provision

Sishui Biomass operates one 30 MW biomass cogeneration unit with a total installed capacity of 30 MW, which commenced commercial operation in December 2020.

##### 2) Reasons for impairment

Reasons for impairment recognised in 2025

The biomass generating unit of Sishui Biomass recorded operating losses of RMB129 million and RMB7 million for the years 2024 and 2025, respectively, representing operating losses for two consecutive years (it was operating profitably in 2023). In 2025, impairment indicators were identified for its long-lived asset group, and an impairment test was performed on that cash-generating unit.

##### 3) Assumptions of impairment assessment

In 2025, the Company performed an impairment test on the biomass generating unit of Sishui Biomass as a single asset group. The key parameters used in estimating the recoverable amount included future sales volume (power generation hours), fuel prices and discount rate. Other parameters applied in the impairment test mainly included the average electricity tariff. The key parameters used in the impairment test are set out in the table below:

Company name	Sales volume (power generation hours) Unit: hours/year		Tariff (excluding tax) Unit: RMB/MWh		Fuel prices (price of standard coal into the furnace)* Unit: RMB/ton	
	Forecast period	Actual in 2025	Forecast period	Actual in 2025	Forecast period	Actual in 2025
	Sishui Biomass	2026 to 2036: 7,000 2037 and afterwards: 2,310	6,027	2026 to 2035: 663.72 2036: 586.95 2037 and afterwards: 349.47	663.19	2026 and afterwards: 971.39

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (g) Sishui Biomass (Continued)

##### 3) Assumptions of impairment assessment (Continued)

Sales volume (power generation hours)

Based on the “Notice on Further Accelerating the Comprehensive Utilisation of Crop Straw and Prohibiting Open Burning” (NDRC Huan Zi [2015] No. 2651) jointly issued by the National Development and Reform Commission, the Ministry of Finance, the Ministry of Agriculture and the Ministry of Environmental Protection in 2015, as well as the “Administrative Measures for the Full Guaranteed Purchase of Renewable Energy Power” issued by the National Development and Reform Commission in 2024, it is required to strengthen the management of the full guaranteed purchase of renewable energy power, with biomass power generation projects being fully purchased and prioritised for grid connection.

In 2025, due to the combined impact of continuous rainy weather and shutdowns for maintenance, the utilisation hours of the unit of Sishui Biomass were lower than normal. The annual power generation utilisation hours for 2025 were 6,027 hours, a decrease of 854 hours year-on-year. It is expected that the impact of shutdowns will be eliminated in 2026, leading to an increase in utilisation hours. Based on the average utilisation hours from 2022 to 2025, utilisation hours for the period from 2026 to 2036 are forecasted to be approximately 7,000 hours, with no significant deviation from previous years.

After the expiration of subsidies for Sishui Biomass in 2037, the operating mode of the unit will be adjusted to arrange utilisation hours on the premise of ensuring the heat load and the safe and stable minimum load of the unit, with utilisation hours estimated to be approximately 2,310 hours per year thereafter.

Fuel prices (price of standard coal into the furnace)

Sishui Biomass uses agricultural and forestry waste, primarily straw, as its main fuel. The fuel price during the forecast period is estimated based on factors such as the fuel sourcing structure, supply and demand conditions for straw, weather conditions, and the straw burning ban policy. In recent years, the supply and demand situation for Sishui Biomass has gradually stabilised. Based on historical data trends, after converting the fuel price into an equivalent standard coal price based on actual calorific value, the unit price of standard coal has shown a year-on-year declining trend and has gradually stabilised. Accordingly, the Company adopted the 2025 data as the estimated value for the unit price of standard coal to be consumed in the future, and based on this, the unit price of standard coal consumed in the stabilisation period is calculated to be RMB971.39 per tonne.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (g) Sishui Biomass (Continued)

##### 3) Assumptions of impairment assessment (Continued)

##### Tariff

Pursuant to the “Notice on Improving the Pricing Policy for Agricultural and Forestry Biomass Power Generation” (NDRC Price [2010] No. 1579) issued by the National Development and Reform Commission, biomass power generation projects are entitled to renewable energy electricity tariff subsidies, with a feed-in tariff of RMB750 per megawatt-hour (including tax). In accordance with the “Supplementary Notice on Matters Relating to the Several Opinions on Promoting the Healthy Development of Non-Hydro Renewable Energy Power Generation” (Cai Jian [2020] No. 426) issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration in 2020, the utilisation hours for biomass power generation subsidy tariffs are 82,500 hours or 15 years, whichever comes first. After the expiration of the central government subsidy funding, green certificates will be issued and the project will be permitted to participate in green certificate trading.

Sishui Biomass estimates the applicable feed-in tariff for the future based on a tariff of RMB750 per megawatt-hour (including tax) (RMB663.72 per megawatt-hour excluding tax). Upon reaching the earlier of 82,500 hours or 15 years, the tariff is estimated based on the tariff after deducting the subsidy, which is RMB349.46 per megawatt-hour (excluding tax).

As at 31 December 2025, the Company estimated the recoverable amount based on the present value of the future cash flows of the asset group using the aforementioned parameters, and recognised an impairment loss of RMB235 million, including property, plant and equipment on RMB213 million and intangible assets on 22 million for Sishui Biomass. The Company engaged Beijing Tianjian Xingye Asset Evaluation Co., Ltd. to independently evaluate and calculate the recoverable amount of the above asset group, and a valuation report on the CGU was issued.

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FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (h) Yueyang Power Plant

###### 1) Background of CGUs with impairment provision

Yueyang Power Plant operates coal-fired units comprising two 362.5 MW units in Phase I, two 300 MW units in Phase II and two 600 MW units in Phase III, all located in Yueyanglou District, Yueyang City, Hunan Province. The units commenced operation in 1991, 2006 and 2011 respectively, with a total installed capacity of 2,525 MW.

###### 2) Reasons for impairment

Reasons for no impairment recognised in 2024

In 2023 and 2024, Yueyang Power Plant recorded net losses of RMB247 million and RMB59 million, respectively, with the loss scale showing a decreasing trend year by year. Pursuant to the “Notice of the National Energy Administration on Issuing the Targets and Tasks for Eliminating Backward Production Capacity in the Coal-Fired Power Industry for 2022–2025 (First Batch)” (Guo Neng Fa Dian Li [2022] No. 85), the Phase I Units 1 and 2 of Yueyang Power Plant were designated as part of the targets and tasks for eliminating backward production capacity in the coal-fired power industry for 2022–2025, with the disposal method being conversion to emergency standby power sources in 2025. For the year ended 31 December 2024, management performed an impairment test on the CGU based on the forecast of emergency standby for Phase I Units 1 and 2, and the recoverable amount of the CGU exceeded its carrying amount, resulting in no impairment being recognised.

Reasons for impairment recognised in 2025

On 10 December 2025, the Hunan Provincial Development and Reform Commission issued the “Notice on Clarifying the Disposal Opinion on the 2 × 362.5 MW Units of Huaneng Yueyang Power Plant upon Expiry of Operating Life” (Xiang Fa Gai Neng Yuan [2025] No. 801), which clarified that the disposal method for the Phase I 2 × 362.5 MW units of Yueyang Power Plant is that Unit 1 shall have its operating life extended by two years until 31 December 2027, while Unit 2 shall be shut down and decommissioned. Phase I Unit 2 of Yueyang Power Plant was shut down and retired on 30 December 2025, ceasing electricity generation.

Accordingly, Yueyang Power Plant identified impairment indicators for its long-lived asset group and performed an impairment test on that cash-generating unit.

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (h) Yueyang Power Plant (Continued)

##### 3) Assumptions of impairment assessment

As at 31 December 2025, the Company performed an impairment test on the coal-fired generating units of Yueyang Power Plant as a single asset group. The key parameters used in estimating the recoverable amount included future sales volume (power generation hours), fuel prices and discount rate (Note 2). Other parameters applied in the impairment test mainly included the average electricity tariff. The key parameters used in the impairment test are set out in the table below:

Company name	Sales volume (power generation hours) Unit: hours/year		Tariff (excluding tax) Unit: RMB/MWh		Fuel prices (price of standard coal into the furnace)* Unit: RMB/ton	
	Forecast period	Actual in	Forecast period	Actual in	Forecast period	Actual in
		2025		2025		2025
Yueyang Power Plant (Phase I: No.2 362.5MW)	2026: 2,750 2027: 2,750	2,853	2026: 463.26 2027: 466.04	480.09	2026: 831.80 2027: 856.81	879.56
Yueyang Power Plant (Phase II: 2 × 300MW)	2026 and afterwards: 2,750	2,270	2026: 463.26 2027: 466.04 2028: 468.31 2029: 471.10 2030 and afterwards: 473.88	480.09	2026: 831.80 2027: 856.81 2028: 881.82 2029: 906.83 2030 and afterwards: 931.83	879.56
Yueyang Power Plant (Phase III: 2 × 600MW)	2026 and afterwards: 2,750	3,482	2026: 463.26 2027: 466.04 2028: 468.31 2029: 471.10 2030 and afterwards: 473.88	480.09	2026: 831.80 2027: 856.81 2028: 881.82 2029: 906.83 2030 and afterwards: 931.83	879.56

\* Standard coal refers to coal with a calorific value of 7,000 kilocalories per kilogram (7,000 kcal/kg).

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(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (h) Yueyang Power Plant (Continued)

##### 3) Assumptions of impairment assessment (Continued)

Sales volume (power generation hours)

The Company estimates the utilisation hours of the generating units during the forecast period based on its understanding of market conditions and relevant policies on electricity trading, taking into account the efficiency of the units.

On 26 October 2021, the State Council issued the “Notice of the Action Plan for Carbon Peaking by 2030” (Guo Fa [2021] No. 23), which clearly stated that during the “14th Five-Year Plan” period, coal consumption growth will be strictly and reasonably controlled, and will be gradually reduced during the “15th Five-Year Plan” period. Strict control will be imposed on new coal-fired power projects, with the coal consumption standards for new units reaching internationally advanced levels. Outdated coal-fired power capacity will be eliminated in an orderly manner, and energy-saving upgrades and flexibility retrofits of existing units will be accelerated. Heat supply retrofits will be actively promoted, facilitating the transformation of coal-fired power to a dual role of both base load and system regulating power sources. From 2022 to 2025, the utilisation hours of Yueyang Power Plant decreased year by year. Yueyang Power Plant forecasts that utilisation hours for Phase I and Phase III units will continue to decline in 2026, while utilisation hours for Phase II units are expected to increase slightly due to the shutdown of Phase I Unit 2. For 2027 and thereafter, utilisation hours are expected to remain broadly consistent with those in 2026.

The utilisation hours for each group of units are set out as follows:

- (1) For the Phase I No.2: 362.5 MW units of Yueyang Power Plant, actual utilisation hours in 2025 were 2,853 hours; utilisation hours for 2026 and 2027 are estimated to be 2,750 hours.
- (2) For the Phase II 2 × 300 MW units of Yueyang Power Plant, actual utilisation hours in 2025 were 2,270 hours; utilisation hours for 2026 and thereafter are estimated to be 2,750 hours.
- (3) For the Phase III 2 × 600 MW units of Yueyang Power Plant, actual utilisation hours in 2025 were 3,482 hours; utilisation hours for 2026 and thereafter are estimated to be 2,750 hours.

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (h) Yueyang Power Plant (Continued)

##### 3) Assumptions of impairment assessment (Continued)

Fuel prices (price of standard coal into the furnace)

The Company estimates the fuel price during the forecast period based on its understanding of the coal sourcing structure, coal supply and demand conditions, and relevant industry policies.

Pursuant to Document No. 303 issued by the National Development and Reform Commission in 2022, it was explicitly required to guide the price of coal (thermal coal) to operate within a reasonable range. When coal prices increase significantly or are likely to increase significantly, price intervention measures will be initiated in accordance with the procedures under Article 30 of the Price Law, among other provisions, to guide coal prices back to the reasonable range. When coal prices experience excessive declines, appropriate measures will be taken comprehensively to guide a reasonable rebound in coal prices.

On 10 July 2025, the General Department of the National Energy Administration issued the "Notice on Organising and Carrying Out Verification of Coal Mine Production to Promote Stable and Orderly Coal Supply" (Guo Neng Zong Tong Mei Tan [2025] No. 108), which stated that since 2025, the overall supply and demand situation in the domestic coal market has remained loose, with prices continuing to decline. Some coal mining enterprises have resorted to "compensating for price drops with volume increases", producing in excess of announced capacity, severely disrupting the order of the coal market. In order to implement the decisions and arrangements of the Central Committee of the Communist Party of China and the State Council, strengthen coal market regulation, further enhance capacity management, regulate the production behaviour of coal mining enterprises, and promote stable and orderly coal supply.

Taking into account the timing of the implementation of national policies, the construction and commissioning of new coal production capacity, and the supply and demand pattern and consumption trends, together with factors such as the plant's own coal mix, coal sources and transportation, the Company expects that coal prices will continue to decline in 2026, followed by a gradual recovery. Over a longer-term horizon, coal prices over the past decade have experienced periods of both relative supply surplus and relative supply tightness. Given that coal prices are influenced by multiple factors and exhibit cyclical patterns, the Company based its long-term coal price forecast on the average standard coal consumption price over the past ten years, and expects the standard coal consumption price for Yueyang Power Plant to gradually increase to RMB931.83 per tonne.

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FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (h) Yueyang Power Plant (Continued)

##### 3) Assumptions of impairment assessment (Continued)

##### Tariff

The Company estimates the average settlement tariff during the forecast period based on its understanding of relevant national policies and regional electricity trading policies, taking into account the current tariff level and the upward adjustment of the base tariff.

Document No. 1501 issued in November 2023 required the adjustment of the existing single-part tariff for coal-fired power to a two-part tariff, establishing a coal-fired power capacity tariff mechanism with effect from 1 January 2024.

Pursuant to the “Notice on Implementing the Coal-Fired Power Capacity Tariff Mechanism” (Xiang Fa Gai Jia Diao [2023] No. 878) issued by the Hunan Provincial Development and Reform Commission, the standard for coal-fired power capacity tariff in Hunan Province for 2024–2025 was RMB165 per kilowatt per annum (including tax). On 9 February 2025, the National Development and Reform Commission issued Document No. 136, deepening the market-oriented reform of new energy feed-in tariffs and promoting the full entry of new energy generation into the electricity market, with prices to be determined through market transactions.

Meanwhile, on 29 April 2025, the National Development and Reform Commission and the National Energy Administration issued the “Notice on Issuing the Basic Rules for the Electricity Ancillary Services Market” (NDRC Energy Regulation [2025] No. 411), aiming to standardise the development of the national electricity ancillary services market and further explore the regulatory potential of the power system through market mechanisms. In 2026, all electricity on the generation side for thermal power in Hunan will be traded through the market. Yueyang Power Plant expects that electricity tariffs in 2026 will show a downward trend, and the comprehensive tariff in future periods will gradually increase from the 2026 level before stabilising.

As at 31 December 2025, Yueyang Power Plant estimated the recoverable amount based on the present value of the future cash flows of the asset group using the aforementioned parameters, and recognised an impairment loss of RMB135 million in respect of property, plant and equipment, an impairment loss of RMB26 million in respect of right-of-use assets, and an impairment loss of RMB101 million in respect of goodwill. The Company engaged Beijing Tianjian Xingye Asset Evaluation Co., Ltd. to independently evaluate and calculate the recoverable amount of the above asset group, and a valuation report on the CGU was issued.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (i) Shantou Power Plant

###### 1) Background of CGUs with impairment provision

Shantou Power Plant operates coal-fired units comprising two 300 MW units in Phase I (Units 1 and 2) and one 600 MW unit in Phase II (Unit 3), all located in Haojiang District, Shantou City, Guangdong Province. The units commenced operation in 1996 and 2005 respectively, with a total installed capacity of 1,200 MW.

###### 2) Reasons for impairment

Reasons for no impairment recognised in 2024

Shantou Power Plant achieved profitability for two consecutive years in 2023 and 2024. In the opinion of management, no impairment indicators were identified for the year ended 31 December 2024.

Reasons for impairment recognised in 2025

In October 2025, Shantou Power Plant submitted a request to the Shantou Municipal Development and Reform Bureau regarding the disposal opinion for Units 1 and 2 of Huaneng Shantou Power Plant upon reaching the end of their service life. In December 2025, the Shantou Municipal Development and Reform Bureau issued a reply explicitly stating that the decommissioning and relocation of the units of Shantou Power Plant will be implemented in three phases in a stable and orderly manner: Phase I (by the end of December 2026), Units 1 and 2 of Shantou Power Plant will be converted to “emergency standby units”; Phase II (during the 15th Five-Year Plan period), Units 1 and 2 of Shantou Power Plant will be shut down and decommissioned; Phase III (during the 16th Five-Year Plan period), Unit 3 of Shantou Power Plant will be shut down and decommissioned in accordance with relevant procedures. Shantou Power Plant determined that Units 1 and 2 will remain on emergency standby until they are shut down and decommissioned in 2030. Accordingly, Shantou Power Plant identified impairment indicators for its long-lived asset group and performed an impairment test on that cash-generating unit.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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(Amounts expressed in thousands of RMB)

### 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Impairment (Continued)

##### Note 1: Impairment of CGUs (Continued)

###### (i) Shantou Power Plant (Continued)

###### 3) Assumptions of impairment assessment

As at 31 December 2025, the Company performed an impairment test on the coal-fired units of Shantou Power Plant as a single asset group. The key parameters used in estimating the recoverable amount included future sales volume (power generation hours), fuel prices and discount rate (Note 2). Other parameters applied in the impairment test mainly included the average electricity tariff. The key parameters used in the impairment test are set out in the table below:

Company name	Sales volume (power generation hours) Unit: hours/year		Tariff (excluding tax) Unit: RMB/MWh		Fuel prices (price of standard coal into the furnace)* Unit: RMB/ton		
	Forecast period	Actual in	Forecast period	Actual in	Forecast period	Actual in	
		2025		2025		2025	
Shantou Power Plant Phase I (2 × 300MW)	2026: 4,353	4,785	2026: 415.04	421.77	2026: 860.00	865.79	
	2027 to 2030: 300		2027: 1,139.95		2027: 873.14		
				2028: 1,147.87		2028: 886.28	
				2029: 1,156.00		2029: 899.42	
				2030: 1,164.33		2030: 912.56	
Shantou Power Plant Phase II (1 × 600MW)	2026: 2,398	1,923	2026: 488.50	531.08	2026: 860.00	865.79	
	2027: 4,900		2027: 453.77		2027: 873.14		
	2028: 4,900		2028: 403.58		2028: 886.28		
	2029: 5,000		2029: 412.24		2029: 899.42		
	2030 and afterwards: 5,000		2030 and afterwards: 421.77		2030 and afterwards: 912.56		

\* Standard coal refers to coal with a calorific value of 7,000 kilocalories per kilogram (7,000 kcal/kg).

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (i) Shantou Power Plant (Continued)

##### 3) Assumptions of impairment assessment

Sales volume (power generation hours)

The Company estimates the utilisation hours of the generating units during the forecast period based on its understanding of market conditions and relevant policies on electricity trading, taking into account the efficiency of the units. The Company expects that total social electricity consumption will grow steadily in future years, and coal-fired power will further transition towards playing a role in basic guarantee and system regulation. Uncertainties in the future thermal power market, such as changes in new energy installed capacity and spot trading rules, are expected to exist. In response to the electricity spot market and the transformation of the power system operation mechanism, Shantou Power Plant will continue to optimise unit operation modes and trading strategies.

The utilisation hours for each group of units are set out as follows:

- (1) For the Phase I  $2 \times 300$  MW units of Shantou Power Plant, actual utilisation hours in 2025 were 4,785 hours. Affected by the conversion of the Phase I units to emergency standby, utilisation hours for 2026 are estimated to decrease to 4,353 hours. For the period from 2027 to 2030, the Phase I units, serving as emergency standby power sources to cover the electricity demand gap in Shantou City, are expected to have utilisation hours of 300 hours.
- (2) For the Phase II  $1 \times 600$  MW unit of Shantou Power Plant, actual utilisation hours in 2025 were 1,923 hours. Utilisation hours for 2026 are estimated to be 2,398 hours. In 2027, affected by the conversion of the Phase I units to emergency standby, the utilisation hours of the Phase II unit are expected to increase to between 4,900 and 5,000 hours.

Fuel prices (price of standard coal into the furnace)

Over a longer-term horizon, coal prices over the past decade have experienced periods of both relative supply surplus and relative supply tightness. Given that coal prices are influenced by multiple factors and exhibit cyclical patterns, the Company based its long-term coal price forecast on the average coal purchase price over the past ten years. It is expected that the unit price of standard coal consumption for Shantou Power Plant will decrease slightly in 2026, remaining broadly consistent with the 2025 level, and will gradually return to the average coal purchase price of the past ten years during the period from 2027 to 2030.

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

##### (i) Shantou Power Plant (Continued)

##### 3) Assumptions of impairment assessment

##### Tariff

The Company estimates the average settlement tariff during the forecast period based on its understanding of relevant national policies and regional electricity trading policies, taking into account the current tariff level and the upward adjustment of the base tariff. Pursuant to the "Notice on Adjusting the Capacity Tariff for Coal-Fired and Gas-Fired Power in Our Province" (Yue Fa Gai Jia Ge Han [2025] No. 1254) issued by the Guangdong Provincial Development and Reform Commission, in order to promote the transformation of the operation and development model of coal-fired and gas-fired power in Guangdong Province, better ensure the safe and stable supply of electricity, and adapt to the construction of a new power system, the capacity tariff for coal-fired units in Guangdong Province for 2026 and thereafter is adjusted to RMB165 per kilowatt per annum (including tax).

Influenced by factors such as loose supply-demand conditions and increased penetration of new energy, the spot market is expected to shift from thermal power pricing to alternating pricing between thermal power and new energy, leading to greater price volatility and a downward trend in average prices. Shantou Power Plant expects that electricity tariffs in 2026 will decrease compared with 2025. However, with the further optimisation of the grid structure and the gradual adjustment of the functional positioning of coal-fired power, the comprehensive tariff for Units 1, 2 and 3, excluding capacity charges, is expected to remain broadly stable.

- (1) For the Phase I  $2 \times 300$  MW units of Shantou Power Plant, the comprehensive feed-in tariff excluding tax for 2025 was RMB421.77 per megawatt-hour. The comprehensive feed-in tariff excluding tax for 2026 is estimated to be RMB415.04 per megawatt-hour. After the Phase I units are converted to emergency standby, pursuant to the "Notice of the Guangdong Provincial Development and Reform Commission on Matters Relating to the Capacity Tariff Mechanism for Emergency Standby Coal-Fired Units in Our Province" (Yue Fa Gai Jia Ge Han [2024] No. 1356), the capacity tariff standard for emergency standby coal-fired units in Guangdong Province is tentatively set at RMB260 per kilowatt per annum (including tax). With the increase in capacity charges and a sharp decline in emergency standby utilisation hours, the comprehensive feed-in tariff excluding tax for 2027 and thereafter is estimated to be between RMB1,139.95 and RMB1,164.33 per megawatt-hour.

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 1: Impairment of CGUs (Continued)

(i) *Shantou Power Plant (Continued)*

3) Assumptions of impairment assessment

Tariff (Continued)

- (2) For the Phase II 1 × 600 MW unit of Shantou Power Plant, the comprehensive feed-in tariff excluding tax for 2025 was RMB531.08 per megawatt-hour. With the full entry of new energy into the market and the reduction in medium- and long-term tariffs, the comprehensive feed-in tariff excluding tax for 2026 is estimated to be RMB488.50 per megawatt-hour. In 2027, due to the increase in utilisation hours, the impact of capacity charge revenue is diluted, resulting in a decrease in the comprehensive feed-in tariff excluding tax to RMB453.77 per megawatt-hour. After the completion of the grid line project reconstruction in the Shantou area, tariff competition is expected to intensify, and the comprehensive feed-in tariff excluding tax for 2028 and thereafter is estimated to decrease to the range of RMB403.58 to RMB421.77 per megawatt-hour.

As at 31 December 2025, Shantou Power Plant estimated the recoverable amount based on the present value of the future cash flows of the asset group using the aforementioned parameters, and recognised an impairment loss of RMB520 million in respect of property, plant and equipment. The Company engaged Beijing Tianjian Xingye Asset Evaluation Co., Ltd. to independently evaluate and calculate the recoverable amount of the above asset group, and a valuation report on the CGU was issued.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Amounts expressed in thousands of RMB)

## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 2: Discount rate

The Group determines the after-tax discount rate as at 30 June 2025, 30 September 2025 and 31 December 2025 based on the weighted average cost of capital (WACC).

The formula for calculating the weighted average cost of capital is:  $K_e \times (E/(D + E)) + K_d \times (1 - T) \times (D/(D + E))$ , where D represents the value of debt and E represents the value of equity. The cost of equity ( $K_e$ ) is calculated using the capital asset pricing model (CAPM). Under the capital asset pricing model, the cost of equity is derived from the risk-free rate of return ("risk-free rate") plus a risk premium that reflects the Company's risk profile ("risk premium"), i.e.,  $K_e = R_f + \beta \times ERP + \varepsilon$ . The values of the parameters are set out in the following table:

Parameters		30 June 2025	30 September 2025	31 December 2025	Remarks
Rf	Risk-free interest rate	1.65%	1.86%	1.85%	The risk-free rate is expressed as the yield to maturity of all treasury bonds with a remaining maturity of 10 years as of the valuation reference date (30 June 2025, 30 September 2025 and 31 December 2025) provided by China Central Depository & Clearing Co., Ltd. (CCDC), and the data is sourced from the China Appraisal Society website: <a href="http://www.cas.org.cn/">http://www.cas.org.cn/</a>
$\beta$	Beta coefficient	0.3054	0.2762	0.2723-0.5131	Based on the average of the non-financial leverage $\beta$ of comparable companies as of 30 June 2025, 30 September 2025 and 31 December 2025.
ERP	Equity risk premium	6.52%	6.22%	6.14%-7.17%	The average return of China's stock market is based on the historical data of the CSI 300 Index, and the monthly data of the CSI 300 Index as of the evaluation base date (June 30 2025, 30 September 2025 and 31 December 2025) is selected from the Wind information market database, and the 10-year moving arithmetic average method is used to measure it.
$\varepsilon$	Specific risk premium	5.00%	5.00%	2.00%-5.00%	The comprehensive analysis method is used to determine the $\varepsilon$ , that is determined by comprehensively considering the asset size, development stage, market competition, internal governance of the company, capital structure and other factors of the evaluated unit.
Kd	Cost of debt	3.50%	3.50%	3.50%	Take the five-year above loan prime rate (LPR) (30 June 2025, 30 September 2025 and 31 December 2025) as the cost of debt.
T	Income tax rate	25%	15%	15%-25%	Determine the applicable income tax rate according to the Corporate Income Tax Law.

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## 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Impairment (Continued)

#### Note 2: Discount rate (Continued)

After calculating the post-tax discount rate, the pre-tax discount rate was determined through an iterative calculation based on the principle that “the present value of pre-tax cash flows equals the present value of post-tax cash flows.”

Following this computation at 30 June 2025, the calculated post-tax discount rate is 5.56%, the Company adopted a pre-tax discount rate of 6.54% to 7.59%.

Following this computation at 30 September 2025, the calculated post-tax discount rate is 5.76%, the Company adopted a pre-tax discount rate of 6.88%.

Following this computation at 31 December 2025, the calculated post-tax discount rate is 5.36% to 6.34%, the Company adopted a pre-tax discount rate of 5.48% to 8.30%.

#### Note 3: Impairment losses for individual property, plant and equipment

The Company and its subsidiaries review the impairment of property, plant and equipment on an annual basis in light of matters such as policy-driven shutdowns and technical upgrade demolitions in the relevant year. The impairment recognised in 2025 on property, plant and equipment intended for scrapping is set out in the following table:

Company name	Impairment recognised (RMB million)	Reasons for impairment and operational status before decommissioning
Huaneng Qinbei Power Generation Co., Ltd. (Qinbei Power)	91	The old assets dismantled from the retrofitting of the steam turbine flow path for Units 5 and 6 of Qinbei Power Plant no longer have reuse value. An impairment loss of RMB91 million has been recognised for the old assets dismantled in the technical renovation, based on the recoverable amount assessed by Yinxin Asset Appraisal Co., Ltd.
Huaneng Suzhou Thermal Power Co., Ltd. (Suzhou Thermal Power)	18	The two coal-fired generating units of Suzhou Thermal Power ceased operation in 2025. A provision for impairment loss on property, plant and equipment of RMB18 million has been made for the idle units proposed to be scrapped, based on the recoverable amount assessed by Beijing Tianjian Xingye Asset Evaluation Co., Ltd.
Huaneng Yizheng Wind Power Co., Ltd. (Yizheng Wind Power)	29	To comply with environmental inspection requirements from relevant authorities, Yizheng Wind Power is required to shut down four wind turbines located within 200 metres of residential areas by April 2025. A provision for impairment loss on property, plant and equipment of RMB29 million has been made for the shut-down wind turbines, based on the recoverable amount assessed by Beijing Tianjian Xingye Asset Evaluation Co., Ltd.

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### 7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Impairment (Continued)

#### Note 3: Impairment losses for individual property, plant and equipment (Continued)

Company name	Impairment recognised (RMB million)	Reasons for impairment and operational status before decommissioning
Enshi Qingjiang Dalongtan Hydropower Development Co., Ltd. (Dalongtan)	33	The alternative water source, the Chebahe Reservoir of Enshi City Water Supply Co., Ltd., has completed maintenance and other work on its water supply facilities. Dalongtan ceased supplying water to the water supply company in 2025, resulting in idle water supply assets. The management of Dalongtan expects that it will not be able to obtain government compensation for these water supply assets. Based on the recoverable value assessed by Beijing Tianjian Xingye Asset Evaluation Co., Ltd., an impairment loss of RMB33 million was recognised on the water supply assets of Dalongtan.
Huaneng Luobei Wind Power Co., Ltd.	42	Impairment loss of RMB42 million mainly due to the termination of certain projects.
Others	10	
Total	223	

For the impairment of the individual assets mentioned above, the Group determines the recoverable amount based on the fair value less costs of disposal. The key parameters used in determining the recoverable amount include market-quoted prices for copper, steel, aluminium, etc. Based on the impairment test results, the Company recognised an impairment loss of RMB223 million in respect of property, plant and equipment for the aforementioned individual assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 8 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	For the year ended 31 December	
	2025	2024
Beginning of the year	24,672,883	22,712,467
Capital injections in associates and joint ventures	326,441	1,263,419
Joint ventures transformed into subsidiaries	(402,491)	(67,644)
Disposal	(4,430)	(64,067)
Share of profit less loss	1,149,868	1,259,904
Share of other comprehensive gain/(loss)	29,494	(45,744)
Share of other capital reserve	140,503	39,205
Dividends	(494,785)	(419,748)
Provision of impairment	—	(4,909)
End of the year	25,417,483	24,672,883

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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### 8 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

As at 31 December 2025, investments in associates and joint ventures of the Group are unlisted except for Shenzhen Energy Corporation Limited (“SECL”), which is listed on the Shenzhen Stock Exchange. The following list contains only the particulars of material associates and joint ventures.

Name	Country of incorporation	Registered capital	Business nature and scope of operation	Percentage of equity interest	
				Direct	Indirect
<b>Associates:</b>					
SECL (Note 1)	PRC	RMB4,757,389,916	Energy and investment in related industries	25.02%	–
Hebei Hanfeng Power Generation Limited Liability Company (“Hanfeng Power”)	PRC	RMB1,975,000,000	Power generation	40%	–
Huaneng Finance	PRC	RMB7,000,000,000	Provision of financial service, including fund deposit and lending services, finance lease arrangements, notes discounting and entrusted loans and investment arrangements within Huaneng Group	20%	–
China Huaneng Group Fuel Co., Ltd. (“Huaneng Group Fuel Company”) (Note 2)	PRC	RMB3,000,000,000	Wholesale of coal, import and export of coal	50%	–
Hainan Nuclear Power Limited Liability Company (“Hainan Nuclear”)	PRC	RMB5,173,109,200	Construction and operation of nuclear power plants; production and sales of electricity and related products	30%	–

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## 8 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The following list contains only the particulars of material associates and joint ventures. (Continued)

Name	Country of incorporation	Registered capital	Business nature and scope of operation	Percentage of equity interest	
				Direct	Indirect
Huaneng Shidaowan Nuclear Power Development Co., Ltd. ("Shidaowan Nuclear Power")	PRC	RMB6,243,000,000	Construction of nuclear power plants; production and sales of electricity	22.5%	–
Huaneng Tiancheng Financial Leasing Corporation Limited ("Tiancheng Financial Leasing")	PRC	RMB4,050,000,000	Financial leasing business	20%	–

Note 1 As at 31 December 2025, the fair value of the Group's shares in SECL was RMB7,759 million (31 December 2024: RMB7,712 million). SECL is a listed company on the Shenzhen Stock Exchange. Please refer to its publicly disclosed financial statements for financial data.

Note 2 In accordance with the articles of association of the investee, the Group could only exercise significant influence on the investee and therefore accounted for the investment under the equity method.

All the above associates and joint ventures are accounted for under the equity method in the consolidated financial statements.

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## 8 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Summarised financial information of the material associates excluding SECL, adjusted for any differences in accounting policies and acquisition adjustments, and reconciliation to the carrying amounts in the consolidated financial statements, are disclosed below:

	Huaneng Finance		Hanfeng Power		Huaneng Group Fuel Company		Hainan Nuclear		Shidaowan Nuclear Power		Tiancheng Financial Leasing	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Gross amounts of the associates :</b>												
Current assets	34,063,328	32,573,750	965,677	929,097	7,783,964	7,287,854	2,555,403	2,452,600	2,644,694	20,567	19,611,642	17,644,599
Non-current assets	26,322,456	25,099,631	1,574,127	1,629,855	2,677,429	2,909,403	15,293,963	16,369,368	23,133,930	19,169,877	47,455,311	44,922,928
Current liabilities	(50,311,912)	(47,694,066)	(346,301)	(365,135)	(6,182,548)	(5,644,632)	(5,900,984)	(4,685,630)	(5,689,119)	(5,653,639)	(26,540,262)	(24,733,256)
Non-current liabilities	(66,815)	(53,963)	(13,718)	(64,218)	(232,069)	(666,736)	(6,919,013)	(8,988,402)	(13,764,514)	(7,258,314)	(30,502,482)	(28,345,804)
Equity	10,007,057	9,925,352	2,179,785	2,129,599	4,046,776	3,885,889	5,029,369	5,147,936	6,324,991	6,278,491	10,024,209	9,488,467
– Equity attributable to shareholders	10,007,057	9,925,352	2,179,785	2,129,599	3,598,475	3,470,956	5,029,369	5,147,936	6,324,991	6,278,491	8,284,926	7,749,184
– Non-controlling interests	-	-	-	-	448,301	414,933	-	-	-	-	1,739,283	1,739,283
Revenue	1,270,227	1,498,457	2,366,437	2,450,494	2,142,760	57,365,937	3,584,996	3,853,463	-	-	2,801,417	2,838,518
Gross profit	618,979	705,766	459,764	205,901	144,568	293,301	626,073	836,004	-	-	1,335,385	1,377,363
Net profit/(loss)	564,204	904,949	187,945	183,927	137,333	(3,764)	25,551	163,113	46,500	-	1,132,095	1,188,857
Profit/(loss) attributable to shareholders	564,204	904,949	187,945	183,927	125,753	(14,262)	25,551	163,113	46,500	-	1,132,095	1,188,857
Other comprehensive income attributable to shareholders	(2,500)	-	-	-	(1,365)	(1,944)	-	-	-	-	-	-
Total comprehensive income attributable to shareholders	561,704	904,949	187,945	183,927	124,388	(16,206)	25,551	163,113	46,500	-	1,132,095	1,188,857
Dividend received from the associates	96,000	68,000	63,614	61,490	-	-	-	-	-	-	106,945	100,517
<b>Reconciled to the interests in the associates :</b>												
Gross amounts of net assets attributable to shareholders of the associates	10,007,057	9,925,352	2,179,785	2,129,599	3,598,475	3,470,956	5,029,369	5,147,936	6,324,991	6,278,491	8,284,926	7,749,184
The Group's effective interest	20%	20%	40%	40%	50%	50%	30%	30%	22.5%	22.5%	20%	20%
The Group's share of net assets attributable to shareholders of the associates	2,001,411	1,985,070	871,914	851,840	1,799,238	1,735,478	1,508,811	1,544,381	1,423,123	1,412,660	1,656,985	1,549,837
Impact of adjustments	-	-	293,082	293,082	16,521	16,521	14,076	14,076	-	-	-	-
Carrying amount in the consolidated financial statements	2,001,411	1,985,070	1,164,996	1,144,922	1,815,759	1,751,999	1,522,887	1,558,457	1,423,123	1,412,660	1,656,985	1,549,837

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## 8 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Aggregate information of associates and joint ventures that are not individually material:

	2025	2024
Aggregate carrying amount of individually immaterial associates and joint ventures in the consolidated financial statements	<b>6,967,634</b>	6,612,329
Aggregate amounts of the Group's share of those associates and joint ventures		
Profit	<b>269,602</b>	292,161
Total comprehensive income	<b>266,867</b>	301,402

As at 31 December 2025, the Group's share of losses of associates exceeded its interests in the associates and the unrecognised further losses amounted to RMB695 million (31 December 2024: RMB671 million).

As at 31 December 2025, there were no proportionate interests in the associates' and joint ventures' capital commitments (31 December 2024: Nil). There were no material contingent liabilities relating to the Group's interests in the associates and joint ventures, and the associates and joint ventures themselves.

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## 9 INVESTMENTS IN SUBSIDIARIES

As at 31 December 2025, the investments in subsidiaries of the Group, all of which are unlisted, are as follows:

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng Shanghai Shidongkou Power Generation Limited Liability Company ("Shidongkou Power") (ii)	PRC	Held directly	RMB1,179,000,000	Electricity, heat production, and supply	50%	100%	Subsidiaries acquired through establishment or investment
Huaneng Qingdao Co-generation Limited Company	PRC	Held directly	RMB1,206,851,045	Electricity, heat production, and supply	100%	100%	Subsidiaries acquired through establishment or investment
Huaneng Taiyuan Dongshan Combined Cycle Co-generation Co., Ltd. ("Dongshan Combined Cycle")	PRC	Held directly	RMB731,710,000	Electricity, heat production, and supply	82%	82%	Subsidiaries acquired through establishment or investment
Huaneng (Dalian) Co-generation Co., Ltd.	PRC	Held directly	RMB1,604,351,769	Electricity, heat production, and supply	100%	100%	Subsidiaries acquired through establishment or investment
Huaneng Yantai New Energy Co., Ltd. (i)	PRC	Held indirectly	RMB1,663,602,000	Clean energy power generation	60%	75%	Subsidiaries acquired through establishment or investment
Huaneng Daan Clean Energy Power Co., Ltd. (i)	PRC	Held indirectly	RMB805,800,000	Clean energy power generation	80%	100%	Subsidiaries acquired through establishment or investment
Huaneng Anyang Energy Co., Ltd.	PRC	Held directly	RMB619,600,000	Clean energy power generation	100%	100%	Subsidiaries acquired through establishment or investment

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng Abaga Banner Clean Energy Co., Ltd. ("Abaga Banner Clean Energy")	PRC	Hold Indirectly	RMB322,180,760	Clean energy power generation	100%	100%	Subsidiaries acquired through establishment or investment
Huaneng Henan Puyang Clean Energy Co., Ltd.	PRC	Held directly	RMB1,502,777,000	Clean energy power generation	100%	100%	Subsidiaries acquired through establishment or investment
Huaneng Jiuquan Wind Power Co., Ltd.	PRC	Held directly	RMB3,061,198,800	Clean energy power generation	100%	100%	Subsidiaries acquired through establishment or investment
Huaneng (Zhuanghe) Wind Power Generation Co., Ltd. (i)	PRC	Held indirectly	RMB2,700,000,000	Clean energy power generation	72.96%	94.07%	Subsidiaries acquired through establishment or investment
Huaneng (Fujian) Energy Development Co., Ltd. ("Fujian Energy Development")	PRC	Held directly	RMB4,214,710,512	Electricity, heat production, and supply	100%	100%	Subsidiaries acquired through establishment or investment
Huaneng Jiangsu Energy Development Co., Ltd. ("Jiangsu Energy Development")	PRC	Held directly	RMB15,853,400,000	Electricity, heat production, and supply	100%	100%	Subsidiaries acquired through establishment or investment
Huaneng Taicang Power Generation Co., Ltd.	PRC	Held indirectly	RMB883,899,300	Electricity, heat production, and supply	75%	75%	Subsidiaries acquired through establishment or investment
Huaneng Shengdong Rudong Offshore Wind Power Generation Co., Ltd.	PRC	Held indirectly	RMB2,119,964,173	Clean energy power generation	79%	79%	Subsidiaries acquired through establishment or investment

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng Sheyang New Energy Power Generation Co., Ltd.	PRC	Held indirectly	RMB1,080,000,000	Clean energy power generation	70%	70%	Subsidiaries acquired through establishment or investment
Huaneng Guanyun Clean Energy Power Generation Co., Ltd. (iii)	PRC	Held indirectly	RMB1,790,020,000	Electricity, heat production, and supply	82%	82%	Subsidiaries acquired through establishment or investment
Huaneng (Guangdong) Energy Development Co., Ltd. ("Guangdong Energy Development")	PRC	Held directly	RMB6,271,001,411	Electricity, heat production, and supply	100%	100%	Subsidiaries acquired through establishment or investment
Huaneng Shantou Haimen Power Generation Co., Ltd.	PRC	Held indirectly	RMB3,455,369,000	Electricity, heat production, and supply	80%	80%	Subsidiaries acquired through establishment or investment
Huaneng Dongguan Gas Turbine Thermal Power Co., Ltd.	PRC	Held indirectly	RMB1,380,370,000	Electricity, heat production, and supply	80%	80%	Subsidiaries acquired through establishment or investment
Huaneng (Zhejiang) Energy Development Co., Ltd. ("Zhejiang Energy Development")	PRC	Held directly	RMB6,750,538,481	Electricity, heat production, and supply	100%	100%	Subsidiaries acquired through establishment or investment
Huaneng Zhejiang Pinghu Offshore Wind Power Co., Ltd.	PRC	Held indirectly	RMB2,160,022,858	Clean energy power generation	66.75%	66.75%	Subsidiaries acquired through establishment or investment
Huaneng Zhejiang Cangnan Offshore Wind Power Co., Ltd.	PRC	Held indirectly	RMB11,764,706	Clean energy power generation	85%	85%	Subsidiaries acquired through establishment or investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng Nanjing Gas Turbine Power Generation Co., Ltd. (iv)	PRC	Held indirectly	RMB938,350,000	Electricity, heat production, and supply	57.38%	84.76%	Subsidiaries acquired through establishment or investment
Jiyuan Huaneng Energy Sales Co., Ltd. ("Jiyuan Energy Sales") (v)	PRC	Held indirectly	RMB20,000,000	Sale of electricity, heat, gas and other energy products	51%	100%	Subsidiaries acquired through establishment or investment
Huaneng Zhenlai Photovoltaic Power Generation Co., Ltd. ("Zhenlai Photovoltaic") (vi)	PRC	Held indirectly	RMB26,775,600	Clean energy power generation	50%	100%	Subsidiaries acquired through establishment or investment
Huaneng (Zhejiang Daishan) Offshore Wind Power Co., Ltd. ("Daishan Offshore Wind Power") (vii)	PRC	Held indirectly	RMB1,500,000,000	Clean energy power generation	40%	75%	Subsidiaries acquired through establishment or investment
Tongyu Yufeng Xingcun New Energy Co., Ltd. ("Tongyu Yufeng New Energy") (viii)	PRC	Held indirectly	RMB187,500,000	Clean energy power generation	60%	100%	Subsidiaries acquired through establishment or investment
Huaneng (Zhuanghe) Clean Energy Co., Ltd. ("Zhuanghe Clean Energy") (ix)	PRC	Held indirectly	RMB1,500,000,000	Clean energy power generation	75.98%	100%	Subsidiaries acquired through establishment or investment
Huaneng Xiaochang Energy Development Co., Ltd. ("Xiaochang Energy Development") (x)	PRC	Held indirectly	RMB338,281,050	Clean energy power generation	23%	100%	Subsidiaries acquired through establishment or investment
Huanmin (Tianjin) Energy Partnership (Limited Partnership) ("Huanmin (Tianjin) Energy") (xi)	PRC	Held indirectly	RMB4,720,000,000	Electricity, heat production, and supply	20%	66.67%	Subsidiaries acquired through establishment or investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Tianjin Jingchu Power Technology Partnership (Limited Partnership) ("Tianjin Jingchu Power Technology") (xi)	PRC	Held directly	RMB2,559,743,600	Electricity, heat production, and supply	29.95%	66.67%	Subsidiaries acquired through establishment or investment
Tianjin Longxing Power Technology Partnership (Limited Partnership) ("Longxing Power Technology") (xi)	PRC	Held indirectly	RMB2,800,000,000	Electricity, heat production, and supply	20%	66.67%	Subsidiaries acquired through establishment or investment
Qingdao Huaying Power Technology Partnership (Limited Partnership) ("Qingdao Huaying Power Technology") (xi)	PRC	Held indirectly	RMB9,619,000,000	Electricity, heat production, and supply	16.01%	66.67%	Subsidiaries acquired through establishment or investment
Huagan (Tianjin) Energy Partnership (Limited Partnership) ("Huagan (Tianjin) Energy") (xi)	PRC	Held directly	RMB4,560,000,000	Electricity, heat production, and supply	20%	66.67%	Subsidiaries acquired through establishment or investment
Huaneng Qingneng Tongyu Power Co., Ltd. ("Tongyu Power") (xii)	PRC	Held indirectly	RMB1,596,434,100	Clean energy power generation	29.71%	100%	Subsidiaries acquired through establishment or investment
Huaneng Yantai Bajiao Thermal Power Co., Ltd. ("Yantai Bajiao Thermal Power") (xii)	PRC	Held indirectly	RMB1,291,720,000	Electricity, heat production, and supply	16.01%	100%	Subsidiaries acquired through establishment or investment
Huaneng Luoyuan Power Generation Co., Ltd. ("Luoyuan Power Generation") (xii)	PRC	Held indirectly	RMB1,163,100,000	Electricity production and supply	20.01%	100%	Subsidiaries acquired through establishment or investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng Rudong Baxian Jiao Offshore Wind Power Generation Co., Ltd. ("Rudong Baxian Jiao") (xii)	PRC	Held Indirectly	RMB1,867,103,060	Clean energy power generation	20.01%	100%	Subsidiaries acquired through establishment or investment
Huaneng Yancheng Dafeng New Energy Power Generation Co., Ltd. ("Yancheng Dafeng") (xii)	PRC	Held Indirectly	RMB1,841,000,000	Clean energy power generation	20.01%	100%	Subsidiaries acquired through establishment or investment
Huaneng Guangdong Shantou Offshore Wind Power Co., Ltd. ("Shantou Offshore Wind Power") (xii)	PRC	Held Indirectly	RMB2,008,334,721	Clean energy power generation	20.02%	100%	Subsidiaries acquired through establishment or investment
Huaneng Laiwu Power Generation Co., Ltd. ("Laiwu Power Generation") (xii)	PRC	Held Indirectly	RMB2,340,000,000	Electricity and heat production and supply	14.87%	92.90%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Daqing Thermal Power Co., Ltd. ("Daqing Thermal Power") (xii)	PRC	Held Indirectly	RMB630,000,000	Electricity and heat production and supply	20.01%	100%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Anyuan Power Generation Co., Ltd. ("Anyuan Power Generation") (xii)	PRC	Held Directly	RMB1,216,687,300	Electricity and heat production and supply	20.01%	100%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Yingcheng Thermal Power Co., Ltd. ("Yingcheng Thermal Power") (xii)	PRC	Held Directly	RMB1,094,000,000	Power plant construction, operation, management; electricity and heat production and sales	25.03%	100%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Jingmen Thermal Power Co., Ltd. ("Jingmen Thermal Power") (xii)	PRC	Held Directly	RMB780,000,000	Thermal power generation, power development, power services	29.96%	100%	Subsidiaries acquired through Business Combination under Common Control

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng Qinbei Power Generation Co., Ltd.	PRC	Held Directly	RMB3,139,965,055	Electricity and heat production and supply	60%	60%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Yushe Power Generation Co., Ltd.	PRC	Held Directly	RMB485,017,700	Electricity and heat production and supply	100%	100%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Hunan Yueyang Power Generation Co., Ltd.	PRC	Held Directly	RMB2,018,534,545	Electricity and heat production and supply	55%	55%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Pingliang Power Generation Co., Ltd. ("Pingliang Power Generation")	PRC	Held Directly	RMB924,050,000	Electricity and heat production and supply	65%	65%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Beijing Thermal Power Co., Ltd. ("Beijing Thermal Power") (xiii)	PRC	Held Directly	RMB3,702,090,000	Electricity and heat production and supply	41%	66%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Chaohu Power Generation Co., Ltd. ("Chaohu Power Generation") (xiv)	PRC	Held Directly	RMB840,000,000	Electricity and heat production and supply	60%	70%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Suzhou Thermal Power Co., Ltd. (xv)	PRC	Held Indirectly	RMB600,000,000	Electricity and heat production and supply	53%	100%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Qinmei Ruijin Power Generation Co., Ltd. (xvi)	PRC	Held Directly	RMB1,819,846,598	Electricity and heat production and supply	50%	100%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Rizhao Thermal Power Co., Ltd. ("Rizhao Thermal Power") (i)	PRC	Held Indirectly	RMB52,000,000	Heat production and supply	80%	100%	Subsidiaries acquired through Business Combination under Common Control

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng Linyi Power Generation Co., Ltd. (i)	PRC	Held Indirectly	RMB1,093,313,400	Electricity and heat production and supply	60%	75%	Subsidiaries acquired through Business Combination under Common Control
Linyi Lantian Thermal Power Co., Ltd. ("Lantian Thermal Power") (i)	PRC	Held Indirectly	RMB36,000,000	Heat production and supply	54%	68%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Shandong Ruyi Coal & Power Co., Ltd. ("Ruyi Coal & Power") (xvii)	PRC	Held Indirectly	RMB1,294,680,000	Development, investment, construction, operation and management of electricity and coal	40%	100%	Subsidiaries acquired through Business Combination under Common Control
Tianjin Huaneng Yangliuqing Thermal Power Co., Ltd. ("Yangliuqing Thermal Power")	PRC	Held Directly	RMB1,537,130,909	Electricity and heat production and supply	55%	55%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Hainan Power Generation Co., Ltd.	PRC	Held Directly	RMB3,526,797,726	Electricity and heat production and supply	93.56%	93.56%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Wuhan Power Generation Co., Ltd.	PRC	Held Directly	RMB1,967,578,182	Electricity and heat production and supply	75%	75%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Hegang Power Generation Co., Ltd.	PRC	Held Indirectly	RMB1,092,550,000	Electricity and heat production and supply	64%	64%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Jilin Power Generation Co., Ltd.	PRC	Held Directly	RMB7,903,690,300	Electricity and heat production and supply	100%	100%	Subsidiaries acquired through Business Combination under Common Control
Shandong Power Generation	PRC	Held Directly	RMB4,241,460,000	Electricity and heat production and supply	80%	80%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Nanjing Jinling Power Generation Co., Ltd.	PRC	Held Indirectly	RMB1,590,220,000	Electricity and heat production and supply	60%	60%	Subsidiaries acquired through Business Combination under Common Control

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng Chongqing Luohuang Power Generation Co., Ltd. ("Luohuang Power Generation")	PRC	Held Directly	RMB1,748,310,000	Electricity and heat production and supply	60%	60%	Subsidiaries acquired through Business Combination under Common Control
Huaneng Weihai Power Generation Co., Ltd.	PRC	Held Directly	RMB1,822,176,621	Electricity and heat production and supply	60%	60%	Subsidiaries acquired through Business Combination Not under Common Control
Sino-Singapore Power (Private) Limited	Singapore	Held Directly	USD147,642,058	Electricity production and supply	100%	100%	Subsidiaries acquired through Business Combination Not under Common Control
Huaneng Yunnan Diandong Energy Co., Ltd.	PRC	Held Directly	RMB10,971,590,500	Power project investment, power generation production and sales, coal project investment and development	100%	100%	Subsidiaries acquired through Business Combination Not under Common Control
Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited (xviii)	Pakistan	Held Indirectly	USD360,000,000	Electricity production and sales	40%	100%	Subsidiaries acquired through Business Combination Not under Common Control
Shanxi Xiaoyi Economic Development Zone Huaneng Energy Services Co., Ltd. ("Shanxi Xiaoyi Energy") (xix)	PRC	Held Indirectly	RMB100,000,000	Electricity sales	51%	100%	Subsidiaries acquired through Business Combination Not under Common Control
Huaneng Anyang Thermal Power Co., Ltd. ("Anyang Thermal Power") (xx)	PRC	Held Directly	RMB152,232,000	Electricity and heat production and supply	51%	100%	Subsidiaries acquired through Business Combination Not under Common Control
Dalian Shipbuilding Marine Equipment New Energy Co., Ltd. (i) (xxxii)	PRC	Held Indirectly	RMB1,568,402,100	Clean energy power generation	75.98%	100%	Subsidiaries acquired through Asset Acquisition

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng (Yantai) Gas Turbine Power Generation Co., Ltd. (i)	PRC	Held Indirectly	RMB600,000,000	Electricity production and supply	60%	75%	Subsidiaries acquired through Establishment or Investment
Huaneng (Weishan) New Energy Development Co., Ltd. (i)	PRC	Held Indirectly	RMB22,450,000	Clean energy power generation	80%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Linyi) Smart Energy Technology Co., Ltd. (i)	PRC	Held Indirectly	RMB500,000	Electricity production and supply	72%	90%	Subsidiaries acquired through Establishment or Investment
Huaneng Huadong (Puer) Clean Energy Co., Ltd.	PRC	Held Indirectly	RMB565,093,000	Clean energy power generation	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Jinzhong New Energy Co., Ltd.	PRC	Held Directly	RMB500,000	Clean energy power generation	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Tianjin) Clean Energy Co., Ltd.	PRC	Held Directly	RMB82,905,600	Clean energy power generation	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Offshore Wind Power (Yingkou) Co., Ltd. (i)	PRC	Held Indirectly	RMB500,000	Clean energy power generation	77.56%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng China Coal (Guigang) New Energy Co., Ltd. ("China Coal Guigang") (xxi)	PRC	Held Indirectly	RMB500,000	Clean energy power generation	64%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Leye) Wind Power Co., Ltd. ("Leye Wind") (xxi)	PRC	Held Indirectly	RMB500,000	Clean energy power generation	64%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Gongtou (Lianyungang) Energy Development Co., Ltd. ("Gongtou Lianyungang") (xxii)	PRC	Held Indirectly	RMB40,000,000	Production and supply of electricity, heat, gas and water	51%	55.71%	Subsidiaries acquired through Establishment or Investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Tai'an Daiyue District Fengyang New Energy Co., Ltd. (i)	PRC	Held Indirectly	RMB1,000,000	Technology promotion and application services	90%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Qinghua (Bo'ai County) New Energy Co., Ltd. ("Qinghua (Bo'ai County)") (i) (xxiii)	PRC	Held Indirectly	RMB10,000,000	Production and supply of electricity and heat	90%	99.99%	Subsidiaries acquired through Establishment or Investment
Huaneng Jilin Clean Energy Power Generation Co., Ltd.	PRC	Held Indirectly	RMB100,000,000	Manufacture of electrical machinery and equipment	100%	100%	Subsidiaries acquired through Establishment or Investment
Tianjin Jitong Power Technology Partnership (Limited Partnership) ("Tianjin Jitong Power") (xxiv)	PRC	Held Indirectly	RMB6,010,000,000	Production and supply of electricity and heat	20.12%	66.67%	Subsidiaries acquired through Establishment or Investment
Nanjing Rufeng Power Development Partnership (Limited Partnership) ("Nanjing Rufeng Power") (xxiv)	PRC	Held Indirectly	RMB9,767,000,000	Production and supply of electricity and heat	20%	66.67%	Subsidiaries acquired through Establishment or Investment
Yantai Huarui Power Technology Partnership (Limited Partnership) ("Yantai Huarui Power") (xxiv)	PRC	Held Indirectly	RMB4,745,000,000	Production and supply of electricity and heat	16%	66.67%	Subsidiaries acquired through Establishment or Investment
Tianjin Yingchu Power Technology Partnership (Limited Partnership) ("Tianjin Yingchu Power") (xxiv)	PRC	Held Directly	RMB2,249,820,000	Production and supply of electricity and heat	25.02%	66.67%	Subsidiaries acquired through Establishment or Investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Shantou Lemen Power Technology Partnership (Limited Partnership) ("Shantou Lemen Power") (xxiv)	PRC	Held Indirectly	RMB6,192,000,000	Production and supply of electricity and heat	20.01%	66.67%	Subsidiaries acquired through Establishment or Investment
Dongping Fengyang New Energy Co., Ltd. (i)	PRC	Held Indirectly	RMB1,000,000	Manufacture of electrical machinery and equipment	90%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Jingsheng Hong'an New Energy Co., Ltd. (i)	PRC	Held Indirectly	RMB1,000,000	Production and supply of electricity and heat	98%	100	Subsidiaries acquired through Establishment or Investment
Huaneng (Dezhou) Power Generation Co., Ltd. ("Dezhou Power Generation") (xxv)	PRC	Held Indirectly	RMB1,200,000,000	Production and supply of electricity and heat	61%	76%	Subsidiaries acquired through Establishment or Investment
Huaneng (Dongping) New Energy Co., Ltd. ("Dongping New Energy") (xxv)	PRC	Held Indirectly	RMB5,000,000	Technology promotion and application services	56%	70%	Subsidiaries acquired through Establishment or Investment
Huaneng (Rushan) New Energy Co., Ltd. (i)	PRC	Held Indirectly	RMB142,526,596	Production and supply of electricity and heat	80%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Yantai Muping District) New Energy Technology Development Co., Ltd. ("Yantai Muping New Energy Technology") (xxv)	PRC	Held Indirectly	RMB1,154,200,000	Production and supply of electricity and heat	40.8%	51%	Subsidiaries acquired through Establishment or Investment
Huaneng (Haicheng) Energy Development Co., Ltd. (i)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	77.56%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Zhongyan (Changzhou) Energy Storage Co., Ltd.	PRC	Held Indirectly	RMB791,000,000	Production and supply of electricity and heat	51%	51%	Subsidiaries acquired through Establishment or Investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng (Yantai Muping District) New Energy Power Generation Co., Ltd. (i)	PRC	Held Indirectly	RMB12,620,000	Production and supply of electricity and heat	72%	90%	Subsidiaries acquired through Establishment or Investment
Huaneng (Chunan) Power Generation Co., Ltd.	PRC	Held Indirectly	RMB10,000,000	Production and supply of electricity and heat	75%	75%	Subsidiaries acquired through Establishment or Investment
Shijiazhuang Nengte Clean Energy Co., Ltd. (xxxii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Asset Acquisition
Huaneng Xingneng (Pingshan) New Energy Co., Ltd. (Note xxxii)	PRC	Held Indirectly	RMB242,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Asset Acquisition
Weichang Manchu and Mongolian Autonomous County Fengyun Wind Power Generation Co., Ltd. ("Weichang Manchu Fengyun") (xxvi) (xxxii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	49%	100%	Subsidiaries acquired through Asset Acquisition
Weichang Manchu and Mongolian Autonomous County Huoyun Photovoltaic Power Generation Co., Ltd. ("Weichang Manchu Huoyun") (xxvii) (xxxii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	49%	100%	Subsidiaries acquired through Asset Acquisition
Weichang Manchu and Mongolian Autonomous County Shangyuan Wind Power Generation Co., Ltd. ("Weichang Manchu Shangyuan") (xxvi) (xxxii)	PRC	Held Indirectly	RMB406,394,000	Production and supply of electricity and heat	49%	100%	Subsidiaries acquired through Asset Acquisition

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Weichang Manchu and Mongolian Autonomous County Saiyun Photovoltaic Power Generation Co., Ltd. ("Weichang Manchu Saiyun") (xxvii) (xxxii)	PRC	Held Indirectly	RMB631,200,000	Production and supply of electricity and heat	49%	100%	Subsidiaries acquired through Asset Acquisition
Shijiazhuang Rongqingtou Clean Energy Co., Ltd. ("Shijiazhuang Rongqingtou") (xxviii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	49%	100%	Subsidiaries acquired through Business Combination under Common Control
Weichang Manchu and Mongolian Autonomous County Yangjie Photovoltaic Power Generation Co., Ltd. ("Weichang Manchu Yangjie") (xxviii)	PRC	Held Indirectly	RMB406,509,000	Production and supply of electricity and heat	49%	100%	Subsidiaries acquired through Business Combination under Common Control
Jinzhou City Changyang New Energy Technology Co., Ltd. ("Jinzhou City Changyang New Energy") (xxviii)	PRC	Held Indirectly	RMB100,000	Production and supply of electricity and heat	49%	100%	Subsidiaries acquired through Business Combination under Common Control
Guangzong County Chengfeng New Energy Technology Co., Ltd. ("Guangzong County Chengfeng New Energy") (xxviii)	PRC	Held Indirectly	RMB500,000	Technology promotion and application services	49%	100%	Subsidiaries acquired through Business Combination under Common Control

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Quzhou County Fengchuang New Energy Technology Co., Ltd. ("Quzhou County Fengchuang New Energy") (xxviii)	PRC	Held Indirectly	RMB500,000	Technology promotion and application services	49%	100%	Subsidiaries acquired through Business Combination under Common Control
Zilai Renewable Resources Technology (Nanjing) Co., Ltd. ("Zilai Renewable Resources") (xxix)	PRC	Held Indirectly	RMB30,000,000	Wholesale	51%	100%	Subsidiaries acquired through Business Combination Not under Common Control
Huaneng Chantou (Fuzhou) Thermal Power Co., Ltd. ("Chuantou Fuzhou Thermal Power") (xxx)	PRC	Held Indirectly	RMB100,000,000	Production and supply of electricity and heat	51%	90%	Subsidiaries acquired through Business Combination Not under Common Control
Jinan Dongtai Thermal Power Co., Ltd. ("Jinan Dongtai Thermal Power") (xxv)	PRC	Held Indirectly	RMB25,000,000	Production and supply of electricity and heat	48%	60%	Subsidiaries acquired through Business Combination Not under Common Control
Shandong Huangtai Thermal Power Co., Ltd. ("Shandong Huangtai Thermal Power") (i)	PRC	Held Indirectly	RMB23,759,000	Production and supply of electricity and heat	80%	100%	Subsidiaries acquired through Business Combination Not under Common Control
Chengde Xian Rongjian Photovoltaic Power Generation Co., Ltd. ("Chengde Rongjian") (Note xxxi)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Business Combination Not under Common Control
Chengde County Xinyi Photovoltaic Power Generation Co., Ltd. ("Chengde Xinyi") (xxxii)	PRC	Held Indirectly	RMB303,770,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Business Combination Not under Common Control

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng (Shandong) Energy Sales Co., Ltd.	PRC	Held Indirectly	RMB200,000,000	Production and supply of electricity and heat	80%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Fujian Zhangzhou) Energy Co., Ltd. ("Zhangzhou Energy") (xxxiv)	PRC	Held Directly	RMB380,000,000	Production and supply of electricity and heat	50%	100%	Subsidiaries acquired through Business Combination Not under Common Control
Huaneng (Baise) Clean Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB42,044,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Tangshan) Clean Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB5,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Huaiji) Integrated Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Jiande) Energy Development Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB1,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Xuzhou) Smart Technology Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB1,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Jinsheng (Tianjin) Integrated Energy Services Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Gongzhuling Emerging Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB30,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Rizhao Lanshan District) Smart Energy Technology Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB6,004,000	Technology promotion and application services	80%	100%	Subsidiaries acquired through Establishment or Investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng (Taian) Gas Turbine Power Generation Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB684,300,000	Production and supply of electricity and heat	44%	55%	Subsidiaries acquired through Establishment or Investment
Huaneng (Zibo Boshan District) New Energy Development Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB3,600,000	Technology promotion and application services	32%	60%	Subsidiaries acquired through Establishment or Investment
Huaneng Binda (Tianjin) Integrated Energy Services Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Baoda (Tianjin) Integrated Energy Services Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Nanjing Huaneng Ningchun New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB120,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Taihe Huaneng Energy Development Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB1,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Quzhou) New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB10,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Taile (Tangshan) Green Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Tianjin Jinnan Huaneng Jinqing New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng Jinqing (Tangshan Hangu Management District) New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Technology promotion and application services	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Zhonglai Qinshui New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Luodian (Chongqing) New Energy Development Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB7,395,500	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Zhengzhou) Photovoltaic Power Generation Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Fatou (Tongbai County) Clean Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Kaifeng) Clean Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB10,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Anguo Green Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB17,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Boye County Green Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB21,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Hanchuan City Huanhuan New Energy Development Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Yangzhou Nuotan New Energy Development Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Technology promotion and application services	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Tai'an) Energy Development Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Jinsha) New Energy Power Generation Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Yuwang Phase II (Yunnan) Energy Co., Ltd. (xxxiii)	PRC	Held Directly	RMB2,960,000,000	Production and supply of electricity and heat	51%	51%	Subsidiaries acquired through Establishment or Investment
Huaneng Runing (Henan) Energy Co., Ltd. (xxxiii)	PRC	Held Directly	RMB1,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Guilin) Integrated Energy Services Co., Ltd. (xxxiii)	PRC	Held Directly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Hualiangting (Guangde) Clean Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB100,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Wanjiang (Shenyang) Energy Development Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB40,836,080	Technology promotion and application services	58.17%	75%	Subsidiaries acquired through Establishment or Investment
Huaneng (Zhoukou) Clean Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB1,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng Baoding Integrated Energy Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB12,000,000	Production and supply of electricity and heat	70%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Tangxian New Energy Development Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB12,000,000	Professional Technical Service Industry	70%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Tianlin) New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	51%	51%	Subsidiaries acquired through Establishment or Investment
Pubei Huaneng Jingshun Jinkang New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	51%	51%	Subsidiaries acquired through Establishment or Investment
Huaneng (Pingguo) New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Huanjiang) New Energy Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB100,000	Production and supply of electricity and heat	85%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Binyang) New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Shanghai Huaneng New Era New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB30,000,000	Production and supply of electricity and heat	51%	51%	Subsidiaries acquired through Establishment or Investment
Runing Shanghai (Zhumadian) Energy Co., Ltd. (xxxiii)	China	Held Indirectly	RMB500,000	Production and supply of electricity and heat	90%	90%	Subsidiaries acquired through Establishment or Investment
Runing Pinglan (Zhumadian) Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	90%	90%	Subsidiaries acquired through Establishment or Investment
Huaneng Huilongwei New Energy Co., Ltd. (xxxiii)	PRC	Held Directly	RMB100,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng (Qijing) Energy Storage Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB85,000,000	Production and supply of electricity and heat	40.80%	80%	Subsidiaries acquired through Establishment or Investment
Huaneng (Dongkou) New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB4,680,000	Technology promotion and application services	100%	100%	Subsidiaries acquired through Establishment or Investment
Bo'ai County Zhongji New Energy Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB1,000,000	Production and supply of electricity and heat	90%	98.51%	Subsidiaries acquired through Establishment or Investment
Huoqiu Huadian Clean Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB10,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Nanjing Jiangning) New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB316,000,000	Production and supply of electricity and heat	60%	60%	Subsidiaries acquired through Establishment or Investment
Rugao Huayue New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Jinan Huaiyin District) New Energy Power Generation Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB15,020,000	Production and supply of electricity and heat	80%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Shandong) Energy Sales Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB200,000,000	Production and supply of electricity and heat	80%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Feicheng) Power Generation Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB39,698,000	Production and supply of electricity and heat	80%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Liangjiang (Chongqing) New Energy Development Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng (Ningjin) Clean Energy Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB54,000,000	Production and supply of electricity and heat	72%	90%	Subsidiaries acquired through Establishment or Investment
Huaneng (Lingcheng District, Dezhou) Clean Energy Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB55,800,000	Production and supply of electricity and heat	68%	85%	Subsidiaries acquired through Establishment or Investment
Huaneng Yixinda (Tongbai County) Clean Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	65%	65%	Subsidiaries acquired through Establishment or Investment
Huaneng (Huangyan, Taizhou) New Energy Development Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB200,000,000	Production and supply of electricity and heat	70%	70%	Subsidiaries acquired through Establishment or Investment
Huaneng (Taishun) New Energy Development Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB10,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Ji'an Jizhou District Huaneng Chengkong New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	60%	60%	Subsidiaries acquired through Establishment or Investment
Huaneng (Dao County) New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB100,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Taonan New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB86,000,000	Production and supply of electricity and heat	60%	60%	Subsidiaries acquired through Establishment or Investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng Changfa (Changchun) New Energy Power Generation Co., Ltd. (Changfa New Energy) (xxxvi)	PRC	Held Indirectly	RMB200,000,000	Production and supply of electricity and heat	51%	51%	Subsidiaries acquired through Business Combination Not under Common Control
Huaneng (Dongming, Heze) Power Smart Energy Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB45,660,000	Production and supply of electricity and heat	72.80%	91%	Subsidiaries acquired through Establishment or Investment
Huaneng (Pingyuan) Clean Energy Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB162,720,000	Production and supply of electricity and heat	72%	90%	Subsidiaries acquired through Establishment or Investment
Huaneng (Yicheng District, Zaozhuang) New Energy Power Generation Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	80%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Decheng District, Dezhou) Clean Energy Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB21,780,000	Production and supply of electricity and heat	80%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Shanting District, Zaozhuang) New Energy Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	80%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Zhangzhou) Thermal Power Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB100,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Pingle) Clean Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB5,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Yongxin) Pumped Storage Co., Ltd. (xxxiii)	PRC	Held Directly	RMB1,582,200,000	Production and supply of electricity and heat	53%	53%	Subsidiaries acquired through Establishment or Investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng (Pingxiang) Economic Development Zone New Energy Co., Ltd. (i) (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	70%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng (Urat Middle Banner) Clean Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Shijiazhuang Qingti New Energy Technology Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB100,000,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Shijiazhuang Nengti New Energy Technology Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and supply of electricity and heat	100%	100%	Subsidiaries acquired through Establishment or Investment
Zaoqiang Yuanhe Wind Power Co., Ltd. (xxxiii)	PRC	Held Directly	RMB200,000,000	Production and Supply of Electric Power and Heat Power	100%	100%	Subsidiaries acquired through Establishment or Investment
Hebei Yiyuan Guanghe New Energy Development Co., Ltd. ("Yiyuan Guanghe New Energy") (xxxv)	PRC	Held Indirectly	RMB465,000,000	Production and Supply of Electric Power and Heat Power	50%	100%	Subsidiaries acquired through Business Combination Not under Common Control
Zaoqiang Yiyuan Guanghe Wind Power Co., Ltd. ("Zaoqiang Yiyuan") (xxxv)	PRC	Held Indirectly	RMB205,000,000	Production and Supply of Electric Power and Heat Power	50%	100%	Subsidiaries acquired through Business Combination Not under Common Control
Wuyi Yiyuan Guanghe Wind Power Co., Ltd. ("Wuyi Yiyuan") (xxxv)	PRC	Held Indirectly	RMB260,000,000	Production and Supply of Electric Power and Heat Power	50%	100%	Subsidiaries acquired through Business Combination Not under Common Control

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Shijiazhuang Changyang Clean Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and Supply of Electric Power and Heat Power	100%	100%	Subsidiaries acquired through Establishment or Investment
Fuping Changyang Clean Energy Development Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and Supply of Electric Power and Heat Power	100%	100%	Subsidiaries acquired through Establishment or Investment
Shijiazhuang Bingyu New Energy Technology Co., Ltd. ("Bingyu New Energy") (xxxvii)	PRC	Held Indirectly	RMB500,000	Production and Supply of Electric Power and Heat Power	95%	95%	Subsidiaries acquired through Business Combination Not under Common Control
Laiyuan Longneng New Energy Technology Co., Ltd. ("Longneng New Energy") (xxxvii)	PRC	Held Indirectly	RMB350,000,000	Production and Supply of Electric Power and Heat Power	95%	100%	Subsidiaries acquired through Establishment or Investment
Jun County Jiuyu Longyuan New Energy Co., Ltd (Jun County Jiuyu) (xxxviii)	PRC	Held Indirectly	RMB88,000,000	Production and Supply of Electric Power and Heat Power	51%	51%	Subsidiaries acquired through Business Combination Not under Common Control
Linying County Jiuyu Energy Wind Power Co., Ltd. (Linying County Jiuyu) (xxxviii)	PRC	Held Indirectly	RMB68,000,000	Production and Supply of Electric Power and Heat Power	51%	51%	Subsidiaries acquired through Business Combination Not under Common Control
Wuyang County Jiuyu Energy Wind Power Co., Ltd. Wuyang County Jiuyu) (xxxviii)	PRC	Held Indirectly	RMB66,000,000	Production and Supply of Electric Power and Heat Power	51%	51%	Subsidiaries acquired through Business Combination Not under Common Control
Huaneng (Leye) New Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB1,000,000	Production and Supply of Electric Power and Heat Power	88.89%	88.89%	Subsidiaries acquired through Establishment or Investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Type of interest held	Registered capital	Business nature and scope of operations	Percentage of equity interest held		Acquisition method
					Interest	Voting	
Huaneng (Guangxi Rongshui) Clean Energy Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB500,000	Production and Supply of Electric Power and Heat Power	90%	90%	Subsidiaries acquired through Establishment or Investment
Huaneng (Shanzhou District, Sanmenxia) Integrated Energy Service Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB1,000,000	Production and Supply of Electric Power and Heat Power	60%	60%	Subsidiaries acquired through Establishment or Investment
Huaneng (Yichuan) Green Energy Development Co., Ltd. (xxxiii)	PRC	Held Indirectly	RMB50,000,000	Production and Supply of Electric Power and Heat Power	60%	60%	Subsidiaries acquired through Establishment or Investment
Huaneng (Sanjiang) New Energy Co., Ltd. ("Sanjiang New Energy") (xxxix)	PRC	Held Indirectly	RMB500,000	Production and Supply of Electric Power and Heat Power	90%	100%	Subsidiaries acquired through Establishment or Investment
Huaneng Lingang (Taicang) Energy Development Co., Ltd. ("Lingang (Taicang) Energy Development") (xl)	PRC	Held Indirectly	RMB30,000,000	Production and Supply of Electric Power and Heat Power	51%	51%	Subsidiaries acquired through Establishment or Investment

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Notes:

- (i) Indirectly held subsidiaries are companies controlled by the Company through its subsidiaries. The Company's ownership percentage in such subsidiaries is determined based on the Company's ownership percentage in their immediate parent company and the immediate parent company's ownership percentage in them. The Company's voting rights percentage in such subsidiaries is equal to the voting rights percentage held by their immediate parent company in them.
- (ii) Pursuant to the articles of association of the company, another shareholder holding the remaining equity interest has irrevocably entrusted the Company to exercise its voting rights in respect of the operational and financial policies of Shidongkou Power Generation. Accordingly, the Company holds 100% of the voting rights in Shidongkou Power Generation and has control over it.
- (iii) Guanyun Clean Energy is a subsidiary held by Jiangsu Energy Development, a wholly-owned subsidiary of the Company. During the reporting period, Jiangsu Energy Development disposed of its 18% equity interest in Guanyun Clean Energy Co., Ltd. through property rights transaction. Upon completion of this transaction, Jiangsu Energy Development's shareholding in Guanyun Clean Energy Co., Ltd. decreased from 100% to 82%, while retaining control.
- (iv) Pursuant to a concerted action letter signed between Jiangsu Energy Development and another shareholder holding 27.38% of the equity interest in Nanjing Gas Turbine, the Company holds 84.76% of the voting rights in Nanjing Gas Turbine and has control over it.
- (v) Jiyuan Energy Sales is a subsidiary of Huaneng Henan Energy Sales Co., Ltd. ("Henan Energy Sales"), a wholly-owned subsidiary of the Company. Pursuant to a concerted action letter signed between Henan Energy Sales and another shareholder of Jiyuan Energy Sales, such shareholder has agreed to act in concert with the Company in respect of operational and financial policies including project development, business plans, financial budgets and final accounts, financial policies and systems, investment and financing management, and cash and asset management. Accordingly, the Company holds 100% of the voting rights in Jiyuan Energy Sales and has control over it.
- (vi) Zhenlai Photovoltaic is a subsidiary of Jilin Power Generation, a wholly-owned subsidiary of the Company. Pursuant to an investment cooperation agreement and the articles of association signed between Jilin Power Generation and another shareholder of Zhenlai Photovoltaic, such shareholder is entitled to fixed operating income within a specified operating period and waives all shareholder-related rights upon expiry. Accordingly, the Company holds 100% of the voting rights in Zhenlai Photovoltaic and has control over it.
- (vii) Daishan Offshore Wind Power is a subsidiary of Zhejiang Energy Development, a wholly-owned subsidiary of the Company. Pursuant to a concerted action letter signed between Zhejiang Energy Development and another shareholder holding 35% of the equity interest in Daishan Offshore Wind Power, such shareholder has agreed to act in concert with Zhejiang Energy Development in respect of resolutions of the board of directors and shareholders' meetings under the articles of association of Daishan Offshore Wind Power. Accordingly, the Company holds 75% of the voting rights in Daishan Offshore Wind Power and has control over it.
- (viii) Tongyu Yufeng New Energy is a subsidiary of Jilin Power Generation, a wholly-owned subsidiary of the Company. Pursuant to an investment cooperation agreement signed between Jilin Power Generation and Tongyu County Energy Development Co., Ltd. of Baicheng City and the articles of association of Tongyu Yufeng New Energy, Tongyu County Energy Development Co., Ltd. of Baicheng City has agreed to act in concert with Jilin Power Generation in respect of operational and financial policies including project development, business plans, financial budgets and final accounts, financial policies and systems, investment and financing management, and cash and asset management. Accordingly, the Company holds 100% of the voting rights in Tongyu Yufeng New Energy and has control over it.

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Notes: (Continued)

- (ix) Zhuanghe Clean Energy is a subsidiary of Huaneng Liaoning Clean Energy Co., Ltd. ("Liaoning Clean Energy"), in which the Company holds 77.56% of equity interest. Pursuant to a concerted action letter signed between Liaoning Clean Energy and another shareholder holding equity interest in Zhuanghe Clean Energy, such shareholder has agreed to act in concert with the Company in respect of operational and financial policies including project development, business plans, financial budgets and final accounts, financial policies and systems, investment and financing management, and cash and asset management. Accordingly, the Company holds 100% of the voting rights in Zhuanghe Clean Energy and has control over it.
- (x) Xiaochang Energy Development is a subsidiary of Yingcheng Thermal Power, a subsidiary of the Company. Pursuant to a concerted action letter signed between Yingcheng Thermal Power and another shareholder holding equity interest in Xiaochang Energy Development, such shareholder has agreed to act in concert with the Company in respect of operational and financial policies including project development, business plans, financial budgets and final accounts, financial policies and systems, investment and financing management, and cash and asset management. Accordingly, the Company holds 100% of the voting rights in Xiaochang Energy Development and has control over it.
- (xi) In 2023, the Company and its subsidiaries established five partnerships, namely Huamin (Tianjin) Energy, Tianjin Jingchu Electric Power, Longxing Electric Power Technology, Qingdao Huaying Electric Power and Huagan (Tianjin) Energy, for the issuance of infrastructure investment directed asset-backed notes/infrastructure investment asset-backed special plans. Pursuant to the partnership agreements, the Company and its subsidiaries hold 66.67% (two thirds) of the voting rights and exercise control over the above partnerships. Among them: Huaneng (Fujian) Energy Development, a wholly-owned subsidiary of the Company, holds 2% of equity interest in Huamin (Tianjin) Energy, and Huaneng (Fujian) Energy Sales, a wholly-owned subsidiary of the Company, holds 18% of equity interest in Huamin (Tianjin) Energy; accordingly, the Company holds an aggregate of 20% of equity interest in Huamin (Tianjin) Energy. The Company holds 14.95% of equity interest in Tianjin Jingchu Electric Power, and Huaneng Hubei Energy Sales Co., Ltd. ("Hubei Energy Sales"), a wholly-owned subsidiary of the Company, holds 15% of equity interest in Tianjin Jingchu Electric Power; accordingly, the Company holds an aggregate of 29.95% of equity interest in Tianjin Jingchu Electric Power. Huaneng Heilongjiang Power Generation Co., Ltd. ("Heilongjiang Power Generation"), a wholly-owned subsidiary of the Company, holds 5% of equity interest in Longxing Electric Power Technology, and Huaneng Heilongjiang Energy Sales Co., Ltd., a wholly-owned subsidiary of the Company, holds 15% of equity interest in Longxing Electric Power Technology; accordingly, the Company holds an aggregate of 20% of equity interest in Longxing Electric Power Technology. Shandong Power Generation, a subsidiary in which the Company holds 80% of equity interest, holds 4% of equity interest in Qingdao Huaying Electric Power, and Shandong Silk Road, a wholly-owned subsidiary of Shandong Power Generation, holds 16.01% of equity interest in Qingdao Huaying Electric Power; accordingly, the Company holds an aggregate of 16.01% of equity interest in Qingdao Huaying Electric Power. The Company holds 2% of equity interest in Huagan (Tianjin) Energy, and Jiangxi Energy Sales, a wholly-owned subsidiary of the Company, holds 18% of equity interest in Huagan (Tianjin) Energy; accordingly, the Company holds an aggregate of 20% of equity interest in Huagan (Tianjin) Energy.

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Notes: (Continued)

- (xii) Indirectly held subsidiaries are project companies established for the issuance of infrastructure investment directed asset-backed notes/infrastructure investment asset-backed special plans. Pursuant to their articles of association, such project companies are controlled by partnerships established for the issuance of the aforementioned instruments. As set out in note xi and note xxiv, the Company has control over such partnerships and therefore has control over such project companies. Among them: Tianjin Jitong Electric Power, a subsidiary in which the Company holds an indirect 20.12% equity interest, holds 88% of equity interest in Tongyu Electric Power, and Jilin Power Generation, a wholly-owned subsidiary of the Company, holds 12% of equity interest in Tongyu Electric Power; accordingly, the Company holds an aggregate of 29.71% of equity interest in Tongyu Electric Power. Yantai Huarui Electric Power, a subsidiary in which the Company holds 16% of equity interest, holds 99.99% of equity interest in Yantai Bajiao Thermal Power, and Shandong Power Generation, a subsidiary in which the Company holds 80% of equity interest, holds 0.01% of equity interest in Yantai Bajiao Thermal Power; accordingly, the Company holds an aggregate of 16.01% of equity interest in Yantai Bajiao Thermal Power. Fujian Energy Development, a wholly-owned subsidiary of the Company, holds 0.01% of equity interest in Luoyuan Power Generation, and Huamin (Tianjin) Energy, a subsidiary in which the Company holds an indirect 20% equity interest, holds 99.99% of equity interest in Luoyuan Power Generation; accordingly, the Company holds an aggregate of 20.01% of equity interest in Luoyuan Power Generation. Nanjing Rufeng Electric Power, a subsidiary in which the Company holds an indirect 20% equity interest, holds 99.99% of equity interest in Rudong Baxianjiao, and Jiangsu Energy Development, a wholly-owned subsidiary of the Company, holds 0.01% of equity interest in Rudong Baxianjiao; accordingly, the Company holds an aggregate of 20.01% of equity interest in Rudong Baxianjiao. Rudong Baxianjiao, a subsidiary in which the Company holds 20.01% of equity interest, holds 100% of equity interest in Yancheng Dafeng; accordingly, the Company holds 20.01% of equity interest in Yancheng Dafeng. Shantou Lemen Electric Power, a subsidiary in which the Company holds an indirect 20.01% equity interest, holds 99.99% of equity interest in Shantou Offshore Wind Power, and Guangdong Energy Development, a wholly-owned subsidiary of the Company, holds 0.01% of equity interest in Shantou Offshore Wind Power; accordingly, the Company holds an aggregate of 20.02% of equity interest in Shantou Offshore Wind Power. Qingdao Huaying Electric Power, a subsidiary in which the Company holds an indirect 16.01% equity interest, holds 92.9% of equity interest in Laiwu Power Generation; accordingly, the Company holds 14.87% of equity interest in Laiwu Power Generation. Longxing Electric Power Technology, a subsidiary in which the Company holds an indirect 20% equity interest, holds 99.99% of equity interest in Daqing Thermal Power, and Heilongjiang Power Generation, a wholly-owned subsidiary of the Company, holds 0.01% of equity interest in Daqing Thermal Power; accordingly, the Company holds an aggregate of 20.01% of equity interest in Daqing Thermal Power. Huagan (Tianjin) Energy, a subsidiary in which the Company holds 20% of equity interest, holds 99.99% of equity interest in Anyuan Power Generation, and the Company holds 0.01% of equity interest in Anyuan Power Generation; accordingly, the Company holds an aggregate of 20.01% of equity interest in Anyuan Power Generation. Tianjin Yingchu Electric Power, a subsidiary in which the Company holds 25.02% of equity interest, holds 99.99% of equity interest in Yingcheng Thermal Power, and the Company holds 0.01% of equity interest in Yingcheng Thermal Power; accordingly, the Company holds an aggregate of 25.03% of equity interest in Yingcheng Thermal Power. Tianjin Jingchu Electric Power, a subsidiary in which the Company holds 29.95% of equity interest, holds 99.99% of equity interest in Jingmen Thermal Power, and the Company holds 0.01% of equity interest in Jingmen Thermal Power; accordingly, the Company holds an aggregate of 29.96% of equity interest in Jingmen Thermal Power.
- (xiii) Pursuant to an agreement between the Company and other shareholders, one shareholder has entrusted the Company to exercise voting rights attached to its 25% equity interest in Beijing Thermal Power. Accordingly, the Company holds 66% of the voting rights in Beijing Thermal Power. As the Company holds more than half of the voting rights and is able to control the operational and financial policies of Beijing Thermal Power under its articles of association, the Company considers that it has control over Beijing Thermal Power.
- (xiv) Pursuant to a concerted action confirmation letter signed between the Company and another shareholder holding 10% of the equity interest in Chaohu Power Generation, such shareholder has agreed to act in concert with the Company in respect of material operations, fundraising, investments and related financial decisions while the Company remains the largest shareholder of Chaohu Power Generation. The Company's voting rights have thereby reached the percentage required under the articles of association to determine material financial and operating decisions. Accordingly, the Company considers that it has control over Chaohu Power Generation.

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Notes: (Continued)

- (xv) Pursuant to concerted action confirmation letters signed between Jiangsu Energy Development, a wholly-owned subsidiary of the Company, and the other two shareholders of Suzhou Thermal Power, such two shareholders have agreed to act in concert with Jiangsu Energy Development in respect of material operations, fundraising, investments and related financial decisions while Jiangsu Energy Development remains the largest shareholder of Suzhou Thermal Power. The Company's voting rights have thereby reached the percentage required under the articles of association to determine material financial and operating decisions. Accordingly, the Company considers that it has control over Suzhou Thermal Power.
- (xvi) Pursuant to a concerted action letter signed between the Company and another shareholder of Ruijin Power Generation, such shareholder has agreed to act in concert with the Company when exercising voting rights in respect of operational and financial policies including project development, business plans, financial budgets and final accounts, financial policies and systems, investment and financing management, and cash and asset management, or to procure that its appointed directors vote in concert with the Company's appointed directors at the board of directors. Accordingly, the Company considers that it has control over Ruijin Power Generation.
- (xvii) Pursuant to a concerted action letter signed between Shandong Power Generation and another shareholder of Ruyi Coal and Power, such shareholder has agreed to act in concert with Shandong Power Generation in respect of operational and financial policies including project development, business plans, financial budgets and final accounts, financial policies and systems, investment and financing management, and cash and asset management. Accordingly, the Company holds 100% of the voting rights in Ruyi Coal and Power and has control over it.
- (xviii) Ruyi Pakistan Energy is a subsidiary of Shandong Power Generation, in which the Company holds 80% of equity interest. Huaneng Shandong (Hong Kong Investment) Investment Co., Ltd. ("Hong Kong Investment") holds 50% of the equity interest in Huaneng Shandong Ruyi (Hong Kong) Energy Co., Ltd. ("Hong Kong Energy"). Hong Kong Investment has signed a concerted action letter with another shareholder holding 50% of the equity interest in Hong Kong Energy and its subsidiaries, under which such shareholder has agreed to act in concert with Hong Kong Investment in respect of material operations, fundraising, investments and related financial decisions in the production and operation of Hong Kong Energy and its subsidiaries. Accordingly, the Company holds 100% of the voting rights in Hong Kong Energy and its subsidiary Ruyi Pakistan Energy and has control over them.
- (xix) Shanxi Xiaoyi Energy is a subsidiary of Huaneng Shanxi Energy Sales Co., Ltd. ("Shanxi Energy Sales"), a wholly-owned subsidiary of the Company. Pursuant to a concerted action confirmation letter signed between Shanxi Energy Sales and another shareholder holding 49% of the equity interest in Shanxi Xiaoyi Energy, such shareholder has agreed to act in concert with the Company in respect of material operations, fundraising, investments and related financial decisions. Accordingly, the Company holds 100% of the voting rights in Shanxi Xiaoyi Energy and has control over it.
- (xx) Pursuant to a concerted action confirmation letter signed between the Company and another shareholder holding 49% of the equity interest in Anyang Thermal Power, such shareholder has agreed to act in concert with the Company in respect of material operations, fundraising, investments and related financial decisions. Accordingly, the Company holds 100% of the voting rights in Anyang Thermal Power and has control over it.
- (xxi) China Coal Guigang and Leye Wind Power are subsidiaries of Huaneng Guangxi Clean Energy Co., Ltd. ("Guangxi Clean Energy"), a wholly-owned subsidiary of the Company. Pursuant to a concerted action letter signed between Guangxi Clean Energy and another shareholder holding 36% of the equity interest in both China Coal Guigang and Leye Wind Power, such shareholder has agreed to act in concert with the Company in respect of operational and financial policies including project development, business plans, financial budgets and final accounts, financial policies and systems, investment and financing management, and cash and asset management. Accordingly, the Company holds 100% of the voting rights in China Coal Guigang and Leye Wind Power and has control over them.

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Notes: (Continued)

- (xxii) Gongtou Lianyungang is a subsidiary in which Jiangsu Energy Development, a wholly-owned subsidiary of the Company, holds 51% of equity interest. Pursuant to its articles of association, Jiangsu Energy Development exercises voting rights in proportion to its paid-in capital contribution. As of 31 December 2025, Jiangsu Energy Development's paid-in capital contribution proportion in Gongtou Lianyungang was 55.71%. Accordingly, the Company holds 55.71% of the voting rights in Gongtou Lianyungang.
- (xxiii) Qinghua (Bo'ai County) is a subsidiary in which Taihang Energy (Henan), a wholly-owned subsidiary of the Company, holds 90% of equity interest. Pursuant to its articles of association, Taihang Energy (Henan) exercises voting rights in proportion to its paid-in capital contribution. As of 31 December 2025, Taihang Energy (Henan)'s paid-in capital contribution proportion in Qinghua (Bo'ai County) was 99.99%. Accordingly, the Company holds 99.99% of the voting rights in Qinghua (Bo'ai County).
- (xxiv) In 2024, the Company and its subsidiaries established five partnerships, namely Tianjin Jitong Electric Power, Nanjing Rufeng Electric Power, Yantai Huarui Electric Power, Tianjin Yingchu Electric Power and Shantou Lemen Electric Power, for the issuance of infrastructure investment asset-backed special plans. Pursuant to the partnership agreements, the Company and its subsidiaries hold 66.67% (two thirds) of the voting rights and exercise control over the above partnerships. Among them: Jilin Power Generation, a wholly-owned subsidiary of the Company, holds 5.12% of equity interest in Tianjin Jitong Electric Power, and Jilin Energy Sales, a wholly-owned subsidiary of Jilin Power Generation, holds 15% of equity interest in Tianjin Jitong Electric Power; accordingly, the Company holds an aggregate of 20.12% of equity interest in Tianjin Jitong Electric Power. Jiangsu Energy Development, a wholly-owned subsidiary of the Company, holds 5% of equity interest in Nanjing Rufeng Electric Power, and Nanjing Liuhe Wind Power, a wholly-owned subsidiary of Jiangsu Energy Development, holds 15% of equity interest in Nanjing Rufeng Electric Power; accordingly, the Company holds an aggregate of 20% of equity interest in Nanjing Rufeng Electric Power. Shandong Power Generation, a subsidiary in which the Company holds 80% of equity interest, holds 4% of equity interest in Yantai Huarui Electric Power, and Shandong Silk Road International, a wholly-owned subsidiary of Shandong Power Generation, holds 16% of equity interest in Yantai Huarui Electric Power; accordingly, the Company holds an aggregate of 16% of equity interest in Yantai Huarui Electric Power. The Company holds 1% of equity interest in Tianjin Yingchu Electric Power, and Hubei Energy Sales, a wholly-owned subsidiary of the Company, holds 24.02% of equity interest in Tianjin Yingchu Electric Power; accordingly, the Company holds an aggregate of 25.02% of equity interest in Tianjin Yingchu Electric Power. Guangdong Energy Development, a wholly-owned subsidiary of the Company, holds 4.02% of equity interest in Shantou Lemen Electric Power, and Guangdong Energy Sales, a wholly-owned subsidiary of Guangdong Energy Development, holds 15.99% of equity interest in Shantou Lemen Electric Power; accordingly, the Company holds an aggregate of 20.01% of equity interest in Shantou Lemen Electric Power.
- (xxv) Dezhou Power Generation is a subsidiary held 76% by Shandong Power Generation, in which the Company holds 80% of equity interest; accordingly, the Company holds 76% of the voting rights in Dezhou Power Generation. Dongping New Energy is a subsidiary held 70% by Shandong Power Generation, in which the Company holds 80% of equity interest; accordingly, the Company holds 70% of the voting rights in Dongping New Energy. Yantai Muping New Energy Technology is a subsidiary held 51% by Shandong Power Generation, in which the Company holds 80% of equity interest; accordingly, the Company holds 51% of the voting rights in Yantai Muping New Energy Technology. As the Company holds more than half of the voting rights and is able to control the operational and financial policies of Yantai Muping New Energy Technology under its articles of association, the Company considers that it has control over Yantai Muping New Energy Technology. Jinan Dongtai Thermal Power is a subsidiary held 60% by Shandong Huangtai Thermal Power, a wholly-owned subsidiary of Shandong Power Generation, in which the Company holds 80% of equity interest; accordingly, the Company holds 60% of the voting rights in Jinan Dongtai Thermal Power.

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Notes: (Continued)

- (xxvi) Pursuant to a concerted action letter signed between Hebei Clean Energy and another shareholder holding equity interest in Weichang Manchu Fengyun, such shareholder has agreed to act in concert with the Company in respect of operational and financial policies including project development, business plans, financial budgets and final accounts, financial policies and systems, investment and financing management, and cash and asset management. Accordingly, the Company holds 100% of the voting rights in Weichang Manchu Fengyun and has control over it. Weichang Manchu Shangyuan is a wholly-owned subsidiary of Weichang Manchu Fengyun; accordingly, the Company holds 100% of the voting rights in Weichang Manchu Shangyuan and has control over it.
- (xxvii) Pursuant to a concerted action letter signed between Hebei Clean Energy and another shareholder holding equity interest in Weichang Manchu Huoyun, such shareholder has agreed to act in concert with the Company in respect of operational and financial policies including project development, business plans, financial budgets and final accounts, financial policies and systems, investment and financing management, and cash and asset management. Accordingly, the Company holds 100% of the voting rights in Weichang Manchu Huoyun and has control over it. Weichang Manchu Saiyun is a wholly-owned subsidiary of Weichang Manchu Huoyun; accordingly, the Company holds 100% of the voting rights in Weichang Manchu Saiyun and has control over it.
- (xxviii) Pursuant to a concerted action letter signed between Hebei Clean Energy and another shareholder holding equity interest in Shijiazhuang Rongqingtou, such shareholder has agreed to act in concert with the Company in respect of operational and financial policies including project development, business plans, financial budgets and final accounts, financial policies and systems, investment and financing management, and cash and asset management. Accordingly, the Company holds 100% of the voting rights in Shijiazhuang Rongqingtou and has control over it. Weichang Manchu Yangjie, Jinzhou Changyang New Energy, Guangzong Chengfeng New Energy and Quzhou Fengchuang New Energy are wholly-owned subsidiaries of Shijiazhuang Rongqingtou; accordingly, the Company holds 100% of the voting rights in Weichang Manchu Yangjie, Jinzhou Changyang New Energy, Guangzong Chengfeng New Energy and Quzhou Fengchuang New Energy and has control over them.
- (xxix) Pursuant to a concerted action letter signed between Jiangsu Energy Development and another shareholder holding equity interest in Zilai Technology, such shareholder has agreed to act in concert with the Company in respect of operational and financial policies including project development, business plans, financial budgets and final accounts, financial policies and systems, investment and financing management, and cash and asset management. Accordingly, the Company holds 100% of the voting rights in Zilai Technology and has control over it.
- (xxx) Pursuant to a concerted action letter signed between Fujian Energy Development and another shareholder holding 39% of the equity interest in Chanyou Fuzhou Thermal Power, such shareholder has agreed to act in concert with the Company in respect of operational and financial policies including project development, business plans, financial budgets and final accounts, financial policies and systems, investment and financing management, and cash and asset management. Accordingly, the Company holds 90% of the voting rights in Chanyou Fuzhou Thermal Power and has control over it.
- (xxxi) Chengde Rongjian is a subsidiary acquired by Hebei Clean Energy, a wholly-owned subsidiary of the Company, through business combination under different control. Chengde Xinyi is a wholly-owned subsidiary of Chengde Rongjian.
- (xxxii) The above companies are subsidiaries acquired by the Company and its subsidiaries from third parties through asset acquisition. They have no business or assets other than construction in progress and property, plant and equipment, and no employees were involved in such acquisitions. Accordingly, no output could be generated as at the acquisition date. The Company was unable to integrate the aforementioned assets with other inputs and processes to create output as at the completion date of the acquisition. In view thereof, management concluded that the above acquisitions do not constitute business combinations for accounting purposes and the related accounting treatment was made as asset acquisitions.

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## 9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Notes: (Continued)

(xxxiii) The above subsidiaries are companies established or invested in by the Company and its subsidiaries, which have commenced relevant production and operation activities in the current year and have been newly consolidated into the scope of consolidation in the current year.

(xxxiv) Zhangzhou Energy is a subsidiary of Fujian Energy, a wholly-owned subsidiary of the Company. On 27 February 2025, the Company entered into a concerted action agreement with Zhangzhou Jiulongjiang Gulei Development Group Co., Ltd., another shareholder holding 50% of the equity interest in Zhangzhou Energy, thereby obtaining control over Zhangzhou Energy. Zhangzhou Energy was reclassified from a joint venture to a subsidiary of Fujian Energy Development.

(xxxv) Yiyuan Guanghe New Energy is a subsidiary of Hebei Clean Energy, a wholly-owned subsidiary of the Company. On 1 July 2025, Hebei Clean Energy entered into a concerted action agreement with CRRC Shandong Wind Power Co., Ltd., another shareholder holding 50% of the equity interest in Yiyuan Guanghe New Energy, thereby obtaining control over Yiyuan Guanghe New Energy. Yiyuan Guanghe New Energy was reclassified from a joint venture to a subsidiary of Hebei Clean Energy. Zaoqiang Yiyuan and Wuyi Yiyuan are wholly-owned subsidiaries of Hebei Yiyuan; accordingly, the Company holds 100% of the voting rights in Zaoqiang Yiyuan and Wuyi Yiyuan and has control over them.

(xxxvi) Changfa New Energy is a subsidiary of Jilin Power Generation, a wholly-owned subsidiary of the Company. Changfa New Energy was a newly invested joint venture of the Company. On 30 December 2025, Jilin Power Generation entered into a concerted action agreement with Changchun Changfa Electric Power Construction Co., Ltd., another shareholder holding 50% of the equity interest in Changfa New Energy, thereby obtaining control over Changfa New Energy. Changfa New Energy was reclassified from a joint venture to a subsidiary of Jilin Power Generation.

(xxxvii) Bingyu New Energy is a subsidiary of Hebei Clean Energy, a wholly-owned subsidiary of the Company. No capital contribution has been made in respect of Bingyu New Energy. On 29 December 2025, Bingyu New Energy completed amendments to its articles of association, pursuant to which Hebei Clean Energy holds 95% of its equity interest, and it has been included in the scope of consolidation. Longneng New Energy is a wholly-owned subsidiary of Bingyu New Energy; accordingly, the Company holds 100% of the voting rights in Longneng New Energy and has control over it.

(xxxviii) Henan Clean Energy acquired 51% of equity interest in Xunxian Jiuyu, Linying Jiuyu and Wuyang Jiuyu. On 11 December 2025, the above transactions were completed. Upon completion, Henan Clean Energy holds 51% of equity interest in such companies, exercises control over them and has included them in the scope of consolidation.

(xxxix) Sanjiang New Energy is a subsidiary held 90% by Huaneng (Guilin) Integrated Energy Service Co., Ltd. (“Guilin Integrated Energy”), a wholly-owned subsidiary of the Company. Pursuant to its articles of association, Guilin Integrated Energy exercises voting rights in proportion to its paid-in capital contribution. As of 31 December 2025, Guilin Integrated Energy’s actual capital contribution proportion was 100%. Accordingly, the Company holds 100% of the voting rights in Sanjiang New Energy.

(xl) Lingang (Taicang) Energy Development is a subsidiary held 51% by Jiangsu Energy Development. Pursuant to its articles of association, Jiangsu Energy Development exercises voting rights in proportion to its paid-in capital contribution. As of 31 December 2025, Jiangsu Energy Development’s paid-in capital contribution proportion in Lingang (Taicang) Energy Development was 51%. As the Company holds more than half of the voting rights and is able to control the operational and financial policies of Lingang (Taicang) Energy Development under its articles of association, the Company considers that it has control over Lingang (Taicang) Energy Development.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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## 10 OTHER EQUITY INSTRUMENT INVESTMENTS

	As at 31 December	
	2025	2024
<b>Equity securities designated as at FVOCI (non-recycling)</b>		
Unlisted equity investments at fair value		
Ganlong Double-track Railway (Fujian) Co., Ltd. ("Ganlong Railway Fujian")	218,530	327,585
Others	263,230	262,335
Total	481,760	589,920

The above equity investments were irrevocably designated as at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

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## 11 POWER GENERATION LICENCE

The movements in the carrying amount of the power generation licence during the years are as follows:

	For the year ended 31 December	
	2025	2024
<b>Beginning of the year</b>	<b>4,267,763</b>	4,312,514
<b>Movement:</b>		
Currency translation differences	<b>110,034</b>	(44,751)
<b>End of the year</b>	<b>4,377,797</b>	4,267,763

The Group acquired the power generation licence in connection with the acquisition of Tuas Power. The power generation licence was initially recognised at fair value at the acquisition date. Tuas Power operates power plants in Singapore pursuant to the licence granted by the Energy Market Authority for a period of 30 years from 2003 until 2032. The licence was extended to 2044 during 2011 with minimal costs and is subject to further renewal. The Group expects that the applicable rules and regulations surrounding the renewal can be complied with based on the current market framework. The Group assessed the useful life of the power generation licence at 31 December 2025 to be indefinite and therefore the licence is not amortised.

### Impairment test of the power generation licence

The power generation licence belongs to and has been assigned to Tuas Power's CGU. There was no impairment provided for the power generation licence for the year ended 31 December 2025 (2024: Nil). For key assumptions used for value-in-use calculations, please refer to Note 14 for details.

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## 12 MINING RIGHTS

The movements in the carrying amount of mining rights during the years are as follows:

	For the year ended 31 December	
	2025	2024
<b>Beginning of the year</b>		
Cost	2,506,867	2,506,867
Accumulated impairment losses	(895,381)	(895,381)
Accumulated amortisation	(2,371)	(2,371)
<b>Net book value</b>	<b>1,609,115</b>	1,609,115
<b>Movements:</b>		
Amortisation	–	–
<b>End of the year</b>	<b>1,609,115</b>	1,609,115
Cost	2,506,867	2,506,867
Accumulated impairment losses	(895,381)	(895,381)
Accumulated amortisation	(2,371)	(2,371)
<b>Net book value</b>	<b>1,609,115</b>	1,609,115

In 2025, no impairment losses for mining rights (2024: Nil) have been recognised. Mining rights with original cost amounting to RMB796 million owned by Mining Branch of Yunnan Diandong Yuwang Energy Limited Company, one of the Company's subsidiary, are amortised based on the units of production method over estimated proved and probable reserves of the mines, which were recognised in other operating expenses. In 2024 and 2025, the coal mine prioritised gas control efforts, resulting in no production during the year and thus no amortisation in the year.

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## 13 DERIVATIVE FINANCIAL INSTRUMENTS

Details of derivative financial instruments are as follows:

	As at 31 December	
	2025	2024
<b>Derivative financial assets</b>		
– Hedging instruments for cash flow hedge (fuel swap contracts)	5,829	60,258
– Hedging instruments for cash flow hedge (exchange forward contracts)	21,401	233,912
Total	<u>27,230</u>	<u>294,170</u>
Less: non-current portion		
– Hedging instruments for cash flow hedge (fuel swap contracts)	11	567
– Hedging instruments for cash flow hedge (exchange forward contracts)	6,667	37,538
Total non-current portion	<u>6,678</u>	<u>38,105</u>
Total current portion	<u>20,552</u>	<u>256,065</u>
<b>Derivative financial liabilities</b>		
– Hedging instruments for cash flow hedge (fuel swap contracts)	598,608	269,983
– Hedging instruments for cash flow hedge (exchange forward contracts)	340,730	165,326
– Hedging instruments for cash flow hedge (interest rate swap contracts)	41,791	12,926
Total	<u>981,129</u>	<u>448,235</u>
Less: non-current portion		
– Hedging instruments for cash flow hedge (fuel swap contracts)	119,785	142,871
– Hedging instruments for cash flow hedge (exchange forward contracts)	236,113	117,861
– Hedging instruments for cash flow hedge (interest rate swap contracts)	31,131	10,889
Total non-current portion	<u>387,029</u>	<u>271,621</u>
Total current portion	<u>594,100</u>	<u>176,614</u>

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## 13 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

For the year ended 31 December 2025, the Group recognised an ineffective portion of cash flow hedges in profit or loss amounting to RMB4.32 million. For the year ended 31 December 2024, no material ineffective portion of cash flow hedges was recognised in profit or loss.

TPG uses foreign currency forward contracts which are designated as hedging instruments in cash flow hedges of purchase in US\$. It also uses fuel oil swap contracts to hedge its fuel price risk arising from highly probable forecast purchases of fuel purchases.

TPSTMWR uses various interest rate swap contracts to hedge floating quarterly interest payments on borrowings with maturity dates up to 2044. The notional principal amount of these outstanding interest rate swap contracts at 31 December 2025 was S\$124 million (RMB equivalent of RMB677 million) (31 December 2024 was S\$128 million (RMB equivalent of RMB681 million)). Through these arrangements, TPG and TPSTMWR swapped original floating interest (6-month FSOR and 3-month FSOR) to annual fixed interest determined by individual swap contracts. These interest rate swap contracts are settled quarterly from September 2018 to June 2044. As at 31 December 2025, the remaining interest rate swap contracts were carried on the consolidated statement of financial position as financial liabilities of RMB42 million (31 December 2024: financial liabilities of RMB13 million).

There is an economic relationship between the hedged items and the hedging instruments as the terms of the exchange forward contracts, fuel swap contracts and interest rate swap contracts match the terms of the expected highly probable forecast transactions and borrowings (i.e., notional amount and expected payment date). To test the hedge effectiveness, the Group uses either the cumulative volume/dollar offset method or the hypothetical derivative method where it compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- (a) Differences in the timing of the cash flows of the hedged items and the hedging instruments.
- (b) Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments.
- (c) The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items.
- (d) Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

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### 13 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The analysis of contractual cash inflows/(outflows) of major derivative financial instruments is as follows:

	Carrying amounts	Maturity			After 5 years
		Contractual cash flows	Within 1 year	Between 1 and 5 years	
<b>As at 31 December 2025</b>					
<b>Derivative financial assets</b>					
Fuel derivatives used for hedging (net settlement)	5,829	5,880	5,868	12	–
Forward exchange contracts used for hedging					
– inflows	–	1,878,476	1,207,472	671,004	–
– outflows	–	(1,854,167)	(1,190,107)	(664,060)	–
	21,401	24,309	17,365	6,944	–
<b>Derivative financial liabilities</b>					
Fuel derivatives used for hedging (net settlement)	(598,608)	(616,193)	(487,883)	(128,310)	–
Forward exchange contracts used for hedging					
– inflows	–	6,288,915	2,869,221	3,419,694	–
– outflows	–	(6,652,267)	(2,974,732)	(3,677,535)	–
	(340,730)	(363,352)	(105,511)	(257,841)	–
Net-settled interest rate swaps used for hedging					
– net cash outflows	(41,791)	(40,207)	(10,241)	(19,930)	(10,036)

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## 13 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The analysis of contractual cash inflows/(outflows) of major derivative financial instruments is as follows:  
 (Continued)

	Carrying amounts	Maturity			
		Contractual cash flows	Within 1 year	Between 1 and 5 years	
<b>As at 31 December 2024</b>					
<b>Derivative financial assets</b>					
Fuel derivatives used for hedging (net settlement)	60,258	61,059	603	60,456	–
Forward exchange contracts used for hedging					
– inflows	–	10,681,648	8,415,067	2,266,581	–
– outflows	–	(10,444,023)	(8,216,669)	(2,227,354)	–
	233,912	237,625	198,398	39,227	–
<b>Derivative financial liabilities</b>					
Fuel derivatives used for hedging (net settlement)	(269,983)	(284,429)	(153,526)	(130,903)	–
Forward exchange contracts used for hedging					
– inflows	–	2,651,383	228,654	2,422,729	–
– outflows	–	(2,835,141)	(276,808)	(2,558,333)	–
	(165,326)	(183,758)	(48,154)	(135,604)	–
Net-settled interest rate swaps used for hedging					
– net cash outflows	(12,926)	(16,380)	(2,084)	(6,876)	(7,420)

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## 14 GOODWILL

The movements of goodwill during the years are as follows:

	For the year ended 31 December	
	2025	2024
<b>Beginning of the year</b>		
Cost	19,633,308	19,757,467
Accumulated impairment losses	(5,244,262)	(5,247,728)
<b>Net book value</b>	<b>14,389,046</b>	14,509,739
<b>Movements:</b>		
Addition	65,457	–
Impairment charge for the year	(100,908)	–
Currency translation differences – cost	307,552	(124,159)
Currency translation differences – impairment	(10,793)	3,466
<b>End of the year</b>	<b>14,650,354</b>	14,389,046
Cost	20,006,317	19,633,308
Accumulated impairment losses	(5,355,963)	(5,244,262)
<b>Net book value</b>	<b>14,650,354</b>	14,389,046

### Impairment tests for goodwill

In the impairment assessment of the Group, goodwill is allocated to a CGU or CGUs that were expected to benefit from the synergies of the business combination and is allocated to the relevant CGUs based on operating areas. The CGUs are consistent with those used on the purchase dates and in the impairment tests in previous years. The carrying amounts of the major goodwill allocated to individual CGU are as follows:

	2025	2024
PRC power segment:		
Wuhan Power	518,484	518,484
Overseas power segment:		
Tuas Power	11,806,740	11,509,981

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## 14 GOODWILL (CONTINUED)

### Impairment tests for goodwill (Continued)

The recoverable amount of a CGU is determined based on value-in-use calculations. The cash flow projections of CGUs are based on management's forecasted cash flows in the next five years. Based on existing production capacity, the domestic subsidiaries of the Company expect cash flows beyond such periods will be similar to that in the 5th year and thus a zero terminal growth rate is utilised in the forecasts. For Tuas Power, cash flows beyond the 5th year is extrapolated using a terminal growth rate of 2.0%, which is not greater than the forecasted growth rate as stipulated in the relevant report issued by the Energy Market Authority of Singapore ("EMA").

### Key assumptions used for value-in-use calculations:

#### 1) PRC power segment

For goodwill of domestic CGUs, the key assumptions applied in the impairment tests include the expected future sales volumes (power generation hours), fuel prices and discount rates. Management determined these assumptions based on past performance and its expectations on market development. The discount rates used reflect specific risks relating to individual CGUs. Based on the impairment assessment, Yueyang Power Plant recognised RMB101 million impairment losses of goodwill in 2025 (2024: Nil). For details of key assumptions (including WACC) used, please refer to Note 7.

For the goodwill allocated to CGUs in the PRC, management has assessed that two of the most sensitive key assumptions are future sales volume and fuel price. If future sales volume had decreased by 1% or 5% from management's estimates, while other variables stay constant with the expectations, the Group would have to recognise impairment losses against goodwill by approximately RMB255 million and RMB3,133 million (31 December 2024: RMB60 million and RMB1,092 million), respectively. If fuel price had increased by 1% or 5% from management's estimates, while other variables stay constant with the expectations, the Group would have to recognise impairment losses against goodwill of approximately RMB1,150 million and RMB9,117 million (31 December 2024: RMB289 million and RMB1,413 million), respectively.

#### 2) Overseas power segment

For the goodwill allocated to Tuas Power, the key assumptions applied in the impairment model include the expected future sales volume, gross margin, terminal growth rate and discount rate. Management determined these key assumptions based on past performance and its expectations on market development.

The EMA released its Singapore Electricity Market Outlook ("SEMO 2025") on 28 November 2025, stating that the annual system demand and system peak demand are projected to grow at a CAGR of between 2.4% and 4.8% over the next 10 years, from 2025 to 2034, taking into account various factors including demographic, climate and economic impacts as well as projected demand from new high-growth sectors such as data centres. The market share of Singapore Tuas Power in Singapore has remained stable, with the market share ratios being 19.2%, 22.3%, 20.4%, 19.2% and 18.3% in 2021, 2022, 2023, 2024 and 2025, respectively. The sales volumes of Singapore Tuas Power from 2026 to 2030 are forecasted based on its past performance, and a terminal growth rate of 2% (2024: 2%) is utilised in the forecast.

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### 14 GOODWILL (CONTINUED)

#### Impairment tests for goodwill (Continued)

#### Key assumptions used for value-in-use calculations: (Continued)

##### 2) Overseas power segment (Continued)

The gross profit per unit for the forecast period and the perpetuity period of Tuas Power is as follows:

Electricity Sales Gross Profit Unit: Singapore Dollars/MWh (Megawatt-hour)	2025 Annual Impairment Testing Model
2026	47.5
2027	39.8
2028	37.9
2029	40.4
2030	43.3
Perpetuity period	41.8

Management used the after-tax discount rate for the power generation industry published by the EMA to calculate the pre-tax discount rate used for value-in-use calculations of Tuas Power, which is 8.76% for the year ended 31 December 2025 (2024: 9.74%).

According to the impairment assessment, there was no impairment provided for the goodwill of Tuas Power for the year ended 31 December 2025 (2024: Nil). In 2025 and 2024, the fluctuation of goodwill in respect of Tuas Power was due to currency translation differences.

For the goodwill allocated to the CGU in Tuas Power, management has assessed that one of the most sensitive key assumptions is the pre-tax discount rate which was arrived at based on weighted average cost of capital. An absolute increase in the pre-tax discount rate of 0.5% (31 December 2024: 0.5%) would result in a decrease of approximately RMB822 million (31 December 2024: RMB1,091 million) in the recoverable amount of the CGU.

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## 15 OTHER NON-CURRENT ASSETS

Details of other non-current assets are as follows:

	As at 31 December	
	2025	2024
Finance lease receivables (i) (Note 41)	5,774,704	7,115,271
VAT recoverable	10,195,119	8,976,289
Pre-construction cost (ii)	1,304,861	1,068,630
Intangible assets (iii)	1,029,976	832,572
Prepaid connection fees	10,828	15,270
Contract assets	1,093,634	1,051,906
Others	3,613,587	3,285,240
Total	23,022,709	22,345,178

Notes:

- (i) Ruyi Pakistan Energy entered into a power purchase agreement with CPPA-G to sell all of the electricity produced with a regulated tariff mechanism approved by the National Electric Power Regulatory Authority. In accordance with the power purchase agreement and tariff mechanism, almost all the risks and rewards in relation to the power assets were in substance transferred to CPPA-G and therefore were accounted for as a finance lease to CPPA-G. Please refer to Note 41 for other details of finance lease receivables.
- (ii) In 2025, for early-stage projects with indicators of impairment due to project suspension or postponement, the Group estimated their recoverable amount based on the net amount of fair value less costs to sell. When determining the recoverable amount, the Group evaluated whether the formed pre-construction results could continue to be utilised or sold separately, and determined their fair value based on the carrying amount or similar market prices. According to the impairment assessment results, the Group had provided an impairment loss of RMB13.11 million for pre-construction cost of the early-stage projects that were under suspension or postponement.
- (iii) The intangible assets primarily consist of software, patented technologies, etc. In 2025, an impairment loss of RMB1.18 million was provided for the intangible assets (2024: RMB1.39 million).

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### 16 INVENTORIES

Inventories comprised:

	As at 31 December	
	2025	2024
Fuel for power generation	10,002,658	12,347,722
Material and supplies	1,260,552	1,339,641
	<b>11,263,210</b>	13,687,363
Less: provision for inventory obsolescence	<b>259,492</b>	242,969
Total	<b>11,003,718</b>	13,444,394

Movements of provision for inventory obsolescence during the years are analysed as follows:

	For the year ended 31 December	
	2025	2024
Beginning of the year	(242,969)	(221,621)
Provision	(32,970)	(45,062)
Reversal	–	1,986
Write-off*	20,267	19,860
Currency translation differences	(3,820)	1,868
End of the year	<b>(259,492)</b>	(242,969)

\* In 2025, approximately RMB20 million (2024: RMB20 million) provision was written-off for the material and supplies which was provided for inventory provision in previous years.

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## 17 OTHER RECEIVABLES AND ASSETS

Other receivables and assets comprised the following:

	As at 31 December	
	2025	2024
Prepayments for inventories	<b>2,923,928</b>	4,453,979
Prepaid income tax	<b>182,305</b>	149,539
Others	<b>998,935</b>	472,988
Total prepayments	<b>4,105,168</b>	5,076,506
Dividends receivable	<b>115,972</b>	241,970
Receivables from sales of fuel	<b>58,271</b>	79,315
Others	<b>3,579,776</b>	3,488,644
Subtotal of other receivables	<b>3,754,019</b>	3,809,929
Less: Loss allowance	<b>288,389</b>	308,114
Total other receivables, net	<b>3,465,630</b>	3,501,815
VAT recoverable	<b>4,599,938</b>	4,593,354
Finance lease receivables (Note 41)	<b>1,107,617</b>	1,049,887
Designated loan to a joint venture	<b>49,940</b>	–
Others	<b>535,994</b>	491,608
Subtotal of other assets	<b>6,293,489</b>	6,134,849
Less: Loss allowance	<b>171,428</b>	167,096
Total other assets, net	<b>6,122,061</b>	5,967,753
Gross total	<b>14,152,676</b>	15,021,284
Net total	<b>13,692,859</b>	14,546,074

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### 17 OTHER RECEIVABLES AND ASSETS (CONTINUED)

Please refer to Note 36 for details of other receivables and assets due from the related parties. The Group does not hold any collateral or other credit enhancements over its other receivables. The other receivables are non-interest-bearing.

The gross amounts of other receivables are denominated in the following currencies:

	As at 31 December	
	2025	2024
RMB	2,990,310	2,921,712
S\$ (RMB equivalent)	143,048	211,343
US\$ (RMB equivalent)	–	5,488
PKR (RMB equivalent)	620,661	671,386
Total	3,754,019	3,809,929

Movements of provision for loss allowance during the years are analysed as follows:

	For the year ended 31 December	
	2025	2024
Beginning of the year	(475,210)	(446,124)
Provision	(20,037)	(48,117)
Reversal	3,882	28,721
Write-off	26,020	–
Currency translation differences	5,528	(9,690)
End of the year	(459,817)	(475,210)

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## 18 ACCOUNTS AND NOTES RECEIVABLES

Accounts and notes receivables comprised the following:

	As at 31 December	
	2025	2024
Accounts receivable	46,507,936	47,802,397
Notes receivable	982,460	419,949
	<b>47,490,396</b>	48,222,346
Less: Loss allowance	251,154	149,122
Total	<b>47,239,242</b>	48,073,224
Analysed into:		
Accounts receivable		
– At amortised cost	46,507,936	47,802,397
Notes receivable		
– At amortised cost	982,460	419,949

The gross amounts of accounts receivable and notes receivable are denominated in the following currencies:

	As at 31 December	
	2025	2024
RMB	44,407,412	45,622,075
S\$ (RMB equivalent)	936,735	1,153,479
US\$ (RMB equivalent)	1,355	30,572
PKR (RMB equivalent)	2,144,894	1,416,220
Total	<b>47,490,396</b>	48,222,346

The Group usually grants credit periods of about one month to domestic local power grid customers from the end of the month in which the sales are made. SinoSing Power provides credit periods that range from 5 to 60 days from the dates of billing. Certain accounts receivable of Singapore subsidiaries are backed by bankers' guarantees and/or deposits from customers. It is not practicable to determine the fair value of the collateral that corresponds to these accounts receivable. Ruyi Pakistan Energy's accounts receivable from CPPA-G are usually recovered within 5 months under the power purchase agreement signed with CPPA-G.

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### 18 ACCOUNTS AND NOTES RECEIVABLES (CONTINUED)

The Group, except for Singapore subsidiaries, does not hold any collateral or other credit enhancements over its accounts receivable. The accounts receivable are non-interest-bearing.

For the collateral of accounts receivable, please refer to Note 24 and 30 for details.

For the collateral of notes receivable, please refer to Note 30 for details.

Movements of provision for loss allowance during the years are analysed as follows:

	For the year ended 31 December	
	2025	2024
Beginning of the year	(149,122)	(130,524)
Provision	(110,953)	(19,861)
Reversal	213	885
Write-off	1,533	308
Others	7,529	–
Currency translation differences	(354)	70
End of the year	(251,154)	(149,122)

An ageing analysis of accounts and notes receivables based on the invoice date was as follows:

	As at 31 December	
	2025	2024
Within 1 year	45,903,465	46,977,508
Between 1 and 2 years	517,615	401,481
Between 2 and 3 years	267,911	588,608
Over 3 years	801,405	254,749
Total	47,490,396	48,222,346

As at 31 December 2025, the maturity period of the notes receivable ranged from 1 to 12 months (31 December 2024: from 1 to 12 months).

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## 19 COMPANY'S STATEMENT OF CHANGES IN EQUITY

	Capital surplus							Total equity		
	Share capital	Other equity instruments	Share premium	Fair value reserve			Surplus reserves			
				Share (non-recycling)	Other capital reserve	Reserve funds				
<b>Balance as at 1 January 2025</b>	15,698,093	80,170,696	24,987,019	(382,150)	954,621	25,559,490	8,140,030	131,410	17,721,281	147,421,000
Profit for the year	-	2,773,242	-	-	-	-	-	-	4,418,702	7,191,944
Other comprehensive income for the year:										
Fair value changes of other equity investment instruments, net of tax	-	-	-	-	(81,791)	(81,791)	-	-	-	(81,791)
Total comprehensive income for the year	-	2,773,242	-	-	(81,791)	(81,791)	-	-	4,418,702	7,110,153
Dividends relating to 2024	-	-	-	-	-	-	-	-	(4,238,484)	(4,238,484)
Issue of other equity instruments (Note 21)	-	24,500,000	-	-	(10,780)	(10,780)	-	-	-	24,489,220
Redemption of other equity instruments (Note 21)	-	(27,000,000)	-	-	-	-	-	-	-	(27,000,000)
Cumulative distribution of other equity instruments (Note 21)	-	(2,905,576)	-	-	-	-	-	-	-	(2,905,576)
Transfer from retained profits	-	-	-	-	-	-	-	60,609	(60,609)	-
<b>Balance as at 31 December 2025</b>	<b>15,698,093</b>	<b>77,538,362</b>	<b>24,987,019</b>	<b>(382,150)</b>	<b>862,050</b>	<b>25,466,919</b>	<b>8,140,030</b>	<b>192,019</b>	<b>17,840,890</b>	<b>144,876,313</b>

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## 19 COMPANY'S STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Capital surplus							Total equity	
	Share capital	Other equity instruments	Share premium	Fair value reserve		Surplus reserves	Retained earnings		
				Fair value reserve (non-recycling)	Other capital reserve				
	Share capital	Other equity instruments	Share premium	Fair value reserve (non-recycling)	Other capital reserve	Subtotal	Reserve funds	Retained earnings	Total equity
<b>Balance as at 1 January 2024</b>	15,698,093	79,626,169	24,987,019	(382,150)	1,007,446	25,612,315	101,078	23,063,860	152,241,545
Profit/(loss) for the year	-	2,924,430	-	-	-	-	-	(2,172,628)	751,802
Other comprehensive income for the year:									
Fair value changes of other equity investment instruments, net of tax	-	-	-	-	(39,753)	(39,753)	-	-	(39,753)
Total comprehensive income for the year	-	2,924,430	-	-	(39,753)	(39,753)	-	(2,172,628)	712,049
Dividends relating to 2023	-	-	-	-	-	-	-	(3,139,619)	(3,139,619)
Issue of other equity instruments	-	2,051,000	-	-	(13,072)	(13,072)	-	-	2,037,928
Redemption of other equity instruments	-	(1,500,000)	-	-	-	-	-	-	(1,500,000)
Cumulative distribution of other equity instruments	-	(2,930,903)	-	-	-	-	-	-	(2,930,903)
Others	-	-	-	-	-	-	30,332	(30,332)	-
<b>Balance as at 31 December 2024</b>	15,698,093	80,170,696	24,987,019	(382,150)	954,621	25,559,490	131,410	17,721,281	147,421,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB except number of shares data)

## 20 SHARE CAPITAL

	2025		2024	
	Number of shares	Share capital	Number of shares	Share capital
As at 1 January and 31 December				
A shares	<b>10,997,709,919</b>	<b>10,997,710</b>	10,997,709,919	10,997,710
Overseas listed foreign shares	<b>4,700,383,440</b>	<b>4,700,383</b>	4,700,383,440	4,700,383
Total	<b>15,698,093,359</b>	<b>15,698,093</b>	15,698,093,359	15,698,093

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

## 21 OTHER EQUITY INSTRUMENTS

### (a) Other equity instruments as at 31 December 2025

Type of Instruments	Issuance Date	Category	Initial Distribution Rate	Issue Price	Number	Par Value	Initial Period	Conversion Condition	Conversion Result
Yingda Insurance Financing Plan (1st)	September 2018	Equity Instrument	5.79%	-	-	3,283,000	8 years	None	None
Yingda Insurance Financing Plan (2nd)	September 2018	Equity Instrument	5.79%	-	-	827,000	8 years	None	None
Yingda Insurance Financing Plan (3rd)	September 2018	Equity Instrument	5.79%	-	-	890,000	8 years	None	None
China Life Financing Plan (1st)	September 2019	Equity Instrument	5.05%	-	-	2,070,000	8 years	None	None
PICC Financing Plan (1st)	September 2019	Equity Instrument	5.10%	-	-	930,000	10 years	None	None
China Life Financing Plan (2nd)	October 2019	Equity Instrument	5.05%	-	-	2,260,000	8 years	None	None
PICC Financing Plan (2nd)	October 2019	Equity Instrument	5.10%	-	-	1,740,000	10 years	None	None
China Life Financing Plan (3rd)	April 2020	Equity Instrument	4.75%	-	-	3,570,000	8 years	None	None
PICC Financing Plan (3rd)	April 2020	Equity Instrument	4.75%	-	-	930,000	10 years	None	None
PICC Financing Plan (4th)	August 2020	Equity Instrument	4.60%	-	-	3,000,000	10 years	None	None
Huaneng Trust (1st)	September 2022	Equity Instrument	2.91%	-	-	2,500,000	5 years	None	None
Huaneng Trust (2nd)	October 2022	Equity Instrument	3.06%	-	-	3,050,000	5 years	None	None
Huaneng Trust (3rd)	November 2022	Equity Instrument	3.11%	-	-	4,000,000	5 years	None	None
Huaneng Trust (4th)	November 2022	Equity Instrument	3.11%	-	-	4,000,000	5 years	None	None
2023 medium-term notes (1st Energy Supply Bond)	January 2023	Equity Instrument	3.93%	0.1	30,000,000	3,000,000	3 years	None	None
2023 medium-term notes (2nd Energy Supply Bond)	February 2023	Equity Instrument	3.74%	0.1	30,000,000	3,000,000	3 years	None	None
2023 medium-term notes (3rd Energy Supply Bond)	February 2023	Equity Instrument	3.55%	0.1	30,000,000	3,000,000	3 years	None	None
2023 medium-term notes (4th Energy Supply Bond)	February 2023	Equity Instrument	3.58%	0.1	25,000,000	2,500,000	3 years	None	None
2023 medium-term notes (5th Energy Supply Bond)	March 2023	Equity Instrument	3.61%	0.1	30,000,000	3,000,000	3 years	None	None

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
(Prepared in accordance with IFRS Accounting Standards)  
(Amounts expressed in thousands of RMB)

## 21 OTHER EQUITY INSTRUMENTS (CONTINUED)

### (a) Other equity instruments as at 31 December 2025 (CONTINUED)

Type of Instruments	Issuance Date	Category	Initial Distribution Rate	Issue Price	Number	Par Value	Initial Period	Conversion Condition	Conversion Result
2023 medium-term notes (7th Energy Supply Bond)	March 2023	Equity Instrument	3.53%	0.1	25,000,000	2,500,000	3 years	None	None
Huaneng Trust (5th)	December 2024	Equity Instrument	2.40%	-	-	2,051,000	5 years	None	None
2025 medium-term notes(4th)	March 2025	Equity Instrument	2.28%	0.1	15,000,000	1,500,000	3 years	None	None
2025 medium-term notes(5th)	March 2025	Equity Instrument	2.20%	0.1	15,000,000	1,500,000	3 years	None	None
2025 medium-term notes(6th)	April 2025	Equity Instrument	2.06%	0.1	20,000,000	2,000,000	3 years	None	None
2025 medium-term notes(7th)	April 2025	Equity Instrument	2.06%	0.1	15,000,000	1,500,000	3 years	None	None
2025 medium-term notes(8th)	April 2025	Equity Instrument	2.05%	0.1	20,000,000	2,000,000	3 years	None	None
2025 medium-term notes(9th)	June 2025	Equity Instrument	1.97%	0.1	20,000,000	2,000,000	3 years	None	None
2025 medium-term notes(10th)	June 2025	Equity Instrument	1.95%	0.1	15,000,000	1,500,000	3 years	None	None
2025 Technology Innovation Perpetual Corporate Bonds (1st)	July 2025	Equity Instrument	2.15%	0.1	20,000,000	2,000,000	10 years	None	None
2025 Technology Innovation Perpetual Corporate Bonds (2nd)	August 2025	Equity Instrument	2.30%	0.1	20,000,000	2,000,000	10 years	None	None
2025 Technology Innovation Perpetual Corporate Bonds (3rd, Series I)	September 2025	Equity Instrument	2.04%	0.1	25,000,000	2,500,000	3 years	None	None
2025 Technology Innovation Perpetual Corporate Bonds (3rd, Series II)	September 2025	Equity Instrument	2.48%	0.1	5,000,000	500,000	10 years	None	None
2025 Technology Innovation Perpetual Corporate Bonds (4th)	September 2025	Equity Instrument	2.33%	0.1	15,000,000	1,500,000	5 years	None	None
2025 Technology Innovation Perpetual Corporate Bonds (5th, Series I)	October 2025	Equity Instrument	2.10%	0.1	8,000,000	800,000	3 years	None	None
2025 Technology Innovation Perpetual Corporate Bonds (5th, Series II)	October 2025	Equity Instrument	2.32%	0.1	12,000,000	1,200,000	5 years	None	None
2025 Technology Innovation Perpetual Corporate Bonds (6th, Series I)	October 2025	Equity Instrument	2.28%	0.1	10,000,000	1,000,000	5 years	None	None
2025 Technology Innovation Perpetual Corporate Bonds (6th, Series II)	October 2025	Equity Instrument	2.05%	0.1	10,000,000	1,000,000	3 years	None	None
Total						76,601,000			

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

*(Prepared in accordance with IFRS Accounting Standards)*

*(Amounts expressed in thousands of RMB)*

## 21 OTHER EQUITY INSTRUMENTS (CONTINUED)

### (b) Major provisions

In 2018, the Company issued three tranches of Yingda Insurance Financing Plan (the “Yingda plan”) with aggregate proceeds of RMB5,000 million. The Yingda plan has no fixed period with an initial distribution rate of 5.79%. The interest of the financing plan is recorded as distributions, which are paid annually in arrears in June and December each year and may be deferred at the discretion of the Company unless compulsory payment events (e.g. distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) occur. The Company has the right to defer current interest and all deferred interest. The Yingda plan has no fixed maturity date and is callable at the Company’s discretion in whole at each distribution date after the 8th year of issuance, and not subject to any renewal period, or the payment of the principal may be deferred at each distribution date mentioned above. The applicable distribution rate will be reset during the period from the 9th to the 11th years after the issuance, the period from the 11th to the 13th years after the issuance and the 13th year onwards after the issuance, to the higher of the initial distribution rate plus 300 basis points and the 10-year treasury bond yield in the 9th year after the issuance plus 600 basis points, the higher of the initial distribution rate plus 600 basis points and the 10-year treasury bond yield in the 11th year after the issuance plus 900 basis points and the higher of the initial distribution rate plus 900 basis points and the 10-year treasury bond yield in the 13th year after the issuance plus 1,200 basis points, respectively. As at 24 November 2021, the Company signed a supplement agreement with regard to amending the clause of the applicable distribution rate. The applicable distribution rate will be reset during the period from the 9th year after the issuance, to the basis rate plus 300 basis points, and will remain 8.79% afterwards.

In 2019, the Company issued two tranches of China Life Financing Plan (the “China Life plan”) with aggregate proceeds of RMB4,330 million. The China Life plan has no fixed period with an initial distribution rate of 5.05%. The interests of the China Life plan are recorded as distributions, which are paid annually in arrears in March, June, September and December each year and may be deferred at the discretion of the Company unless compulsory payment events (distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) occur. The Company has the right to defer current interest and all deferred interest. The China Life plan has no fixed maturity date and is callable at the Company’s discretion in whole at each distribution date after the 8th year of issuance, and not subject to any renewal period, or the payment of the principal may be deferred at each distribution date mentioned above. The applicable distribution rate will be reset during the period from the 9th year after the issuance, to the basis rate plus 300 basis points, and will remain 8.05% afterwards.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Amounts expressed in thousands of RMB)

## 21 OTHER EQUITY INSTRUMENTS (CONTINUED)

### (b) Major provisions (Continued)

In 2019, the Company issued two tranches of PICC Financing Plan (“the PICC plan”) with aggregate proceeds of RMB2,670 million. The PICC plan has no fixed period with an initial distribution rate of 5.10%. The interest of the PICC plan is recorded as distributions, which are paid annually in arrears in March, June, September and December each year and may be deferred at the discretion of the Company unless compulsory payment events (distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) occur. The Company has the right to defer current interest and all deferred interest. The PICC plan has no fixed maturity date and is callable at the Company’s discretion in whole at each distribution date after the 10th year of issuance, and not subject to any renewal period, or the payment of the principal may be deferred at each distribution date mentioned above. The applicable distribution rate will be reset during the period from the 11th year after the issuance, to the basis rate plus 300 basis points, and will remain 8.10% afterwards.

In April 2020, the Company issued China Life Financing Plan (“the China Life plan”) with proceeds of RMB3,570 million. The China Life plan has no fixed period with an initial distribution rate of 4.75%. The interest of the China Life plan is recorded as distributions, which are paid annually in arrears in March, June, September and December each year and may be deferred at the discretion of the Company unless compulsory payment events (distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) occur. The Company has the right to defer current interest and all deferred interest. The China Life plan has no fixed maturity date and is callable at the Company’s discretion in whole at each distribution date after the 8th year of issuance, and not subject to any renewal period, or the payment of the principal may be deferred at each distribution date mentioned above. The applicable distribution rate will be reset during the period from the 9th year after the issuance, to the basis rate plus 300 basis points, and will remain 7.75% afterwards.

In April 2020, the Company issued the third tranche of the PICC plan with proceeds of RMB930 million. The PICC plan has no fixed period with an initial distribution rate of 4.75%. The interest of the PICC plan is recorded as distributions, which are paid annually in arrears in March, June, September and December each year and may be deferred at the discretion of the Company unless compulsory payment events (distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) occur. The Company has the right to defer current interest and all deferred interest. The PICC plan has no fixed maturity date and is callable at the Company’s discretion in whole at each distribution date after the 10th year of issuance, and not subject to any renewal period, or the payment of the principal may be deferred at each distribution date mentioned above. The applicable distribution rate will be reset during the period from the 11th year after the issuance, to the basis rate plus 300 basis points, and will remain 7.75% afterwards.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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*(Amounts expressed in thousands of RMB)*

## 21 OTHER EQUITY INSTRUMENTS (CONTINUED)

### (b) Major provisions (Continued)

In August 2020, the Company issued the fourth tranche of the PICC plan with proceeds of RMB3,000 million. The PICC plan has no fixed period with an initial distribution rate of 4.60%. The interest of the PICC plan is recorded as distributions, which are paid annually in arrears in March, June, September and December each year and may be deferred at the discretion of the Company unless compulsory payment events (distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) occur. The Company has the right to defer current interest and all deferred interest. The PICC plan has no fixed maturity date and is callable at the Company's discretion in whole at each distribution date after the 10th year of issuance, or the payment of the principal may be deferred at each distribution date mentioned above. The applicable distribution rate will be reset during the period from the 11th year after the issuance, to the basis rate plus 300 basis points, and will remain 7.60% afterwards.

In September 2022, the Company issued the first tranche of the Huaneng Trust Yingfeng No.1 Single Fund Trust ("Huaneng Trust (1st)") with the proceeds of RMB2,500 million. Huaneng Trust (1st) has no fixed period with an initial distribution rate of 2.91%. The interest of Huaneng Trust (1st) is recorded as distributions, which is paid annually in arrears in August each year and may be deferred at the discretion of the Company unless compulsory payment events (distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company or liquidation or bankruptcy the Company) occur. The Company has the right to defer current interest and all deferred interest. Huaneng Trust (1st) has no fixed maturity date and is callable at the Company's discretion in whole at each distribution date after the 5th year of issuance, or the payment of the principal may be deferred at each distribution date mentioned above. The applicable distribution rate will be reset during the period from the 6th year after the issuance, to the basis rate plus 300 basis points, and will remain 5.91% afterwards.

In October 2022, the Company issued the second tranche of the Huaneng Trust Yingfeng No.1 Single Fund Trust ("Huaneng Trust (2nd)") with the proceeds of RMB3,050 million. Huaneng Trust (2nd) has no fixed period with an initial distribution rate of 3.06%. The interest of Huaneng Trust (2nd) is recorded as distributions, which is paid annually in arrears in September each year and may be deferred at the discretion of the Company unless compulsory payment events (distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company or liquidation or bankruptcy the Company) occur. The Company has the right to defer current interest and all deferred interest. Huaneng Trust (2nd) has no fixed maturity date and is callable at the Company's discretion in whole at each distribution date after the 5th year of issuance, or the payment of the principal may be deferred at each distribution date mentioned above. The applicable distribution rate will be reset during the period from the 6th year after the issuance, to the basis rate plus 300 basis points, and will remain 6.06% afterwards.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
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(Amounts expressed in thousands of RMB)

## 21 OTHER EQUITY INSTRUMENTS (CONTINUED)

### (b) Major provisions (Continued)

In November 2022, the Company issued the third and fourth tranches of Huaneng Trust Yingfeng No.1 Single Fund Trust (“Huaneng Trust (3rd) and Huaneng Trust (4th)”) with the proceeds of RMB4,000 million and RMB4,000 million, respectively. Huaneng Trust (3rd) and Huaneng Trust (4th) have no fixed period with an initial distribution rate of 3.11%. The interest of Huaneng Trust (3rd) and Huaneng Trust (4th) is recorded as distributions, which are paid annually in arrears in October each year and may be deferred at the discretion of the Company unless compulsory payment events (distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company or liquidation or bankruptcy the Company) occur. The Company has the right to defer current interest and all deferred interest. Huaneng Trust (3rd) and Huaneng Trust (4th) have no fixed maturity date and are callable at the Company’s discretion in whole at each distribution date after the 5th year of issuance, or the payment of the principal may be deferred at each distribution date mentioned above. The applicable distribution rate will be reset during the period from the 6th year after the issuance, to the basis rate plus 300 basis points, and will remain 6.11% afterwards.

In January 2023, the Company issued medium-term notes with net proceeds of approximately RMB3,000 million. The medium-term notes are issued at par value with an initial distribution rate of 3.93%. The interest of the medium-term notes is recorded as distributions, which are paid annually in arrears in January in each year 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) occur. The Company has the right to defer current interest and all deferred interest. The medium-term notes have no fixed maturity date and are callable at the Company’s discretion at specific time, and the payment of the principal may be deferred for each renewal period to 3 years. The applicable distribution rate will be reset on the first call date and for each renewal period after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum, and will remain it afterwards.

In February 2023, the Company issued three tranches of medium-term notes (Energy Supply Bond) with net proceeds of approximately RMB3,000 million, RMB3,000 million and RMB2,500 million. The medium-term notes are issued at par value with an initial distribution rate of 3.74%, 3.55% and 3.58%, respectively. The interest of the medium-term notes is recorded as distributions, which are paid annually in arrears in February in each year 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) occur. The Company has the right to defer current interest and all deferred interest. The medium-term notes have no fixed maturity date and are callable at the Company’s discretion at specific time, and the payment of the principal may be deferred for each renewal period to 3 years. The applicable distribution rate will be reset on the first call date and for each renewal period after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum, and will remain it afterwards.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

*(Prepared in accordance with IFRS Accounting Standards)*

*(Amounts expressed in thousands of RMB)*

## 21 OTHER EQUITY INSTRUMENTS (CONTINUED)

### (b) Major provisions (Continued)

In March 2023, the Company issued two tranches of medium-term notes with net proceeds of approximately RMB3,000 million and RMB2,500 million. The medium-term notes are issued at par value with an initial distribution rate of 3.61% and 3.53%, respectively. The interest of the medium-term notes is recorded as distributions, which are paid annually in arrears in March each year 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) occur. The Company has the right to defer current interest and all deferred interest. The medium-term notes have no fixed maturity date and are callable at the Company's discretion at specific time, and the payment of the principal may be deferred for each renewal period to 3 years. The applicable distribution rate will be reset on the first call date and for each renewal period after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum, and will remain it afterwards.

In December 2024, the Company issued Huaneng Trust · Huaying Wealth Management Trust ("Huaneng Trust (5th)") with the proceeds of RMB2,051 million. Huaneng Trust (5th) has no fixed period with an initial distribution rate of 2.40%. The interest of Huaneng Trust (5th) is recorded as distributions, which are paid annually in arrears in November each year and may be deferred at the discretion of the Company unless compulsory payment events (distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company or liquidation or bankruptcy the Company) occur. The Company has the right to defer current interest and all deferred interest. Huaneng Trust (5th) has no fixed maturity date and is callable at the Company's discretion in whole at each distribution date after the 5th year of issuance, or the payment of the principal may be deferred at each distribution date mentioned above. The applicable distribution rate will be reset during the period from the 6th year after the issuance, to the basis rate plus 300 basis points, and will remain 5.40% afterwards.

In March 2025, the Company issued two tranches of medium-term notes with net proceeds of approximately RMB1,500 million, and RMB1,500 million. The medium-term notes are issued at par value with an initial distribution rate of 2.28% and 2.20%, respectively. The interest of the medium-term notes is recorded as distributions, which are paid annually in arrears in March each year 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) occur. The Company has the right to defer current interest and all deferred interest. The medium-term notes have no fixed maturity date and are callable at the Company's discretion at specific time, and the payment of the principal may be deferred for each renewal period to 3 years. The applicable distribution rate will be reset on the first call date and for each renewal period after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum, and will remain it afterwards.

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## 21 OTHER EQUITY INSTRUMENTS (CONTINUED)

### (b) Major provisions (Continued)

In April 2025, the Company issued three tranches of medium-term notes with net proceeds of approximately RMB2,000 million, RMB1,500 million and RMB2,000 million. The medium-term notes are issued at par value with an initial distribution rate of 2.06%, 2.06% and 2.05%, respectively. The interest of the medium-term notes is recorded as distributions, which are paid annually in arrears in April each year 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) occur. The Company has the right to defer current interest and all deferred interest. The medium-term notes have no fixed maturity date and are callable at the Company's discretion at specific time, and the payment of the principal may be deferred for each renewal period to 3 years. The applicable distribution rate will be reset on the first call date and for each renewal period after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum, and will remain it afterwards.

In June 2025, the Company issued two tranches of medium-term notes with net proceeds of approximately RMB2,000 million and RMB1,500 million. The medium-term notes are issued at par value with an initial distribution rate of 1.97% and 1.95%, respectively, with a 3-year period. The interest of the medium-term notes is recorded as distributions, which are paid annually in arrears in June each year 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) occur. The Company has the right to defer current interest and all deferred interest. The medium-term notes have no fixed maturity date and are callable at the Company's discretion at specific time. The applicable distribution rate will be reset on the first call date and for each renewal period after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum, and will remain it afterwards.

In July 2025, the Company issued 2025 Technology Innovation Perpetual Corporate Bonds (1st) with net proceeds of approximately RMB2,000 million. The perpetual corporate bond is issued at par value with an initial distribution rate of 2.15%, with a 10-year period. The interest of the perpetual corporate bond is recorded as distributions, which are paid annually in arrears in July each year 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) occur. The Company has the right to defer current interest and all deferred interest. The perpetual corporate bond has no fixed maturity date, at the end of each period, the Company has the right to either extend the perpetual corporate bonds by one period, without any limitation on the number of extension periods, or to fully repay the bonds at maturity at the end of that period. The applicable distribution rate will be reset on the first call date and for each renewal period after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum, and will remain it afterwards.

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*(Amounts expressed in thousands of RMB)*

## 21 OTHER EQUITY INSTRUMENTS (CONTINUED)

### (b) Major provisions (Continued)

In August 2025, the Company issued 2025 Technology Innovation Perpetual Corporate Bonds (2nd) with net proceeds of approximately RMB2,000 million. The perpetual corporate bond is issued at par value with an initial distribution rate of 2.30%, with a 10-year period. The interest of the perpetual corporate bond is recorded as distributions, which are paid annually in arrears in August each year 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) occur. The Company has the right to defer current interest and all deferred interest. The perpetual corporate bond has no fixed maturity date, at the end of each period, the Company has the right to either extend the perpetual corporate bonds by one period, without any limitation on the number of extension periods, or to fully repay the bonds at maturity at the end of that period. The applicable distribution rate will be reset on the first call date and for each renewal period after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum, and will remain it afterwards.

In September 2025, the Company issued three tranches of Technology Innovation Perpetual Corporate Bonds with net proceeds of approximately RMB2,500 million, RMB500 million and RMB1,500 million. The perpetual corporate bonds are issued at par value with an initial distribution rate of 2.04%, 2.48% and 2.33%, with periods of 3, 10, and 5 years, respectively. The interest of the perpetual corporate bonds are recorded as distributions, which are paid annually in arrears in September each year 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) occur. The Company has the right to defer current interest and all deferred interest. The perpetual corporate bonds have no fixed maturity date, at the end of each period, the Company has the right to either extend the perpetual corporate bond by one period without any limit on the number of extensions, or to repay the bond in full at its maturity at the end of that period. The applicable distribution rate will be reset on the first call date and for each renewal period after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum, and will remain it afterwards.

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## 21 OTHER EQUITY INSTRUMENTS (CONTINUED)

### (b) Major provisions (Continued)

In October 2025, the Company issued four tranches of Technology Innovation Perpetual Corporate Bonds with net proceeds of approximately RMB800 million, RMB1,200 million, RMB1,000 million and RMB1,000 million. The perpetual corporate bonds are issued at par value with an initial distribution rate of 2.10%, 2.32%, 2.05% and 2.28%, with periods of 3, 5, 3 and 5 years, respectively. The interest of the perpetual corporate bonds are recorded as distributions, which are paid annually in arrears in October each year 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) occur. The Company has the right to defer current interest and all deferred interest. The perpetual corporate bonds have no fixed maturity date. At the end of each period, the Company has the right to either extend the perpetual corporate bond by one period, without any limitation on the number of extension periods, or to fully repay the bond at maturity at the end of that period. The applicable distribution rate will be reset on the first call date and for each renewal period after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum, and will remain it afterwards.

The perpetual corporate bonds, financing plans, Huaneng Trust and medium-term notes were recorded as other equity instruments in the consolidated financial statements. During the year ended 31 December 2025, the profit attributable to holders of other equity instruments, based on the applicable distribution rates, was RMB2,773 million (2024: RMB2,924 million).

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## 21 OTHER EQUITY INSTRUMENTS (CONTINUED)

### (c) Changes of other equity instruments during 2025

Type of instruments	As at 1 January 2025			Issuance			Cumulative distributions			As at 31 December 2025		
	Number	Amount		Number	Amount		Accrued distribution	Distribution payment	Redemption value	Other reduction	Number	Amount
Yingda Insurance Financing Plan (1st)	-	3,288,808	-	-	-	-	192,726	192,726	-	-	-	3,288,808
Yingda Insurance Financing Plan (2nd)	-	828,463	-	-	-	-	48,548	48,548	-	-	-	828,463
Yingda Insurance Financing Plan (3rd)	-	891,575	-	-	-	-	52,247	52,247	-	-	-	891,575
China Life Financing Plan (1st)	-	2,031,091	-	-	-	-	105,987	105,987	-	-	-	2,031,091
PICC Financing Plan (1st)	-	930,923	-	-	-	-	48,089	48,089	-	-	-	930,923
China Life Financing Plan (2nd)	-	2,249,983	-	-	-	-	115,715	115,715	-	-	-	2,249,983
PICC Financing Plan (2nd)	-	1,741,726	-	-	-	-	89,973	89,973	-	-	-	1,741,726
2020 Perpetual Corporate Bond (1st)(type II)	10,000,000	1,029,956	-	-	-	-	8,544	38,500	1,000,000	-	-	-
China Life Financing Plan (3rd)	-	3,631,868	-	-	-	-	171,930	171,930	-	-	-	3,631,868
PICC Financing Plan (3rd)	-	930,859	-	-	-	-	44,789	44,789	-	-	-	930,859
PICC Financing Plan (4th)	-	3,002,683	-	-	-	-	139,917	139,917	-	-	-	3,002,683
2022 medium-term notes (5th)	20,000,000	2,026,169	-	-	-	-	32,431	58,600	2,000,000	-	-	-
2022 medium-term notes (8th)	5,000,000	504,608	-	-	-	-	9,292	13,900	500,000	-	-	-
Huaneng Trust (1st)	-	2,525,113	-	-	-	-	72,750	72,750	-	-	-	2,525,113
Huaneng Trust (2nd)	-	3,076,848	-	-	-	-	93,330	93,330	-	-	-	3,076,848
2022 medium-term notes (9th)	20,000,000	2,012,034	-	-	-	-	43,566	55,600	2,000,000	-	-	-
2022 medium-term notes (10th)	20,000,000	2,010,285	-	-	-	-	44,115	54,400	2,000,000	-	-	-
2022 medium-term notes (11th)	25,000,000	2,510,749	-	-	-	-	55,751	66,500	2,500,000	-	-	-
Huaneng Trust (3rd)	-	4,023,857	-	-	-	-	124,400	124,400	-	-	-	4,023,857
Huaneng Trust (4th)	-	4,028,629	-	-	-	-	124,400	124,400	-	-	-	4,028,629
2023 medium-term notes (1st Energy Supply Bond)	30,000,000	3,112,746	-	-	-	-	117,885	117,900	-	-	30,000,000	3,112,731
2023 medium-term notes (2nd Energy Supply Bond)	30,000,000	3,100,244	-	-	-	-	112,167	112,200	-	-	30,000,000	3,100,211
2023 medium-term notes (3rd Energy Supply Bond)	30,000,000	3,092,824	-	-	-	-	106,461	106,500	-	-	30,000,000	3,092,785
2023 medium-term notes (4th Energy Supply Bond)	25,000,000	2,576,540	-	-	-	-	89,464	89,500	-	-	25,000,000	2,576,504
2023 medium-term notes (5th Energy Supply Bond)	30,000,000	3,090,201	-	-	-	-	108,300	108,300	-	-	30,000,000	3,090,201
2023 medium-term notes (6th)	20,000,000	2,055,562	-	-	-	-	12,038	67,600	2,000,000	-	-	-
2023 medium-term notes (7th Energy Supply Bond)	25,000,000	2,571,809	-	-	-	-	88,250	88,250	-	-	25,000,000	2,571,809
2023 medium-term notes (8th)	20,000,000	2,046,901	-	-	-	-	17,699	64,600	2,000,000	-	-	-
2023 medium-term notes (9th)	20,000,000	2,046,083	-	-	-	-	18,117	64,200	2,000,000	-	-	-
2023 medium-term notes (10th)	15,000,000	1,532,905	-	-	-	-	14,195	47,100	1,500,000	-	-	-

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## 21 OTHER EQUITY INSTRUMENTS (CONTINUED)

### (c) Changes of other equity instruments during 2025 (Continued)

Type of instruments	As at 1 January 2025		Issuance		Cumulative distributions			As at 31 December 2025		
	Number	Amount	Number	Amount	Accrued distribution	Distribution payment	Redemption value	Other reduction	Number	Amount
2023 medium-term notes (11th)	20,000,000	2,033,898	-	-	25,302	59,200	2,000,000	-	-	-
2023 medium-term notes (12th)	15,000,000	1,524,720	-	-	19,080	43,800	1,500,000	-	-	-
2023 medium-term notes (13th)	20,000,000	2,020,041	-	-	34,959	55,000	2,000,000	-	-	-
2023 medium-term notes (14th)	20,000,000	2,019,219	-	-	41,781	61,000	2,000,000	-	-	-
2023 medium-term notes (15th)	20,000,000	2,017,214	-	-	44,386	61,600	2,000,000	-	-	-
Huaneng Trust (5th)	-	2,053,562	-	-	49,223	46,525	-	-	-	2,056,260
2025 medium-term notes(4th)	-	-	15,000,000	1,500,000	26,892	-	-	-	15,000,000	1,526,892
2025 medium-term notes(5th)	-	-	15,000,000	1,500,000	25,496	-	-	-	15,000,000	1,525,496
2025 medium-term notes(6th)	-	-	20,000,000	2,000,000	30,138	-	-	-	20,000,000	2,030,138
2025 medium-term notes(7th)	-	-	15,000,000	1,500,000	22,434	-	-	-	15,000,000	1,522,434
2025 medium-term notes(8th)	-	-	20,000,000	2,000,000	29,205	-	-	-	20,000,000	2,029,205
2025 medium-term notes(9th)	-	-	20,000,000	2,000,000	22,561	-	-	-	20,000,000	2,022,561
2025 medium-term notes(10th)	-	-	15,000,000	1,500,000	16,348	-	-	-	15,000,000	1,516,348
2025 Technology Innovation Perpetual Corporate Bonds (2nd)	-	-	20,000,000	2,000,000	17,140	-	-	-	20,000,000	2,017,140
2025 Technology Innovation Perpetual Corporate Bonds (3rd, Series I)	-	-	25,000,000	2,500,000	15,789	-	-	-	25,000,000	2,515,789
2025 Technology Innovation Perpetual Corporate Bonds (3rd, Series II)	-	-	5,000,000	500,000	3,839	-	-	-	5,000,000	503,839
2025 Technology Innovation Perpetual Corporate Bonds (5th, Series I)	-	-	8,000,000	800,000	3,498	-	-	-	8,000,000	803,498
2025 Technology Innovation Perpetual Corporate Bonds (5th, Series II)	-	-	12,000,000	1,200,000	5,797	-	-	-	12,000,000	1,205,797
2025 Technology Innovation Perpetual Corporate Bonds (1st)	-	-	20,000,000	2,000,000	19,203	-	-	-	20,000,000	2,019,203
2025 Technology Innovation Perpetual Corporate Bonds (4th)	-	-	15,000,000	1,500,000	9,384	-	-	-	15,000,000	1,509,384
2025 Technology Innovation Perpetual Corporate Bonds (6th, Series II)	-	-	10,000,000	1,000,000	4,060	-	-	-	10,000,000	1,004,060
2025 Technology Innovation Perpetual Corporate Bonds (6th, Series I)	-	-	10,000,000	1,000,000	3,651	-	-	-	10,000,000	1,003,651
Total	440,000,000	80,170,696	245,000,000	24,500,000	2,773,242	2,905,576	27,000,000	-	415,000,000	77,538,362

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### 22 SURPLUS RESERVES

	<b>As at 1 January 2025 and 31 December 2025</b>
Surplus reserves	<b>8,140,030</b>

According to the Company Law of the PRC, the Company's articles of association and board resolutions, the Company appropriates 10% of each year's net profit under PRC GAAP to the statutory surplus reserve. The Company has the option to cease making provision for such reserve when it reaches 50% of the registered share capital. Upon the approval from the relevant authorities, this reserve can be used to make up any losses incurred or to increase share capital. Except for offsetting against losses, this reserve cannot fall below 25% of the registered share after being used to increase share capital.

As the statutory surplus reserve exceeds 50% of the registered share capital in 2025, the Company made no provision for the current year.

Appropriation of discretionary surplus reserve is proposed by the Board of Directors and approved by the general meeting of shareholders. This reserve can be used to make up any losses incurred in prior years or to increase the share capital after obtaining relevant approvals. For the years ended 31 December 2025 and 2024, no provision was made to the discretionary surplus reserve.

According to the articles of association, in distributing the Group's consolidated profits for the relevant accounting year, the lower of the distributable profits shown in the financial statements under PRC GAAP and IFRS Accounting Standards shall be adopted. As at 31 December 2025, in accordance with PRC GAAP and IFRS Accounting Standards, the balances of retained earnings for the Group amounted to approximately RMB24,007 million and RMB22,890 million, respectively; and the balances of retained earnings for the Company amounted to RMB24,758 million and RMB17,841 million, respectively.

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## 23 DIVIDENDS OF ORDINARY SHARES AND CUMULATIVE DISTRIBUTION OF OTHER EQUITY INSTRUMENTS

### (a) Dividends of ordinary shares

On 24 June 2025, upon the approval from shareholders at the annual general meeting, the Company declared a cash dividend of RMB0.27 (inclusive of tax) for each ordinary share amounting to RMB4,238 million for the year of 2024 (2023:RMB3,140 million).

On 24 March 2026, the Board of Directors proposed a cash dividend of RMB0.40 (inclusive of tax) for each ordinary share amounting to RMB6,279 million for the year of 2025. This proposal is subject to the approval of the shareholders at the annual general meeting.

### (b) Cumulative distribution of other equity instruments

The other equity instruments were recorded as equity in the consolidated financial statements. For the year ended 31 December 2025, the net profit attributable to holders of other equity instruments, based on the applicable interest rates, was RMB2,773 million, and the cumulative distribution paid in 2025 was RMB2,906 million.

## 24 LONG-TERM LOANS

Long-term loans comprised the following:

	As at 31 December	
	2025	2024
Loans from related parties (a)	<b>12,174,399</b>	11,871,155
Bank loans and other loans (b)	<b>174,212,492</b>	171,907,325
	<b>186,386,891</b>	183,778,480
Less: Current portion of long-term loans	<b>29,320,309</b>	31,950,932
Total	<b>157,066,582</b>	151,827,548

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### 24 LONG-TERM LOANS (CONTINUED)

#### (a) Loans from related parties

Details of loans from related parties are as follows:

	As at 31 December 2025				Annual interest rate
	Original currency '000	RMB equivalent	Less: Current portion	Non-current portion	
<b>Loans from Huaneng Group</b>					
<i>Unsecured</i>					
RMB					
– Variable rate	890,426	890,426	963	889,463	3.00%-4.60%
<b>Loans from Huaneng Finance</b>					
<i>Unsecured</i>					
RMB					
– Variable rate	8,494,667	8,494,667	2,224,513	6,270,154	1.90%-3.60%
– Fixed rate	867,907	867,907	661,107	206,800	1.98%-3.71%
<b>Loans from Tiancheng Financial</b>					
<b>Leasing</b>					
<i>Secured</i>					
RMB					
– Variable rate	1,728,599	1,728,599	20,652	1,707,947	2.63%-3.03%
<i>Unsecured</i>					
RMB					
– Variable rate	3,619	3,619	3,619	–	3.14%
<b>Loans from joint ventures</b>					
<i>Unsecured</i>					
RMB					
– Variable rate	189,181	189,181	23,025	166,156	6.33%
Total		12,174,399	2,933,879	9,240,520	

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## 24 LONG-TERM LOANS (CONTINUED)

### (a) Loans from related parties (Continued)

Details of loans from related parties are as follows: (Continued)

	As at 31 December 2024					Annual interest rate
	Original currency '000	RMB equivalent	Less: Current portion	Non-current portion		
<b>Loans from Huaneng Group</b>						
<i>Unsecured</i>						
RMB						
– Variable rate	824,558	<u>824,558</u>	<u>1,045</u>	<u>823,513</u>		3.60%-3.95%
<b>Loans from Huaneng Finance</b>						
<i>Unsecured</i>						
RMB						
– Variable rate	7,981,184	<u>7,981,184</u>	<u>610,964</u>	<u>7,370,220</u>		2.00%-4.40%
– Fixed rate	1,133,214	<u>1,133,214</u>	<u>110,715</u>	<u>1,022,499</u>		2.10%-3.86%
<b>Loans from Tiancheng Financial</b>						
<b>Leasing</b>						
<i>Secured</i>						
RMB						
– Variable rate	1,405,516	<u>1,405,516</u>	<u>614,012</u>	<u>791,504</u>		2.76%-3.14%
– Fixed rate	145,572	<u>145,572</u>	<u>474</u>	<u>145,098</u>		2.50%
<b>Loans from Huaneng Group Hong Kong Asset Management Co., Ltd. (“Hong Kong Asset Management”)</b>						
<i>Unsecured</i>						
US\$						
– Variable rate	28,509	<u>202,412</u>	<u>238</u>	<u>202,174</u>		3.85%
<b>Loans from joint ventures</b>						
<i>Unsecured</i>						
RMB						
– Variable rate	178,699	<u>178,699</u>	<u>12,543</u>	<u>166,156</u>		6.33%
Total		<u>11,871,155</u>	<u>1,349,991</u>	<u>10,521,164</u>		

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### 24 LONG-TERM LOANS (CONTINUED)

#### (b) Bank loans and other loans

Details of bank loans and other loans are as follows:

	As at 31 December 2025				
	Original currency '000	RMB equivalent	Less: Current portion	Non- current portion	Annual interest rate
<i>Secured</i>					
RMB					
– Fixed rate	1,015,933	1,015,933	46,433	969,500	2.65%-3.10%
– Variable rate	10,609,847	10,609,847	977,183	9,632,664	1.60%-3.35%
S\$					
– Variable rate	113,081	635,277	27,250	608,027	2.69%
<i>Unsecured</i>					
RMB					
– Fixed rate	4,976,294	4,976,294	2,426,834	2,549,460	1.35%-3.55%
– Variable rate	149,825,807	149,825,807	21,650,151	128,175,656	1.25%-6.23%
S\$					
– Fixed rate	291,710	1,638,798	1,218	1,637,580	2.55%
– Variable rate	165,263	928,429	243,499	684,930	3.73%
US\$					
– Variable rate	629,360	4,505,334	1,008,757	3,496,577	8.72%
JPY					
– Fixed rate	1,548,023	76,773	5,105	71,668	0.75%
Total		<u>174,212,492</u>	<u>26,386,430</u>	<u>147,826,062</u>	

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## 24 LONG-TERM LOANS (CONTINUED)

### (b) Bank loans and other loans (Continued)

Details of bank loans and other loans are as follows: (Continued)

	As at 31 December 2024				
	Original currency '000	RMB equivalent	Less: Current portion	Non- current portion	Annual interest rate
<i>Secured</i>					
RMB					
– Fixed rate	294,309	294,309	124,773	169,536	2.50%-4.66%
– Variable rate	8,365,992	8,365,992	522,436	7,843,556	1.90%-4.55%
S\$					
– Variable rate	123,272	655,981	248	655,733	4.46%
<i>Unsecured</i>					
RMB					
– Fixed rate	7,376,462	7,376,462	3,331,586	4,044,876	1.82%-3.86%
– Variable rate	147,314,571	147,314,571	23,402,943	123,911,628	1.00%-6.33%
US\$					
– Fixed rate	303,608	2,182,459	2,171,930	10,529	3.50%
– Variable rate	783,653	5,633,211	1,041,741	4,591,470	3.85%-9.35%
JPY					
– Fixed rate	1,820,399	84,340	5,284	79,056	0.75%
Total		<u>171,907,325</u>	<u>30,600,941</u>	<u>141,306,384</u>	

### (c) Other disclosures in relation to the Group's long-term loans

As at 31 December 2025, long-term loans of approximately RMB8,082 million were secured by future revenue from the electricity or heat business (31 December 2024: RMB5,060 million).

As at 31 December 2025, long-term loans of RMB3,290 million (31 December 2024: RMB3,051 million) were secured by certain property, plant and equipment with a net book value amounting to approximately RMB4,644 million (31 December 2024: RMB4,875 million), included in these secured loans, RMB635 million (31 December 2024: RMB3,051 million) were additionally secured by both the future revenue from electricity and equity interests of the corresponding subsidiaries as collateral, while approximately RMB129 million were secured solely by the future revenue from electricity as collateral (31 December 2024: RMB4,834 million).

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### 24 LONG-TERM LOANS (CONTINUED)

#### (c) Other disclosures in relation to the Group's long-term loans (Continued)

As at 31 December 2025, long-term loans of approximately RMB2,618 million (31 December 2024: RMB2,756 million) were secured by certain construction in progress with a net book value amounting to approximately RMB2,891 million (31 December 2024: RMB2,436 million), included in these secured loans, RMB1,898 million (31 December 2024: RMB1,444 million) were additionally secured by both the future revenue from electricity and equity interests of the corresponding subsidiaries as collateral, while no secured solely by the future revenue from electricity as collateral (31 December 2024: RMB1,312 million)

Certain subsidiaries of the Group had sales and leaseback agreements with Tiancheng Financial Leasing and other financial leasing companies. According to the agreements, these subsidiaries have an option to buy back the equipment at a nominal price (RMB1) when the lease term expires. At the same time, certain subsidiaries of the Group have entered into financial lease agreements with the above-mentioned financial leasing companies, whereby the financial leasing companies will select equipment suppliers to purchase the equipment and lease it to the subsidiaries of the Group in the form of leases according to the requirements of the subsidiaries of the Group, and the subsidiaries of the Group has controlled over the leased equipment. The substance of the transaction was to obtain financing secured by the relevant assets within the leasing period. As at 31 December 2025, the secured loan from Tiancheng Financial Leasing and other financial leasing companies mentioned above amounted to RMB1,728 million and RMB3,528 million respectively, the equipment mentioned above had total carrying amounts of RMB1,713 million and RMB4,635 million (31 December 2024: RMB2,271 million and RMB5,040 million) respectively, which were recognised in property, plant and equipment (including construction in progress).

As at 31 December 2025, the Company provided guarantees for long-term loans of approximately RMB1,375 million of the Company's domestic subsidiaries (31 December 2024: RMB1,273 million).

As at 31 December 2025, long-term loans of approximately RMB77 million (31 December 2024: RMB84 million) were guaranteed by Enshi Finance Bureau of Hubei Province.

As at 31 December 2025, long-term loans of approximately RMB68 million (31 December 2024: approximately RMB78 million) were guaranteed by Tangyin County Modern Agricultural Investment Co., Ltd.

As at 31 December 2025, long-term loans of approximately RMBnil (approximately US\$nil) (31 December 2024: RMB202 million (approximately US\$28 million)) were guaranteed by Shandong Power.

As at 31 December 2025, long-term loans of approximately RMB4,505 million (31 December 2024: RMB5,635 million) were guaranteed by Shandong Power, China Export & Credit Insurance Corporation and Jining Chengtou Holding Group Co., Ltd. ("**Jining Chengtou**") at the liability ratios of 17.5%, 65.0% and 17.5% respectively (31 December 2024: Shandong Power, China Export & Credit Insurance Corporation and Jining Chengtou at the liability ratios of 17.5%, 65.0% and 17.5% respectively).

As at 31 December 2025, long-term loans of approximately RMB97 million (31 December 2024: RMB711 million) were guaranteed by Shandong Power and Jining Chengtou at the liability ratios of 50.0% and 50.0% respectively (31 December 2024: Shandong Power and Jining Chengtou at the liability ratios of 50.0% and 50.0% respectively).

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## 24 LONG-TERM LOANS (CONTINUED)

### (c) Other disclosures in relation to the Group's long-term loans (Continued)

The maturity of long-term loans is as follows:

	Loans from			
	Related Parties		Bank loans and other loans	
	As at 31 December		As at 31 December	
	2025	2024	2025	2024
Within 1 year	<b>2,933,879</b>	1,349,991	<b>26,386,430</b>	30,600,941
After 1 year but within 2 years	<b>2,162,992</b>	3,160,706	<b>20,675,926</b>	25,722,476
After 2 years but within 5 years	<b>4,491,492</b>	4,114,698	<b>46,228,421</b>	40,911,693
After 5 years	<b>2,586,036</b>	3,245,760	<b>80,921,715</b>	74,672,215
	<b>12,174,399</b>	11,871,155	<b>174,212,492</b>	171,907,325
Less: amount due within 1 year included in current liabilities	<b>2,933,879</b>	1,349,991	<b>26,386,430</b>	30,600,941
Total	<b>9,240,520</b>	10,521,164	<b>147,826,062</b>	141,306,384

The maturity profile of the Group's long-term loans as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December	
	2025	2024
Within 1 year	<b>33,946,158</b>	36,753,096
After 1 year but within 2 years	<b>26,763,381</b>	32,801,689
After 2 years but within 5 years	<b>58,626,763</b>	53,376,984
After 5 years	<b>97,596,769</b>	93,247,627
Total	<b>216,933,071</b>	216,179,396

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## 25 LONG-TERM BONDS

Outstanding corporate bonds, medium-term notes and debt financing instruments (including long-term bonds due within one year) of the Group as at 31 December 2025 are summarised as follows:

Type of Instruments	Face Value	Issuance Date	Initial Period	Initial Distribution Rate	Effective Rate	Issue Price	Balance as at 31 December 2024	Issued Amount	Interest	Amortisation	Repayment	Foreign Exchange Gain	Foreign Currency Translation Differences	Interest Payable	Balance as at 31 December 2025
2016 1st corporate bonds (10 years)	1,200,000	June 2016	10 years	3.98%	3.98%	1,200,000	1,226,476	-	47,760	11	47,760	-	-	26,432	1,226,487
2018 2nd corporate bonds (10 years)	5,000,000	September 2018	10 years	5.05%	5.05%	5,000,000	5,078,315	-	252,500	30	252,500	-	-	78,171	5,078,345
2019 1st corporate bonds (10 years)	2,300,000	April 2019	10 years	4.70%	4.70%	2,300,000	2,374,989	-	108,100	14	108,100	-	-	74,930	2,375,003
2020 Sinosing overseas bonds (5 years)	2,108,865	February 2020	5 years	2.25%	2.32%	2,108,865	2,189,444	-	6,587	439	2,261,025	(29,073)	93,628	-	-
2020 Sinosing overseas bonds (10 years)	2,108,865	February 2020	10 years	2.63%	2.72%	2,108,865	2,181,561	-	55,964	2,127	57,165	(124,656)	56,771	20,274	2,114,602
2021 1st corporate bonds (10 years)	1,500,000	May 2021	10 years	3.97%	3.97%	1,500,000	1,536,239	-	59,550	9	59,550	-	-	36,219	1,536,248
2021 2nd corporate bonds (10 years)	3,500,000	June 2021	10 years	3.97%	3.97%	3,500,000	3,579,226	-	138,950	21	138,950	-	-	79,182	3,579,247
2021 3rd corporate bonds (10 years)	1,800,000	June 2021	10 years	3.99%	3.99%	1,800,000	1,838,195	-	71,820	10	71,820	-	-	38,173	1,838,205
2022 1st medium-term bonds (10 years)	1,500,000	February 2022	10 years	3.74%	3.80%	1,500,000	1,542,554	-	56,077	715	56,100	-	-	47,647	1,543,246
2022 2nd medium-term bonds (3 years)	3,000,000	March 2022	3 years	2.84%	2.89%	3,000,000	3,070,524	-	14,472	204	3,085,200	-	-	-	-
2022 3rd medium-term bonds (10 years)	1,500,000	April 2022	10 years	3.70%	3.76%	1,500,000	1,533,396	-	55,500	715	55,500	-	-	38,622	1,534,111
2022 1st medium-term notes (Jiangsu) (3 years)	500,000	April 2022	3 years	2.92%	2.92%	500,000	510,000	-	4,600	-	514,600	-	-	-	-
2022 6th medium-term notes (3 years)	2,000,000	August 2022	3 years	2.40%	2.51%	2,000,000	2,018,464	-	28,406	1,130	2,048,000	-	-	-	-
2024 1st medium-term notes (10 years)	1,000,000	January 2024	10 years	2.91%	2.97%	1,000,000	1,027,828	-	29,096	(2,376)	29,100	-	-	27,426	1,025,448
2024 1st green medium-term notes (3 years)	2,500,000	April 2024	3 years	2.20%	2.21%	2,500,000	2,539,880	-	55,000	(373)	55,000	-	-	39,781	2,539,507
2024 2nd medium-term notes (20 years)	1,000,000	May 2024	20 years	2.74%	2.77%	1,000,000	1,016,096	-	27,400	(1,175)	27,400	-	-	17,716	1,014,921
2024 3th medium-term notes (10 years)	2,000,000	May 2024	10 years	2.68%	2.69%	2,000,000	2,033,806	-	53,600	(1,481)	53,600	-	-	33,775	2,032,325
2024 4th medium-term notes (15 years)	2,000,000	July 2024	15 years	2.50%	2.51%	2,000,000	2,024,659	-	50,000	(1,492)	50,000	-	-	24,658	2,023,167
2024 5th medium-term notes (15 years)	2,000,000	July 2024	15 years	2.54%	2.55%	2,000,000	2,024,090	-	50,800	(1,779)	50,800	-	-	24,078	2,022,311
2024 6th medium-term notes (15 years)	2,000,000	July 2024	15 years	2.44%	2.45%	2,000,000	2,021,249	-	48,800	(2,165)	48,800	-	-	21,258	2,019,084
2024 7th medium-term notes (10 years)	1,500,000	August 2024	10 years	2.26%	2.27%	1,500,000	1,513,617	-	33,900	(1,085)	33,900	-	-	13,560	1,512,532
2024 8th medium-term notes (10 years)	1,300,000	August 2024	10 years	2.36%	2.37%	1,300,000	1,311,730	-	30,680	(491)	30,680	-	-	11,684	1,311,239
2024 9th medium-term notes (3 years)	1,500,000	November 2024	3 years	2.09%	2.10%	1,500,000	1,503,540	-	31,350	(189)	31,350	-	-	3,607	1,503,351
2025 1st medium-term notes (10 years)	2,000,000	January 2025	10 years	2.00%	2.04%	2,000,000	-	2,000,000	38,575	(1,108)	-	-	-	38,575	2,037,467
2025 2nd medium-term notes (3 years)	2,000,000	February 2025	3 years	1.80%	1.81%	2,000,000	-	2,000,000	31,167	(121)	-	-	-	31,167	2,031,046
2025 3th medium-term notes (5 years)	2,000,000	March 2025	5 years	2.12%	2.14%	2,000,000	-	2,000,000	34,152	(449)	-	-	-	34,152	2,033,703
2025 11th medium-term notes (3 years)	1,500,000	June 2025	3 years	1.67%	1.69%	1,500,000	-	1,500,000	13,863	(93)	-	-	-	13,863	1,513,770
2025 12th medium-term notes (5 years)	2,000,000	July 2025	5 years	1.81%	1.82%	2,000,000	-	2,000,000	16,761	(98)	-	-	-	16,761	2,016,663
2025 1st Technology Innovation Corporate Bond (5 years)	2,500,000	November 2025	5 years	1.98%	1.99%	2,500,000	-	2,500,000	6,103	(1,150)	-	-	-	6,103	2,504,953
Huaneng Shandong MTN001	2,000,000	October 2025	3 years	1.95%	1.95%	2,000,000	-	2,000,000	7,583	-	-	-	-	7,583	2,007,583
Total	58,817,730					58,817,730	45,695,878	14,000,000	1,459,116	(10,200)	9,166,900	(153,729)	150,399	805,397	51,974,564

As at 31 December 2025, the Company provided guarantees for long-term bonds of approximately RMB2,109 million (31 December 2024: RMB4,313 million) of the Company's overseas subsidiary.

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## 25 LONG-TERM BONDS(CONTINUED)

The maturity profile of the Group's long-term bonds as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December	
	2025	2024
Within 1 year	<b>3,479,175</b>	9,797,896
After 1 year but within 2 years	<b>1,398,458</b>	2,375,746
After 2 years but within 5 years	<b>20,509,196</b>	14,324,627
After 5 years	<b>37,146,620</b>	28,369,300
Total	<b>62,533,449</b>	54,867,569

## 26 OTHER NON-CURRENT LIABILITIES

	As at 31 December	
	2025	2024
Government grants		
– Environmental subsidies (a)	<b>689,518</b>	825,583
– Other government grants	<b>804,744</b>	523,812
Contract liabilities	<b>3,208,562</b>	3,451,475
Repurchase obligation (b)	<b>873,727</b>	870,800
Other deferred income	<b>41,054</b>	50,521
Others (c)	<b>836,819</b>	833,552
Subtotal	<b>6,454,424</b>	6,555,743
Current portion of other non-current liabilities	<b>(8,399)</b>	(83,061)
Total	<b>6,446,025</b>	6,472,682

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### 26 OTHER NON-CURRENT LIABILITIES (CONTINUED)

- (a) This primarily represented subsidies for the construction of desulphurisation equipment and other environmental protection projects.
- (b) As at 31 December 2025, repurchase obligation to Hong Kong Asset Management amounted to RMB874 million (31 December 2024: RMB871 million).
- (c) As at 31 December 2025, included in others, there were financial liabilities amounting to RMB462 million (31 December 2024: RMB721 million), which were comprised of guarantee deposits, poverty relief payables, etc.

The maturity profile of the Group's other non-current financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December	
	2025	2024
Within 1 year	8,131	15,482
After 1 year but within 2 years	96,629	170,342
After 2 years but within 5 years	46,306	129,777
After 5 years	626,841	431,345
Total	777,907	746,946

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## 27 ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities comprised of:

	As at 31 December	
	2025	2024
Accounts and notes payables	21,295,392	19,174,888
Payables to contractors for construction	30,438,675	31,222,084
Retention payables to contractors	3,616,066	2,020,874
Refund of government subsidies*	—	1,500,000
Others	6,553,111	8,115,636
Total	61,903,244	62,033,482

- \* As at 31 December 2024, the amount payable for the refund of government subsidies was RMB1.5 billion, which represented the demolition and relocation compensation for Jining Power Plant and should be paid by a subsidiary of the Company, Huaneng Shandong Power Generation Co., Ltd. (“Shandong Power”) to Jining Municipal Government. In 2021, Shandong Power received the demolition and relocation compensation of RMB1.5 billion for Jining Power Plant, which was recorded as other non-current liabilities and amortised into other income in subsequent years. In 2024, Jining Municipal Government sent a letter of notice to Shandong Power about the proposed termination of the former agreement with Shandong Power with regards to the demolition and relocation of Jining Power Plant as it believed that the demolition and relocation of Jining Power Plant could not be achieved due to various reasons. Meanwhile, Jining Municipal Government also requested Shandong Power to return the previously received compensation of demolition and relocation of RMB1.5 billion. After friendly negotiations with Jining Municipal Government, the Company will refund the demolition and relocation compensation of RMB1.5 billion, of which RMB0.403 billion was offset against the balance of other non-current liabilities and RMB1.097 billion was offset against other income.

Please refer to Note 36(a)(iv) for details of accounts payable and other liabilities due to the related parties.

As at 31 December 2025 and 31 December 2024, the accounts and notes payables and other liabilities were non-interest-bearing.

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### 27 ACCOUNTS PAYABLE AND OTHER LIABILITIES (CONTINUED)

The carrying amounts of accounts payable and other liabilities are denominated in the following currencies:

	As at 31 December	
	2025	2024
RMB	58,691,600	58,530,352
S\$ (RMB equivalent)	1,361,648	1,642,594
US\$ (RMB equivalent)	770,958	923,792
JPY (RMB equivalent)	8,919	50,066
PKR (RMB equivalent)	1,069,858	886,298
HKD (RMB equivalent)	–	252
EUR (RMB equivalent)	246	114
GBP (RMB equivalent)	15	14
Total	61,903,244	62,033,482

The ageing analysis of accounts and notes payable, based on the invoice date, was as follows:

	As at 31 December	
	2025	2024
Within 1 year	20,987,292	18,710,816
Between 1 to 2 years	127,184	135,151
Over 2 years	180,916	328,921
Total	21,295,392	19,174,888

### 28 TAXES PAYABLE

Taxes payable comprise:

	As at 31 December	
	2025	2024
VAT payable	613,227	531,250
Income tax payable	906,138	872,057
Hong Kong Minimum top up tax payable	77,960	–
Others	1,163,982	831,976
Total	2,761,307	2,235,283

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## 29 SHORT-TERM BONDS

Outstanding short-term bonds as at 31 December 2025 are summarised as follows:

Type of Instruments	Face Value	Issuance Date	Maturity	Issue Price	Coupon Rate	Balance as at		Interest	Amortisation	Repayment	Balance as at
						31 December 2024	31 December 2025				
Super short-term bond (2024 11th)	4,000,000	November 2024	109 day	4,000,000	1.94%	4,010,921	-	12,331	(78)	(4,023,174)	-
Super short-term bond (2024 12th)	2,000,000	November 2024	91 day	2,000,000	1.92%	2,003,687	-	5,892	(5)	(2,009,574)	-
Super short-term bond (2024 13th)	2,000,000	December 2024	77 day	2,000,000	1.77%	2,002,502	-	4,946	20	(2,007,468)	-
Super short-term bond (2025 1st)	2,500,000	February 2025	95 day	2,500,000	1.97%	-	2,500,000	12,818	-	(2,512,818)	-
Super short-term bond (2025 2nd)	2,500,000	February 2025	92 day	2,500,000	2.03%	-	2,500,000	12,792	-	(2,512,792)	-
Super short-term bond (2025 3th)	3,000,000	May 2025	62 day	3,000,000	1.47%	-	3,000,000	7,491	-	(3,007,491)	-
Super short-term bond (2025 4th)	3,000,000	May 2025	63 day	3,000,000	1.50%	-	3,000,000	7,767	-	(3,007,767)	-
Super short-term bond (2025 5th)	3,000,000	July 2025	99 day	3,000,000	1.42%	-	3,000,000	11,555	-	(3,011,555)	-
Super short-term bond (2025 6th)	2,000,000	July 2025	99 day	2,000,000	1.43%	-	2,000,000	7,757	-	(2,007,757)	-
Super short-term bond (2025 7th)	2,000,000	August 2025	99 day	2,000,000	1.43%	-	2,000,000	7,757	-	(2,007,757)	-
Super short-term bond (2025 8th)	3,000,000	October 2025	92 day	3,000,000	1.46%	-	3,000,000	9,480	60	-	3,009,540
Super short-term bond (2025 9th)	3,000,000	October 2025	92 day	3,000,000	1.50%	-	3,000,000	9,493	94	-	3,009,587
Super short-term bond (2025 10th)	3,000,000	October 2025	92 day	3,000,000	1.53%	-	3,000,000	8,803	85	-	3,008,888
Super short-term bond (2025 11th)	3,000,000	October 2025	50 day	3,000,000	1.45%	-	3,000,000	5,959	-	(3,005,959)	-
Super short-term bond (JiangSu 2025 1st)	800,000	April 2025	30 day	800,000	1.63%	-	800,000	1,072	-	(801,072)	-
Super short-term bond (JiangSu 2025 2nd)	1,000,000	May 2025	38 day	1,000,000	1.47%	-	1,000,000	1,490	-	(1,001,490)	-
Super short-term bond (JiangSu 2025 3th)	1,000,000	June 2025	30 day	1,000,000	1.69%	-	1,000,000	1,389	-	(1,001,389)	-
Super short-term bond (JiangSu (2025 4th)	1,000,000	July 2025	30 day	1,000,000	1.45%	-	1,000,000	1,192	-	(1,001,192)	-
Super short-term bond (JiangSu 2025 5th)	1,000,000	August 2025	36 day	1,000,000	1.39%	-	1,000,000	1,371	-	(1,001,371)	-
Super short-term bond (JiangSu 2025 6th)		September 2025									
Super short-term bond (JiangSu 2025 7th)	800,000	2025	38 day	800,000	1.41%	-	800,000	1,174	-	(801,174)	-
Super short-term bond (JiangSu 2025 8th)	800,000	October 2025	37 day	800,000	1.43%	-	800,000	1,160	-	(801,160)	-
Super short-term bond (JiangSu 2025 8th)	1,000,000	November 2025	51 day	1,000,000	1.46%	-	1,000,000	1,440	-	-	1,001,440
Huaneng shandong SCP001		September 2025									
Huaneng shandong SCP002	1,000,000	2025	90 day	1,000,000	1.64%	-	1,000,000	4,089	-	(1,004,089)	-
25 Huaneng Zhejiang SCP001	1,000,000	December 2025	89 day	1,000,000	1.60%	-	1,000,000	614	-	-	1,000,614
25 Huaneng Zhejiang SCP002	500,000	2025	88 day	500,000	1.48%	-	500,000	1,521	-	(501,521)	-
25 Huaneng Zhejiang SCP002	500,000	December 2025	150 day	500,000	1.61%	-	500,000	463	-	-	500,463
Total				48,400,000		8,017,110	40,400,000	141,816	176	(37,028,570)	11,530,532

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### 30 SHORT-TERM LOANS

Short-term loans are as follows:

	As at 31 December 2025			As at 31 December 2024		
	Original currency	RMB equivalent	Annual interest rate	Original currency	RMB equivalent	Annual interest rate
<i>Secured</i>						
RMB						
– Fixed rate	477,612	477,612	0.55%-4.00%	144,499	144,499	0.62%-4.00%
– Variable rate	–	–	–	283,780	283,780	2.30%-2.80%
<i>Unsecured</i>						
RMB						
– Fixed rate	10,566,007	10,566,007	0.98%-2.6%	11,561,370	11,561,370	1.40%-3.15%
– Variable rate	50,888,110	50,888,110	1.25%-2.85%	49,176,259	49,176,259	1.70%-3.10%
Total		61,931,729			61,165,908	

As at 31 December 2025, no short-term loans were pledged loans formed by factoring accounts receivable (31 December 2024: RMB47 million). As at 31 December 2025, short-term loans of RMB458 million (31 December 2024: RMB47 million) represented the notes receivable that were discounted with recourse. As these notes receivable had not yet matured, the proceeds received were recorded as short-term loans. As at 31 December 2025, short-term loans of approximately RMB20 million were secured by future revenue right from the electricity business (31 December 2024: RMB32 million).

As at 31 December 2025, the Group had no short-term loans secured by certain equipment. (31 December 2024: short-term loans of approximately RMB302 million were secured by certain equipment with a net book value amounting to approximately RMB427 million.)

As at 31 December 2025, short-term loans borrowed from Huaneng Finance amounted to RMB10,729 million (31 December 2024: RMB9,354 million) with annual interest rates ranging from 1.95% to 2.45% (31 December 2024: from 1.90% to 2.65%). As at 31 December 2025, short-term loans borrowed from Tiancheng Financial Leasing amounted to RMB104 million (31 December 2024: RMB278 million) with annual interest rates ranging from 2.60% (31 December 2024: from 2.60% to 2.80%). As at 31 December 2025, no short-term loans borrowed from Huaneng Group (31 December 2024: RMB5 million) with annual interest rates (31 December 2024: 2.78%). As at 31 December 2025, short-term loans borrowed from Huaneng Yuncheng Commercial Factoring (Tianjin) Co., Ltd. amounted to RMB20 million (31 December 2024: RMB73 million) with annual interest rates ranging from 3.50% to 4.00% (31 December 2024: from 3.80% to 4.00%).

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## 31 DEFERRED INCOME TAX ASSETS AND LIABILITIES

The deferred income tax assets and liabilities are as follows:

	As at 31 December	
	2025	2024
Deferred income tax assets before offsetting	4,994,117	5,358,471
Offset amount	(2,497,444)	(2,203,371)
Deferred income tax assets after offsetting	2,496,673	3,155,100
Deferred income tax liabilities before offsetting	(5,148,186)	(5,213,386)
Offset amount	2,497,444	2,203,371
Deferred income tax liabilities after offsetting	(2,650,742)	(3,010,015)
	(154,069)	145,085

The gross movements in the deferred income tax accounts are as follows:

	For the year ended 31 December	
	2025	2024
Beginning of the year	145,085	1,556,961
Business combination	114	662
Charged to profit or loss (Note 33)	(403,774)	(1,392,388)
Credited/(Charged) to other comprehensive income	142,530	(33,848)
Currency translation differences	(38,024)	13,894
Others	–	(196)
End of the year	(154,069)	145,085

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## 31 DEFERRED INCOME TAX ASSETS AND LIABILITIES (CONTINUED)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdictions, are as follows:

Deferred income tax assets:

	Hedging reserve	Fair value losses	Amortisation of land use rights	Provision for impairment loss	Depreciation	Accrued expenses	VAT refunds on purchases of domestically manufactured equipment	Unused tax losses	Lease liabilities	Others	Total
<b>As at 1 January 2024</b>	91,427	154,853	3,689	612,839	739,324	21,296	26,519	3,030,149	863,821	744,829	6,288,746
Business combination	-	-	-	419	-	-	-	1,329	-	-	1,748
(Charged)/credited to profit or loss	-	-	(185)	(79,868)	(51,773)	(1,581)	(15,663)	(1,240,071)	345,283	123,919	(919,939)
(Charged)/credited to other comprehensive income	(47,099)	13,251	-	-	-	-	-	-	-	-	(33,848)
Currency translation differences	(792)	-	-	(279)	-	-	-	-	-	(258)	(1,329)
Others	-	-	-	-	-	-	-	-	23,093	-	23,093
<b>As at 31 December 2024 and 1 January 2025</b>	43,536	168,104	3,504	533,111	687,551	19,715	10,856	1,791,407	1,232,197	868,490	5,358,471
Business combination	-	-	-	114	-	-	-	-	-	-	114
(Charged)/credited to profit or loss	-	-	(324)	220,862	(53,487)	9,331	(6,531)	(495,167)	172,426	(356,185)	(509,075)
Credited to other comprehensive income	115,267	27,264	-	-	-	-	-	-	-	-	142,531
Currency translation differences	708	-	-	-	55	-	-	-	-	1,313	2,076
<b>As at 31 December 2025</b>	159,511	195,368	3,180	754,087	634,119	29,046	4,325	1,296,240	1,404,623	513,618	4,994,117

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## 31 DEFERRED INCOME TAX ASSETS AND LIABILITIES (CONTINUED)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdictions, are as follows: (Continued)

Deferred income tax liabilities:

	Fair value gains	Amortisation of land use rights	Depreciation	Power generation licence	Mining rights	Right-of-use asset	Others	Total
<b>As at 1 January 2024</b>	(4,968)	(653,612)	(2,253,489)	(733,127)	(162,012)	(863,235)	(61,342)	(4,731,785)
Business combination	-	-	(1,086)	-	-	-	-	(1,086)
Credited/(charged) to profit or loss	-	47,382	(174,402)	-	-	(331,687)	(13,742)	(472,449)
Currency translation differences	-	-	7,615	7,608	-	-	-	15,223
Others	-	-	-	-	-	(23,289)	-	(23,289)
<b>As at 31 December 2024 and 1 January 2025</b>	(4,968)	(606,230)	(2,421,362)	(725,519)	(162,012)	(1,218,211)	(75,084)	(5,213,386)
Credited/(charged) to profit or loss	-	21,098	124,272	-	-	(245,321)	205,251	105,300
Currency translation differences	-	-	(23,291)	-	-	-	(16,808)	(40,099)
<b>As at 31 December 2025</b>	(4,968)	(585,132)	(2,320,381)	(725,519)	(162,012)	(1,463,532)	113,359	(5,148,185)

As at 31 December 2025 and 2024, taxable temporary differences relating to interests in equity method investees amounted to RMB7.16 billion and RMB6.30 billion, respectively. No deferred tax liabilities were recognised as at 31 December 2025 and 2024 as dividends from investments in associates and joint ventures are exempted from the PRC income tax and the Company has no plan to dispose of any of these investees in the foreseeable future.

As at 31 December 2025 and 2024, taxable temporary differences relating to the interests in foreign subsidiaries amounted to RMB7.40 billion and RMB6.55 billion, respectively. No deferred tax liabilities were recognised in respect of the tax that would be payable on the distribution of these interests as at 31 December 2025 and 2024 as the Company controls the dividend policy of the subsidiaries, and it has been determined that it is probable that the interests will not be distributed in the foreseeable future, and the Company has no plan to dispose of any of these investees in the foreseeable future.

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### 31 DEFERRED INCOME TAX ASSETS AND LIABILITIES (CONTINUED)

In accordance with the accounting policy set out in Note 2(x), the Group did not recognise deferred income tax assets in respect of certain deductible temporary differences and accumulated tax losses that can be carried forward against future taxable income as follows:

	As at 31 December	
	2025	2024
Deductible temporary differences	23,493,374	21,789,655
Unused tax losses	27,576,254	29,984,836
Total	<u>51,069,628</u>	<u>51,774,491</u>

The expiry dates of the tax losses of the Group for which no deferred income tax assets were recognised are summarised as follows:

	As at 31 December	
	2025	2024
Year of expiry		
2025	–	1,612,918
2026	6,778,341	8,696,336
2027	11,581,460	11,958,341
2028	4,352,149	4,226,961
2029	2,544,297	3,490,280
2030	2,320,007	–
Total	<u>27,576,254</u>	<u>29,984,836</u>

### 32 ADDITIONAL FINANCIAL INFORMATION TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025, the net current liabilities of the Group amounted to approximately RMB83,312 million (31 December 2024: RMB82,438 million). On the same date, total assets less current liabilities were approximately RMB444,897 million (31 December 2024: RMB416,839 million).

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## 33 INCOME TAX EXPENSE

	For the year ended 31 December	
	2025	2024
Current income tax expense	3,520,221	2,422,705
Hong Kong minimum top-up tax	79,184	–
Deferred income tax (Note 31)	403,774	1,392,388
Total	4,003,179	3,815,093

No Hong Kong profits tax has been provided as there were no estimated assessable profits in Hong Kong in 2025 (2024: Nil).

The Company and its PRC branches and subsidiaries are subject to income tax at 25%, except for certain PRC branches and subsidiaries that are tax exempted or taxed at preferential tax rates, as determined in accordance with the relevant PRC income tax rules and regulations for the years ended 31 December 2025 and 2024.

Electricity income in Pakistan is entitled to an income tax exemption according to Income Tax Ordinance 2001, while other income is taxable. The tax liability of subsidiaries in Pakistan would be calculated at the highest of: (i) Normal tax at the rate of 29% of taxable profit ("**Normal tax**"); (ii) Alternative Corporate Tax (ACT) at the rate of 17% of accounting profit; and (iii) Turnover tax at 1.25% of Revenue ("**Turnover tax**"). If the income tax calculated is above Normal tax, it would be carried forward to subsequent years (i) 10 years for the portion of ACT exceeding Normal tax; (ii) 3 years for the portion of Turnover tax exceeding Normal tax. A super tax is levied on high earning persons ("**taxable income**"), with a tax rate of 0% to 10%, applicable on incomes defined in section 4C of Income Tax Ordinance 2001. The tax rate is 10% while income exceeds PKR 500 million.

The Company and its subsidiaries are subject to the global minimum top-up tax under the Pillar Two tax legislation effective from 1 January 2025 in Hong Kong. Under the legislation, the Company and its subsidiaries are liable to recognise top-up tax for the difference between their Global Anti-Base Erosion (GloBE) effective tax rate per each tax jurisdiction and 15 per cent minimum rate. The Company recognised current income tax expense of RMB79 million (2024: Nil) related to the top-up tax for the year ended 31 December 2025. For the year ended 31 December 2025, the effective tax rate for the Company's operations in Pakistan was below 15%. As the Pillar Two legislation had not yet been enacted in Pakistan in 2025, such tax was recognised by the immediate holding company of the Pakistan operations located in Hong Kong, in accordance with the Pillar Two regulations that took effect in Hong Kong on 1 January 2025.

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### 33 INCOME TAX EXPENSE (CONTINUED)

The reconciliation of the effective income tax rate from the notional income tax rate is as follows:

	For the year ended 31 December	
	2025	2024
PRC statutory enterprise income tax rate	25.00%	25.00%
Effect of different tax rates of certain subsidiaries	(7.71%)	(11.73%)
Utilisation of previously unrecognised tax losses and deductible temporary differences	(4.22%)	(3.16%)
Unrecognised tax losses for the year	2.89%	9.04%
Unrecognised deductible temporary differences	1.05%	3.95%
Effect of non-taxable income	(1.42%)	(1.71%)
Effect of non-deductible expenses	1.02%	1.12%
Effect of pillar two income tax expense	0.34%	–
Others	0.06%	(1.10%)
Effective tax rate	17.01%	21.41%

For the years ended 31 December 2025 and 31 December 2024, the effective tax rate was proportioned by income tax expense to profit before tax.

#### Pillar Two income taxes

The Company is within the scope of Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted as at 31 December 2025 in certain jurisdictions in which the Group operates.

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## 33 INCOME TAX EXPENSE (CONTINUED)

### Pillar Two income taxes (Continued)

Jurisdictional updates are as follows:

#### Singapore

On 31 December 2025, the Inland Revenue Authority of Singapore (“**IRAS**”) released a one-time registration form and explanatory notes for in-scope multinational enterprise (“**MNE**”) groups under the *Multinational Enterprise (Minimum Tax) Act 2024* (“**MMT Act**”). The one-time registration covers the multinational enterprise top-up tax (“**MTT**”), domestic top-up tax (“**DTT**”) and Global Anti-Base Erosion (“**GloBE**”) information return.

The Ultimate Parent Entity (“**UPE**”) must notify the IRAS of its registration liability by submitting the relevant group’s information through an online registration form. The online registration is scheduled to begin in May 2026. The registration form must be completed within six months after the end of the first fiscal year to which the MMT Act applies. For calendar year-end MNE groups, this means registration should be done between May (when the portal opens) and 30 June 2026. The UPE may appoint a Singapore Constituent Entity or local tax agent to submit the registration form on its behalf, supported by a letter of authorization.

A surcharge of 10% on the DTT and MTT (if applicable) may be imposed where an in-scope MNE group fails to notify the IRAS of its registration liability.

#### Hong Kong, China

On 6 June 2025, the Inland Revenue (Amendment) (Minimum Tax For Multinational Enterprise Groups) Ordinance 2025 was enacted to implement the Pillar Two of the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting – the Global Anti-Base Erosion Rules (‘Pillar Two model rules’) in HKSAR in which the Group operates. The new tax law is effective from 1 January 2025.

The new tax laws introduce a minimum top-up tax and are applicable to a subsidiary in the Group. A current tax expense of RMB79 million is recognised for the year ended 31 December 2025 (2024: RMBnil).

Following the exception required by IAS 12, the Group has not recognised deferred tax assets and liabilities, if any, related to Pillar Two income taxes.

#### Pakistan

As at 31 December 2025, the government of Pakistan has no indications to enact the Pillar Two legislation.

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### 34 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the consolidated net profit attributable to the equity holders of the Company excluding distribution of other equity instruments by the weighted average number of the Company's outstanding ordinary shares during the year:

	For the year ended 31 December	
	2025	2024
Consolidated net profit attributable to equity holders of the Company	<b>14,536,770</b>	10,184,633
Less: distribution of other equity instruments	<b>2,773,242</b>	2,924,430
Consolidated net profit attributable to ordinary shareholders of the Company	<b>11,763,528</b>	7,260,203
Weighted average number of the Company's outstanding ordinary shares ('000) *	<b>15,698,093</b>	15,698,093
Basic and diluted earnings per share (RMB)	<b>0.75</b>	0.46

\* Weighted average number of ordinary shares:

	For the year ended 31 December	
	2025 '000	2024 '000
Issued ordinary shares at 1 January	<b>15,698,093</b>	15,698,093
Weighted average number of ordinary shares at 31 December	<b>15,698,093</b>	15,698,093

There was no dilutive effect on earnings per share since the Company had no dilutive potential ordinary shares for the years ended 31 December 2025 and 2024..

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## 35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Bank balances and cash comprise the following:

	As at 31 December	
	2025	2024
Total bank balances and cash	<b>19,455,513</b>	19,932,035
Less: Restricted cash	<b>1,409,939</b>	1,330,929
Cash and cash equivalents as at year end	<b>18,045,574</b>	18,601,106

The bank balances and cash of the Group are denominated in the following currencies:

	As at 31 December	
	2025	2024
RMB	<b>15,784,638</b>	15,207,826
S\$ (RMB equivalent)	<b>1,211,547</b>	2,051,840
US\$ (RMB equivalent)	<b>375,877</b>	400,103
PKR (RMB equivalent)	<b>2,023,485</b>	2,243,139
Others	<b>59,966</b>	29,127
Total	<b>19,455,513</b>	19,932,035

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,185 million and RMB2,185 million, respectively, in respect of lease arrangements (2024: RMB4,436 million and RMB4,436 million).

The Group entered into investment agreements with a non-controlling interest in certain subsidiaries, Hong Kong Asset Management, which included repurchase obligations. During the year of 2024, in connection with the recognition and implementation of these repurchase obligation, treated as non-cash transactions, the Group's accounts payable and other liabilities were increased, while other capital reserves were decreased by RMB40 million. Meanwhile, the Group's other non-current liabilities were reduced, and retained earnings were increased by RMB394 million.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities 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:

Items	Loans (Notes 24, 30)	Bonds (Notes 25, 29)	Lease liabilities (Note 41)	Dividends payable
<b>As at 1 January 2025</b>	<b>244,944,388</b>	<b>53,712,988</b>	<b>8,100,590</b>	<b>428,446</b>
<b>(a) Business combination</b>	<b>3,624,065</b>	-	-	-
<b>(b) Changes from financing cash flows:</b>				
Proceeds from new bank loans	126,977,485	-	-	-
Repayment of bank loans	(127,414,706)	-	-	-
Proceeds from new bonds	-	54,400,000	-	-
Repayment of bonds	-	(44,635,969)	-	-
Payment of lease liabilities	-	-	(1,268,380)	-
Interest paid	(6,265,788)	(1,430,931)	-	-
Dividends paid to shareholders of the Company	-	-	-	(4,238,484)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	(2,413,866)
Others	(4,567)	(18,868)	-	(3)
<b>(c) Exchange adjustments</b>	<b>291,341</b>	<b>5,513</b>	<b>4,949</b>	-
<b>(d) Other changes:</b>				
New leases	-	-	2,185,075	-
Interest expenses	5,271,071	1,472,363	273,539	-
Capitalised borrowing costs	895,345	-	192,143	-
2024 dividends declared	-	-	-	6,516,420
Cumulative distribution of other equity instruments attributable to non-controlling interests	-	-	-	60,692
Early termination and reclassification	-	-	(1,722)	-
<b>As at 31 December 2025</b>	<b>248,318,634</b>	<b>63,505,096</b>	<b>9,486,194</b>	<b>353,205</b>

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## 35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities 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: (Continued)

Items	Loans (Notes 24, 30)	Bonds (Notes 25, 29)	Lease liabilities (Note 41)	Dividends payable
<b>As at 1 January 2024</b>	240,657,150	45,978,446	7,994,047	554,684
<b>(a) Business combination</b>	996,819	–	–	–
<b>(b) Changes from financing cash flows:</b>				
Proceeds from new bank loans	136,165,475	–	–	–
Repayment of bank loans	(133,313,925)	–	–	–
Proceeds from new bonds	–	61,600,000	–	–
Repayment of bonds	–	(54,000,000)	–	–
Payment of lease liabilities	–	–	(4,374,884)	–
Interest paid	(6,720,621)	(1,524,829)	–	–
Dividends paid to shareholders of the Company	–	–	–	(3,139,619)
Dividends paid to non-controlling interests of subsidiaries	–	–	–	(1,617,750)
Others	–	(26,199)	–	–
<b>(c) Exchange adjustments</b>	277,712	90,678	9,838	–
<b>(d) Other changes:</b>				
New leases	–	–	4,435,775	–
Interest expenses	5,855,193	1,594,892	296,106	–
Capitalised borrowing costs	827,488	–	44,304	–
2023 dividends declared	–	–	–	4,571,298
Cumulative distribution of other equity instruments attributable to non-controlling interests	–	–	–	59,833
Early termination and reclassification	199,097	–	(304,596)	–
<b>As at 31 December 2024</b>	<b>244,944,388</b>	<b>53,712,988</b>	<b>8,100,590</b>	<b>428,446</b>

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### 35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	For the year ended 31 December	
	2025	2024
Within financing activities*	1,268,380	4,374,884
Total	1,268,380	4,374,884

\* During the year, the principal portion of lease liabilities paid was RMB798 million (2024: RMB4,034 million).

### 36 RELATED PARTY BALANCES AND TRANSACTIONS

The related parties of the Group that had transactions with the Group are as follows:

Names of related parties	Nature of relationship
China Huaneng Group Fuel Co., Ltd. and its subsidiaries	An associate of the Company and also subsidiaries of Huaneng Group
China Huaneng Finance Co., Ltd.	An associate of the Company and also a subsidiary of Huaneng Group
Huaneng Clean Energy Research Institute	An associate of the Company and also a subsidiary of Huaneng Group
Huaneng Changjiang Environmental Protection Technology Co., Ltd.	An associate of the Company and also a subsidiary of Huaneng Group
Hebei Hanfeng Power Generation Co., Ltd.	An associate of the Company and also a subsidiary of Huaneng Group
Huaneng (Tianjin) Coal Gasification Power Generation Co., Ltd.	An associate of the Company and also a subsidiary of Huaneng Group
Huaneng Xiapu Nuclear Power Co., Ltd.	An associate of the Company and also a subsidiary of Huaneng Group
Huaneng Shidaowan Nuclear Power Development Co., Ltd.	An associate of the Company and also a subsidiary of Huaneng Group
Huaneng Tiancheng Financial Leasing Co., Ltd.	An associate of the Company and also a subsidiary of Huaneng Group
Shanghai Ruining Shipping Co., Ltd.	An associate of the Company and also a subsidiary of Huaneng Group
Huaneng Supply Chain Platform Technology Co., Ltd.	An associate of the Company and also a subsidiary of Huaneng Group
Shanxi Lu'an Group Zuoquan Wulihou Coal Industry Co., Ltd.	An associate of the Company
Chongqing Luoyu Environmental Protection Technology Co., Ltd.	An associate of the Company
Suzhou Sugao Renewables Service Co. Ltd.	An associate of the Company
Fujian Gulei Energy Technology Co. Ltd.	An associate of the Company
Chongqing Huaneng Stone Powder Co. Ltd.	An associate of the Company
Taiyuan Dongshan Petrochina Kunlun Gas Co., Ltd.	An associate of the Company
Liaocheng Jinshui Lake Water Supply Co., Ltd.	An associate of the Company
Wuhan Xingang Jiangbei Railway Co., Ltd.	An associate of the Company
Shanghai Time Shipping Co., Ltd.	A joint venture of the Company
Huaneng Yingkou Port Limited Liability Company	A joint venture of the Company
Jiangsu Nantong Power Co., Ltd.	A joint venture of the Company

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## 36 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

The related parties of the Group that had transactions with the Group are as follows: (continued)

Names of related parties	Nature of relationship
Jining Huayuan Thermal Power Co., Ltd.	A joint venture of the Company
Ruian Huaou Offshore Wind Power Co., Ltd.	An associate of the Company
Zhengzhou Airport Xinggang Electric Power Co., Ltd.	An associate of the Company
Shandong Luyi Power International Limited Company	A joint venture of the Company
Jilin Renewable Energy Investment and Development Co., Ltd.	A joint venture of the Company
Luyin (Shouguang) New Energy Co., Ltd.	An associate of the Company
Huaneng Renewables Corporation Limited and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Nuclear Power Development Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Green Coal Power Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng (Tianjin) Gasification Power Generation Co., Ltd.	A subsidiary of Huaneng Group
North United Power Corporation and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Lancangjiang Hydropower Co., Inc. and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Inner Mongolia Eastern Energy Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Shanxi Power Generation Limited and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Ningxia Energy Company Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Gansu Energy Development Company Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Tibet Yarlung Zangbo River Hydropower Development & Investment Company Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Energy & Communications Holdings Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Coal Business Sector Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
China Huaneng Group Fuel Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Capital Services and its subsidiaries	Subsidiaries of Huaneng Group
China Huaneng Finance Co., Ltd.	A subsidiary of Huaneng Group
China Huaneng Group Clean Energy Technology Research Institute Co., Ltd. (Consolidated) and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Real Estate Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
China Hua Neng Group Hong Kong Limited and its subsidiaries	Subsidiaries of Huaneng Group
Xi'an Thermal Power Research Institute Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Group Technology Innovation Center	A subsidiary of Huaneng Group
Beijing Changping Huaneng Training Center and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Caofeidian Port Co., Ltd.	A subsidiary of Huaneng Group
Hebi Hanfeng Power Generation Co., Ltd.	A subsidiary of Huaneng Group
Huaneng Tendering Co., Ltd.	A subsidiary of Huaneng Group
Huaneng Songyuan Power Co., Ltd.	A subsidiary of Huaneng Group
Huaneng (Dalian) Energy Technology Co., Ltd.	A subsidiary of Huaneng Group
China Huaneng Group Hong Kong Financial Management Holdings Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group

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### 36 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

The related parties of the Group that had transactions with the Group are as follows: (continued)

Names of related parties	Nature of relationship
Tianjin Huaneng Yangliuqing Thermal Power Industrial Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Gongrong No.1 (Tianjin) Equity Investment Fund Partnership (Limited Partnership)	A subsidiary of Huaneng Group
Huaneng Gongrong No.2 (Tianjin) Equity Investment Fund Partnership (Limited Partnership) and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Changjiang Environmental Protection Technology Co., Ltd. and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Nuclear Technology Research Institute Co., Ltd.	A subsidiary of Huaneng Group
Huaneng Jiangsu Energy Development Co., Ltd and its subsidiaries	Subsidiaries of Huaneng Group
Haining Huaneng Technology Innovation Venture Capital Partnership (Limited Partnership) and its subsidiaries	Subsidiaries of Huaneng Group
Huaneng Zhaocai Digital Technology Co., Ltd.	A subsidiary of Huaneng Group
Other government-related enterprises*	Related parties of the Company

\* Huaneng Group is a state-owned enterprise. In accordance with the revised IAS 24 Related Party Disclosures, government-related enterprises, other than entities under Huaneng Group, over which the PRC government has control, joint control or significant influence, are also considered as related parties of the Group ("**other government-related enterprises**").

The majority of the business activities of the Group are conducted with other government-related enterprises. For the purpose of the disclosure of the related party balances and transactions, the Group has established procedures to determine, to the extent possible, the identification of the ownership structure of its customers and suppliers as to whether they are government-related enterprises. However, many government-related enterprises have a multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatisation programs. Nevertheless, management believes that all material related party balances and transactions with other government-related enterprises have been adequately disclosed.

In addition to the related party information shown elsewhere in these consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and their related parties during the year and significant balances arising from related party transactions as at the year end.

All transactions with related parties were conducted at prices and on terms mutually agreed by the parties involved, and are based on normal commercial terms or better and with reference to the prevailing local market conditions.

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## 36 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

### (a) Related party balances

#### (i) Cash deposits in related parties

	As at 31 December	
	2025	2024
Deposits in Huaneng Finance		
– Savings deposits	<b>14,535,524</b>	14,471,065

For the year ended 31 December 2025, the annual interest rates for these savings deposits (as included in bank balances and cash) ranged from 0.15% to 1.95% (2024: from 0.35% to 2.75%).

- (ii) As described in Notes 24 and 30, certain loans of the Group were borrowed from Huaneng Group, Huaneng Finance, Tiancheng Financial Leasing, Huaneng Yuncheng Commercial Factoring (Tianjin) Co., Ltd, Hong Kong Asset Management and Shangdong Luyi International Electric Power Co., Ltd.
- (iii) Except for those disclosed in Notes 24 and 30, the majority of the balances with Huaneng Group, HIPDC, subsidiaries of Huaneng Group, associates, joint ventures and other related parties are unsecured and repayable within one year. As at and for the years ended 31 December 2025 and 2024, no provision was made on receivable balances from these parties.

Accounts receivable, other receivables and assets, property, plant and equipment and other non-current assets comprise the following balances due from related parties:

	As at 31 December	
	2025	2024
Due from Huaneng Group	<b>77,337</b>	129,051
Due from HIPDC	<b>701</b>	308
Due from associates	<b>188,338</b>	234,431
Due from joint ventures	<b>290,261</b>	405,448
Due from subsidiaries of Huaneng Group	<b>1,438,072</b>	1,314,222
Total	<b>1,994,709</b>	2,083,460

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### 36 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

#### (a) Related party balances (Continued)

(iv) Accounts payable and other liabilities, lease liabilities and other non-current liabilities comprise the following balances due to related parties:

	As at 31 December	
	2025	2024
Due to Huaneng Group	42,168	62,052
Due to HIPDC	4,413	3,006
Due to associates	52,464	248,981
Due to joint ventures	102,312	77,110
Due to subsidiaries of Huaneng Group	13,396,729	11,269,663
Total	13,598,086	11,660,812

(v) As at 31 December 2025, included in long-term loans (including current portion) and short-term loans are loans payable to other government-related financial institutions amounting to RMB248.3 billion (31 December 2024: RMB223.3 billion).

The balances with government-related enterprises also included substantially all the accounts receivable due from domestic power plants of government-related power grid companies, the bank deposits placed with government-related financial institutions as well as accounts payable and other payables arising from the purchases of coal and property, plant and equipment construction and related labour services provided by other government-related enterprises. Except for bank deposits, these balances are unsecured and the majority of the balances are receivable/repayable within one year.

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## 36 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

### (b) Related party transactions

#### (i) Procurement of goods and receiving services

	For the year ended 31 December	
	2025	2024
<b>Huaneng Group</b>		
Purchase of technical services, engineering contracting services and others	308	315
<b>Subsidiaries of Huaneng Group</b>		
Purchase of coal and transportation services	51,552,428	64,851,280
Purchase of technical services, engineering contracting services and others	2,245,258	2,754,030
Purchase of ancillary equipment and parts	1,193,331	948,339
Purchase of heat	134,430	129,245
Other purchases	129,964	103,035
Purchase of carbon emission reduction resources and related services	30,380	75,467
<b>Joint ventures of the Group</b>		
Purchase of coal and transportation services	325,439	648,221
Purchase of technical services, engineering contracting services and others	2,604	7,647
Purchase of equipment	1,047	–
Purchase of carbon emission reduction resources and related services	18,844	–
<b>Associates of the Group</b>		
Purchase of ancillary equipment and parts	–	16,472
Purchase of coal and transportation services	1,530,598	1,533,586

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### 36 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

#### (b) Related party transactions (Continued)

##### (ii) Sales of goods and providing services

	For the year ended 31 December	
	2025	2024
<b>Huaneng Group</b>		
Services provided	130,246	148,691
<b>HIPDC</b>		
Services provided	516	347
<b>Subsidiaries of Huaneng Group</b>		
Service provided	656,150	574,450
Sales of heat	80,168	53,071
Sales of coal and transportation services	2,362	7,365
Sales of carbon emission reduction resources and related services	164,045	11,840
Other sales	–	30
<b>Joint ventures of the Group</b>		
Service provided	147,116	118,465
Sales of coal and transportation services	443,158	641,953
<b>Associates of the Group</b>		
Sales of heat	44,865	49,018
Service provided	4,557	–
Other sales	–	8,066

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## 36 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

### (b) Related party transactions (Continued)

#### (iii) Other related party transactions

##### (1) Rental charge paid

Lessor name	Types of leased assets	Rental charges for short-term leases and leases of low-value assets for simplified processing (if applicable)		Rent paid		Assume interest expense on lease liability		Increase in right-of-use assets	
		For the year ended		For the year ended		For the year ended		For the year ended	
		31 December		31 December		31 December		31 December	
		2025	2024	2025	2024	2025	2024	2025	2024
HIPDC	Transmission and transformation facilities	47,947	47,947	-	-	-	-	-	-
HIPDC	Land	-	-	1,578	1,489	1,392	863	-	-
HIPDC	Office building	-	7,959	-	-	-	-	-	-
Huaneng Group	Office building	1,234	1,234	-	-	-	-	-	-
Subsidiaries of Huaneng Group	Office building	87,488	84,566	75,037	79,438	1,789	4,238	-	134
Subsidiaries of Huaneng Group	Mechanical equipment	423	58	-	-	-	-	-	-
Total		137,092	141,764	76,615	80,927	3,181	5,101	-	134

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### 36 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

#### (b) Related party transactions (Continued)

#### (iii) Other related party transactions (Continued)

	For the year ended 31 December	
	2025	2024
<b>(2) Rental income received</b>		
Huaneng Group	1,111	718
A joint venture of the Group	6,612	6,612
Subsidiaries of Huaneng Group	10,579	11,112
<b>(3) Net loans received from/(repaid to)</b>		
Huaneng Group	(65,950)	(1,749,800)
Subsidiaries of Huaneng Group	(1,359,174)	(3,906,631)
A joint venture of the Group	–	166,156
<b>(4) Interest expense on loans</b>		
Huaneng Group	17,823	10,315
Subsidiaries of Huaneng Group	439,477	734,057
A joint venture of the Group	10,513	–
<b>(5) Interest income on entrusted loans</b>		
A joint venture of the Group	–	3,531
Subsidiaries of Huaneng Group	384	–
<b>(6) Provide entrusted loans</b>		
Subsidiaries of Huaneng Group	59,900	–
<b>(7) Recover the entrusted loans</b>		
A joint venture of the Group	–	70,000
Subsidiaries of Huaneng Group	10,000	–
<b>(8) Disposal of equity interest in associate companies</b>		
Subsidiaries of Huaneng Group	5,657	–

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## 36 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

### (b) Related party transactions (Continued)

#### (iii) Other related party transactions (Continued)

	For the year ended 31 December	
	2025	2024
<b>(9) Capital injection from</b>		
Subsidiaries of Huaneng Group	<b>148,406</b>	125,496
<b>(10) Capital injection to</b>		
Subsidiaries of Huaneng Group	<b>18,000</b>	230,175
Associates of the Group	<b>191,700</b>	567,669
Joint ventures of the Group	<b>116,741</b>	465,575
<b>(11) Entrusted management fee</b>		
Huaneng Group	<b>12,284</b>	14,087
Subsidiaries of Huaneng Group	<b>61,408</b>	5,990
<b>(12) Trusteeship management income</b>		
Huaneng Group	<b>7,116</b>	6,019
Subsidiaries of Huaneng Group	<b>276,839</b>	174,293
Associates of the Group	<b>11,485</b>	2,390
Joint ventures of the Group	<b>25,321</b>	25,321
<b>(13) Interest expense on trust loans</b>		
Subsidiaries of Huaneng Group	<b>464,104</b>	418,579

### Transactions with government-related enterprises

For the years ended 31 December 2025 and 2024, apart from the overseas power segment, the Group sold substantially all its products to local government-related power grid companies. Please refer to Note 5 for details of sales information to major power grid companies.

For the years ended 31 December 2025 and 2024, other collectively-significant transactions with government-related enterprises also included a large portion of domestic fuel purchases, property, plant and equipment construction and related labour employed.

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### 36 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

#### (c) Balance of guarantees

	As at 31 December	
	2025	2024
Long-term loans guaranteed by		
– Subsidiaries of Huaneng Group	<b>18,108</b>	88,652

#### (d) Pre-tax benefits and social insurance of key management personnel

	For the year ended 31 December	
	2025	2024
Salaries	<b>5,879</b>	8,432
Pension	<b>1,160</b>	1,672
Total	<b>7,039</b>	10,104

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## 36 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

### (e) Related party commitments

Related party commitments which were contracted but not recognised in the consolidated statement of financial position as at the end of the reporting period are as follows:

#### (i) Capital commitments

	As at 31 December	
	2025	2024
Huaneng group	1,065	–
Subsidiaries of Huaneng Group	2,557,953	1,148,278
Associate of the Group	2,980	–

#### (ii) Fuel purchase and transportation commitments

	As at 31 December	
	2025	2024
Subsidiaries of Huaneng Group	2,984,802	5,059,690
A joint venture of the Group	85,103	142,192
Associates of the Group	833,861	764,976

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*(Amounts expressed in thousands of RMB)*

## 36 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

### (f) Applicability of the Listing Rules relating to connected transactions

The related party transactions with HIPDC, Huaneng Group and its subsidiaries in respect of the purchase of coal and transportation services, equipment, technical services and engineering contracting services, leasing rental and interest expenses incurred by the Group as disclosed in Note 36(b) constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are included in the section “Connected transactions” of the Directors’ Report of the Group for the year ended 31 December 2025.

## 37 LABOUR COST

Other than the salaries and staff welfare, the labour cost of the Group mainly comprises the following:

All PRC employees of the Group are entitled to a monthly pension upon their retirement. The PRC government is responsible for the pension liability to these employees on retirement. The Group is required to make contributions to the publicly administered retirement plan for its PRC employees at a specified rate, currently set at 14% to 16% (2024: 14% to 16%) of the basic salary of the PRC employees. The retirement plan contributions incurred by the Group for the year ended 31 December 2025 were approximately RMB1,755 million (2024: RMB1,636 million), including approximately RMB1,649 million (2024: RMB1,621 million) charged to profit or loss.

In addition, the Group has also implemented a supplementary defined contribution retirement scheme for PRC employees. Under this scheme, the employees are required to make a specified contribution based on the number of years of service with the Group, and the Group is required to make a contribution equal to two to four times the employees’ contributions. The employees will receive the total contributions upon their retirement. For the year ended 31 December 2025, the contributions to the supplementary defined contribution retirement scheme incurred by the Group amounted to approximately RMB1,022 million (2024: RMB935 million), including approximately RMB953 million (2024: RMB925 million) charged to profit or loss.

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## 37 LABOUR COST (CONTINUED)

SinoSing Power and its subsidiaries in Singapore appropriate at a specified rate, currently set at 7.5% to 17% (2024: 7.5% to 17%) of the basic salary to central provident funds in accordance with the local government regulations. The contributions made by SinoSing Power and its subsidiaries for the year ended 31 December 2025 amounted to approximately RMB32.43 million (2024: RMB28.26 million), all of which were charged to profit or loss.

The Group has no further obligation for post-retirement benefits beyond the annual contributions made above.

In addition, the Group also makes contributions of housing funds and social insurance to the social security institutions at specified rates of the basic salary and no more than the upper limit. The expenditures are allocated to the cost of assets or charged to profit or loss. The housing funds and social insurance contributions incurred by the Group amounted to approximately RMB1,582 million (2024: RMB1,449 million) and RMB1,505 million (2024: RMB1,405 million) for the year ended 31 December 2025 including approximately RMB1,426 million (2024: RMB1,433 million) and RMB1,408 million (2024: RMB1,344 million) charged to profit or loss, respectively.

### Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included one director (2024: one director) whose emoluments are reflected in the analysis presented in Note 38. The emoluments payable to the remaining four (2024: four) highest paid individuals during the year (within the range of RMB1.0 million to RMB2.0 million) are as follows:

	For the year ended 31 December	
	2025	2024
Basic salaries	1,152	883
Performance bonuses	3,912	5,129
Pension	873	814
Total	5,937	6,826

The remuneration disclosed above includes pre-tax salary income and the Group's contribution on pension insurance, enterprise annuity and housing funds and other items.

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### 38 DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

#### (a) Pre-tax benefits and social insurance of directors and supervisors

The remuneration of every director and supervisor of the Company for the year ended 31 December 2025 is set out below:

Name of director	Performance				Total
	Fees	Basic salaries	bonuses	Pension	
Mr. Wang Kui	–	55	76	35	166
Mr. Liu Ancang <sup>4</sup>	–	136	191	98	425
Mr. Wang zhijie <sup>1</sup>	–	–	304	–	304
Mr. Huang Lixin <sup>3</sup>	–	191	633	133	957
Mr. Wang Jianfeng	–	–	–	–	–
Mr. Cao Xin	–	–	–	–	–
Mr. Li Jin <sup>2</sup>	–	–	–	–	–
Mr. Gao Guoqin <sup>2</sup>	–	–	–	–	–
Mr. Ding Xuchun	–	–	–	–	–
Mr. Zhou Yi	–	–	–	–	–
Mr. Du Daming	–	–	–	–	–
Mr. Li Haifeng <sup>1</sup>	–	–	–	–	–
Mr. Li Lailong	–	–	–	–	–
Mrs. Kou Yaozhou <sup>6</sup>	–	–	–	–	–
Mr. Xia Qing	300	–	–	–	300
Mr. He Qiang	300	–	–	–	300
Mrs. Zhang Liying	300	–	–	–	300
Mr. Zhang Shouwen	300	–	–	–	300
Mrs. Dang Ying	300	–	–	–	300
Mr. Zhang Xianchong <sup>6</sup>	–	–	–	–	–
Sub-total	1,500	382	1,204	266	3,352
<b>Name of supervisor</b>					
Mr. Cao Shiguang <sup>5</sup>	–	–	–	–	–
Mrs. Kou Yaozhou <sup>5</sup>	–	–	–	–	–
Mr. Song Taiji <sup>5</sup>	–	–	–	–	–
Mr. Zhu Tong <sup>5</sup>	–	123	681	154	958
Mr. Xia Aidong <sup>5</sup>	–	–	–	–	–
Mr. Wang Yu <sup>5</sup>	–	114	566	143	823
Sub-total	–	237	1,247	297	1,781
Total	1,500	619	2,451	563	5,133

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 38 DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

### (a) Pre-tax benefits and social insurance of directors and supervisors (Continued)

The remuneration of every director and supervisor of the Company for the year ended 31 December 2024 is set out below:

Name of director	Fees	Basic salaries	Performance bonuses	Pension	Total
Mr. Wang Kui	–	–	–	–	–
Mr. Wang zhijie <sup>1</sup>	–	245	388	181	814
Mr. Huang Lixin <sup>3</sup>	–	282	1,129	213	1,624
Mr. Wang Jianfeng	–	–	–	–	–
Mr. Cao Xin	–	–	–	–	–
Mr. Ding Xuchun	–	–	–	–	–
Mr. Zhou Yi	–	–	–	–	–
Mr. Du Daming	–	–	–	–	–
Mr. Li Haifeng <sup>1</sup>	–	–	–	–	–
Mr. Li Lailong	–	–	–	–	–
Mr. Xia Qing	300	–	–	–	300
Mr. He Qiang	300	–	–	–	300
Mrs. Zhang Liying	300	–	–	–	300
Mr. Zhang Shouwen	300	–	–	–	300
Mrs. Dang Ying	300	–	–	–	300
Sub-total	1,500	527	1,517	394	3,938

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 38 DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

#### (a) Pre-tax benefits and social insurance of directors and supervisors (Continued)

The remuneration of every director and supervisor of the Company for the year ended 31 December 2024 is set out below: (Continued)

	Fees	Basic salaries	Performance bonuses	Pension	Total
<b>Name of supervisor</b>					
Mr. Cao Shiguang <sup>5</sup>	–	–	–	–	–
Mrs. Kou Yaozhou <sup>5</sup>	–	–	–	–	–
Mr. Song Taiji <sup>5</sup>	–	–	–	–	–
Mr. Zhu Tong <sup>5</sup>	–	175	932	199	1,306
Mr. Xia Aidong <sup>5</sup>	–	–	–	–	–
Mr. Wang Yu <sup>5</sup>	–	161	764	186	1,111
Sub-total	–	336	1,696	385	2,417
Total	1,500	863	3,213	779	6,355

1 Resigned on 29 April 2025

2 Appointed on 24 June 2025

3 Resigned on 28 July 2025

4 Appointed on 23 September 2025

5 Resigned on 23 September 2025

6 Appointed on 23 December 2025

During the year, no option was granted to the directors or the supervisors (2024: nil).

During the year, no emolument was paid to the directors or the supervisors (including the five highest paid employees) as an inducement to join or upon joining the Company or as compensation for loss of office (2024: nil).

No director or supervisor had waived or agreed to waive any emoluments during the years 2025 and 2024.

The remuneration of the Company's directors, supervisors and senior management disclosed above includes pre-tax salary income and the Group's contribution on pension insurance, enterprise annuity and housing funds and other items. The remuneration of independent directors is the pre-tax amount of independent directors' allowance.

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## 39 COMMITMENTS

### (a) Capital commitments

Capital commitments mainly relate to the construction of new power projects, certain ancillary facilities and renovation projects for existing power plants. Details of such commitments are as follows:

	As at 31 December	
	2025	2024
Contracted, but not provided	<b>61,354,000</b>	64,933,598

### (b) Fuel purchase commitments

As at 31 December 2025, the Group has entered into major fuel purchase commitment amounting to approximately RMB15.040 billion (31 December 2024: RMB16.608 billion).

The Group has entered into various long-term fuel supply agreements with various suppliers in securing fuel supply for various periods. All the agreements require minimum, maximum or forecasted volume purchases and subject to certain termination provisions. Related purchase commitments of natural gas are as follows:

	Periods	As at 31 December 2025	
		Purchase quantities	Estimated unit costs (RMB)
A government-related enterprise	2026	<b>6.02 million m<sup>3</sup>/month</b>	<b>2.61/m<sup>3</sup></b>
	2026	<b>4.08 million m<sup>3</sup>/month</b>	<b>2.87/m<sup>3</sup></b>
	2026	<b>9.64 million m<sup>3</sup>/month</b>	<b>2.61/m<sup>3</sup></b>
A government-related enterprise	2026	<b>33.19 million m<sup>3</sup>/year</b>	<b>2.91/m<sup>3</sup></b>
	2025-2035	<b>620.00 million m<sup>3</sup>/year*</b>	<b>2.85/m<sup>3</sup></b>
	2026	<b>48.72 million m<sup>3</sup>/month</b>	<b>2.87/m<sup>3</sup></b>
	2026	<b>65.05 million m<sup>3</sup>/month *</b>	<b>2.76/m<sup>3</sup></b>
A government-related enterprise	2026	<b>1.19 million m<sup>3</sup>/month *</b>	<b>2.50/m<sup>3</sup></b>
	2023-2026	<b>222 million m<sup>3</sup>/year *</b>	<b>2.66/m<sup>3</sup></b>
A government-related enterprise	2025-2028	<b>1,653.36 million m<sup>3</sup>/year</b>	<b>2.27-2.45/m<sup>3</sup></b>
A private enterprise	2026	<b>19,975 m<sup>3</sup>/year</b>	<b>3.24/m<sup>3</sup></b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 39 COMMITMENTS (CONTINUED)

#### (b) Fuel purchase commitments (Continued)

	Periods	As at 31 December 2025	
		Purchase quantities	Estimated unit costs (RMB)
Other suppliers	2026	107.16-127.16 BBtu**/day	appropriately 95,000/BBtu
	2027	107.16-127.16 BBtu**/day	appropriately 95,000/BBtu
	2028	107.16-131.40 BBtu**/day	appropriately 83,000/BBtu
	2029	60.00-102.40 BBtu**/day	appropriately 103,000/BBtu
	2030	60 BBtu**/day	appropriately 107,000/BBtu

\* The quantities represent the maximum volume, while others represent the minimum or forecasted volume if not specified.

\*\* BBtu: Billion British Thermal Unit.

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## 40 NON-CONTROLLING INTERESTS

The following table summarises the information relating to each subsidiary of the Group that has material non-controlling interests (“NCI”):

	Luohuang Power Generation	Beijing Thermal Power	Huagan (Tianjin) Energy	Tianjin Jingchu Power Technology	Ruijin Power Generation	Tianjin Yingchu Power	Shandong Power Generation	Liaoning Clean Energy	Huanmin (Tianjin) Energy	Longxing Power Technology
NCI percentage	40%	59%	80%	70.05%	50%	74.98%	20%	22.44%	80%	80%
31 December 2025										
Non-current assets	2,241,974	5,666,771	2,795,054	1,612,074	5,677,250	1,726,464	69,897,091	17,234,332	3,929,089	2,372,027
Current assets	1,517,038	1,302,040	1,213,986	529,104	866,355	616,538	17,518,832	2,425,816	1,411,638	688,149
Non-current liabilities	(112,519)	(182,330)	(21,165)	(1,917)	(2,461,503)	(23,619)	(25,771,909)	(10,275,522)	(12,797)	(17,142)
Current liabilities	(757,454)	(873,218)	(155,130)	(187,132)	(1,527,950)	(239,582)	(30,081,832)	(2,689,043)	(397,739)	(569,823)
Net assets	2,889,039	5,913,263	3,832,745	1,952,129	2,554,152	2,079,801	31,562,182	6,695,583	4,930,191	2,473,211
Carrying amount of NCI	1,134,598	3,488,857	3,512,428	1,693,096	1,254,645	1,622,734	18,752,831	1,665,053	3,736,689	2,013,164
Revenue	4,702,261	5,570,845	2,542,027	987,933	5,234,342	923,006	27,957,125	1,350,121	2,717,791	1,443,899
Net profit/(loss)	409,006	561,149	179,655	(16,851)	686,236	(20,090)	1,643,834	114,319	426,291	182,976
Total comprehensive income	409,006	561,149	179,655	(16,851)	686,236	(20,090)	1,400,918	114,319	426,291	182,976
Profit/(loss) allocated to NCI	163,602	331,078	143,722	(16,843)	305,429	(15,064)	1,029,133	30,027	417,869	146,456
Other comprehensive income allocated to NCI	102,552	-	-	5,040	37,689	-	(748,949)	(4,374)	(76,836)	(93)
Cash flows from operating activities	1,239,365	995,254	475,437	240,170	1,935,886	254,093	9,965,567	1,101,130	624,000	376,698
Cash flows from investing activities	(525,657)	(467,205)	(24,866)	(222,227)	(148,979)	(132,873)	(10,667,089)	(642,851)	(524,797)	(147,728)
Cash flows from financing activities	(677,450)	(521,002)	(219,250)	(62,092)	(1,815,514)	(37,539)	1,157,687	(341,319)	(224,726)	(158,919)
Net increase/(decrease) in cash and cash equivalents	36,258	7,047	(231,321)	(44,149)	(28,607)	83,681	456,165	116,960	(125,523)	70,051
Dividends paid to NCI	102,552	316,295	157,857	62,075	57,735	36,769	495,719	4,722	40,601	79,149

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

### 40 NON-CONTROLLING INTERESTS (CONTINUED)

The following table summarises the information relating to each subsidiary of the Group that has material NCI: (Continued)

	Shantou Lemen power	Tianjin Jitong power	Nanjing Rufeng power
NCI percentage	79.99%	79.88%	80%
31 December 2025			
Non-current assets	7,052,988	5,522,462	6,723,329
Current assets	215,332	440,647	3,560,319
Non-current liabilities	(83,130)	(5,843)	(97,619)
Current liabilities	(621,952)	(294,238)	(310,782)
Net assets	6,563,238	5,663,028	9,875,247
Carrying amount of NCI	5,178,434	4,997,413	8,383,278
Revenue	564,678	401,620	1,162,226
Net profit	188,875	117,728	506,331
Total comprehensive income	188,875	117,728	506,331
Profit allocated to NCI	187,770	115,814	506,167
Cash flows from operating activities	511,954	402,950	532,817
Cash flows from investing activities	(446,428)	(304,412)	(230,359)
Cash flows from financing activities	(99,884)	(110,422)	(170,000)
Net (decrease)/increase in cash and cash equivalents	(34,358)	(11,884)	132,458
Dividends paid to NCI	99,884	110,422	170,000

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FOR THE YEAR ENDED 31 DECEMBER 2025  
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## 40 NON-CONTROLLING INTERESTS (CONTINUED)

The following table summarises the information relating to each subsidiary of the Group that has material NCI: (Continued)

	Luohuang Power Generation	Beijing Thermal Power	Huagan (Tianjin) Energy	Tianjin Jingchu Power Technology	Ruijin Power Generation	Tianjin Yingchu Power	Shandong Power Generation	Liaoning Clean Energy	Huanmin (Tianjin) Energy	Longxing Power Technology
NCI percentage	40%	59%	80%	70.05%	50%	74.98%	20%	22%	80%	80%
31 December 2024										
Non-current assets	2,602,740	5,259,659	3,058,767	1,656,291	6,177,206	1,638,674	63,165,281	17,016,796	3,613,227	2,286,663
Current assets	1,573,918	1,651,596	1,029,834	562,953	1,245,053	692,108	18,011,584	2,201,949	1,542,759	643,924
Non-current liabilities	(463,568)	(152,166)	(22,509)	(2,129)	(2,742,063)	(25,630)	(24,811,737)	(9,878,534)	(13,666)	(21,403)
Current liabilities	(976,676)	(870,880)	(200,597)	(186,060)	(1,821,433)	(176,142)	(26,030,293)	(2,762,235)	(413,694)	(489,800)
Net assets	2,736,414	5,888,209	3,865,495	2,031,055	2,858,763	2,129,010	30,334,835	6,577,976	4,728,626	2,419,384
Carrying amount of NCI	1,094,565	3,474,043	3,092,411	1,422,775	1,429,382	1,596,341	18,949,189	1,599,761	3,782,928	1,935,529
Revenue	5,491,807	5,459,648	2,780,640	1,312,483	5,612,961	1,137,699	33,636,118	1,110,030	3,043,496	1,470,679
Net profit/(loss)	281,526	544,821	117,592	68,001	646,985	(3,887)	1,343,438	(71,584)	355,487	168,320
Total comprehensive income	281,526	544,821	117,592	68,001	646,985	(3,887)	1,498,570	(71,584)	355,487	168,320
Profit/(loss) allocated to NCI	112,610	321,444	94,072	47,635	323,493	(2,916)	967,224	(11,419)	284,390	134,658
Other comprehensive income allocated to NCI	-	-	-	-	-	-	95,536	-	-	-
Cash flows from operating activities	900,678	809,856	501,280	235,870	1,589,189	122,992	7,937,907	213,856	738,976	397,405
Cash flows from investing activities	(338,865)	(389,141)	(287,505)	(139,831)	(263,308)	(631,636)	(8,038,707)	(1,754,481)	(440,390)	(212,120)
Cash flows from financing activities	(577,671)	(472,149)	(229,473)	(48,805)	(1,304,570)	477,582	516,373	1,603,718	(187,100)	(76,488)
Net (decrease)/increase in cash and cash equivalents	(15,858)	(51,434)	(15,698)	47,234	21,311	(31,062)	415,573	63,093	111,486	108,797
Dividends paid to NCI	58,703	278,568	126,315	48,805	-	3,889	261,912	72,167	182,537	65,383

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

### 40 NON-CONTROLLING INTERESTS (CONTINUED)

The following table summarises the information relating to each subsidiary of the Group that has material non-controlling interests ("NCI"): (Continued)

	Shantou Lemen power	Tianjin Jitong power	Nanjing Rufeng power
NCI percentage	79.99%	79.88%	80%
31 December 2024			
Non-current assets	7,229,948	5,492,265	7,108,340
Current assets	298,479	513,437	2,912,671
Non-current liabilities	(85,908)	(5,876)	(98,599)
Current liabilities	(968,272)	(344,104)	(383,495)
Net assets	6,474,247	5,655,722	9,538,917
Carrying amount of NCI	5,178,798	4,565,669	7,631,171
Revenue	589,451	671,671	1,276,478
Net profit	419,887	340,137	558,597
Total comprehensive income	419,887	340,137	558,597
Profit allocated to NCI	335,801	278,817	446,887
Cash flows from operating activities	484,747	635,854	583,982
Cash flows from investing activities	(3,718,059)	(3,715,730)	(5,237,740)
Cash flows from financing activities	3,252,913	3,081,547	4,691,823
Net increase in cash and cash equivalents	19,601	1,671	38,065
Dividends paid to NCI	–	–	3,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
(Prepared in accordance with IFRS Accounting Standards)  
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## 41 LEASES

### The Group as a lessee

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

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Right-of-use assets					Total
	Buildings	Electric utility plant in service	Trans- portation facilities	Land use rights*	Others	
<b>As at 1 January 2025</b>	<b>3,234,861</b>	<b>1,556,744</b>	<b>209,414</b>	<b>17,447,885</b>	<b>2,233,238</b>	<b>24,682,142</b>
Additions	1,000,539	472,590	71,623	2,779,371	525,616	4,849,739
Depreciation charge	(306,746)	(190,852)	(19,101)	(680,696)	(110,337)	(1,307,732)
Disposals/write-off	(5,638)	(10,010)	–	(63,073)	(72,374)	(151,095)
Early termination	(1,650)	–	–	–	–	(1,650)
Currency translation differences	638	73	(3,980)	18,791	1,378	16,900
Impairment	–	–	–	(25,648)	–	(25,648)
<b>As at 31 December 2025</b>	<b>3,922,004</b>	<b>1,828,545</b>	<b>257,956</b>	<b>19,476,630</b>	<b>2,577,521</b>	<b>28,062,656</b>
<b>As at 1 January 2024</b>	2,314,456	2,468,992	220,408	14,542,335	1,478,470	21,024,661
Additions	1,158,357	–	886	3,718,615	844,171	5,722,029
Acquisition	354	–	–	29,447	–	29,801
Depreciation charge	(233,006)	(192,365)	(14,770)	(633,252)	(88,795)	(1,162,188)
Disposals/write-off	(4,162)	(492,021)	–	(56,024)	–	(552,207)
Early termination	–	(214,638)	–	(145,380)	–	(360,018)
Currency translation differences	3,420	(35)	2,890	(7,856)	(608)	(2,189)
Impairment	(4,558)	(13,189)	–	–	–	(17,747)
<b>As at 31 December 2024</b>	<b>3,234,861</b>	<b>1,556,744</b>	<b>209,414</b>	<b>17,447,885</b>	<b>2,233,238</b>	<b>24,682,142</b>

\* As at 31 December 2025, the Group was in the process of applying to the government for the certificates of use rights for certain land use rights with an aggregate net book value of RMB47.99 million (31 December 2024: RMB66.80 million). Management is of the opinion that the Group is entitled to the lawful and valid occupation and use of the abovementioned land. There have been no litigations, claims or assessments against the Group for compensation with respect to the use of these land use rights as at the date of approval of the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

### 41 LEASES (CONTINUED)

#### The Group as a lessee (Continued)

##### (b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	For the year ended 31 December	
	2025	2024
Carrying amount at 1 January	8,100,590	7,994,047
New leases	2,185,075	4,435,775
Accretion of interest recognised during the year	465,682	340,410
Currency translation differences	4,949	9,838
Payments	(1,268,380)	(4,374,884)
Early termination and reclassification	(1,722)	(304,596)
Carrying amount at 31 December	9,486,194	8,100,590
Analysed into:		
Current portion	646,756	670,924
Non-current portion	8,839,438	7,429,666

The maturity profile of the Group's lease liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December	
	2025	2024
Within 1 year	897,177	937,403
After 1 year but within 2 years	890,628	852,207
After 2 years but within 3 years	755,171	710,154
After 3 years	10,590,420	8,831,519
Subtotal	13,133,396	11,331,283
Unrecognised finance fees	(3,647,202)	(3,230,693)
Total	9,486,194	8,100,590

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 41 LEASES (CONTINUED)

### The Group as a lessee (Continued)

#### (b) Lease liabilities (Continued)

The amounts recognised in profit or loss in relation to leases are as follows:

	For the year ended 31 December	
	2025	2024
Interest on lease liabilities	273,539	296,106
Depreciation charge of right-of-use assets	1,299,105	1,091,219
Expense relating to short-term leases	417,293	529,444
Expense relating to leases of low-value assets	2,009	1,055
Total amount recognised in profit or loss	1,991,946	1,917,824

#### (c) Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. As at 31 December 2025, there were neither extension options that the Group does not expect to exercise nor significant termination options that the Group expects to exercise.

#### (d) Variable lease payments

The Group does not have variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

#### (e) The total cash outflow for leases is disclosed in Note 35 to the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

## 41 LEASES (CONTINUED)

### The Group as a lessor

#### (a) Finance lease

The Group's finance lease is mainly related to Ruyi Pakistan Energy, SinoSing Power and Shandong Energy Engineering.

Ruyi Pakistan Energy entered into a power purchase agreement with CPPA-G to sell all of the electricity produced with a regulated tariff mechanism approved by the Pakistan National Electric Power Regulatory Authority. In accordance with the power purchase agreement and tariff mechanism, almost all the risks and rewards in relation to the power assets were in substance transferred to CPPA-G and therefore the assets were accounted for as a finance lease to CPPA-G.

SinoSing Power entered into infrastructure lease arrangements with Neste Oil Singapore Pte Ltd., which constituted a finance lease.

Shandong Energy Engineering entered into a contract energy management agreement for the BOT model with Huaneng Lijin Wind Power Co., Ltd. and Huaneng Zhongdian Weihai Wind Power Co., Ltd., which constituted a finance lease of new energy wind turbine blade transformation assets.

Total finance lease income recognised by the Group for the year ended 31 December 2025 was RMB1,138 million (2024: RMB1,335 million).

As at 31 December 2025, the maturity analysis of the Group's finance lease receivables is as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
Within 1 year	<b>1,186,431</b>	2,293,667
After 1 year but within 2 years	<b>2,126,702</b>	2,251,835
After 2 years but within 3 years	<b>881,247</b>	2,202,755
After 3 years but within 4 years	<b>780,684</b>	1,961,330
After 4 years but within 5 years	<b>780,684</b>	920,802
After 5 years	<b>14,386,998</b>	13,281,285
Total undiscounted finance lease payments	<b>20,142,746</b>	22,911,674
Unearned finance income	<b>(13,247,752)</b>	(14,740,620)
Allowance for ECL	<b>(12,672)</b>	(5,896)
Total finance lease receivables as at 31 December (Notes 15 and 17)	<b>6,882,322</b>	8,165,158

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
 (Prepared in accordance with IFRS Accounting Standards)  
 (Amounts expressed in thousands of RMB)

## 41 LEASES (CONTINUED)

### The Group as a lessor (Continued)

#### (b) Operating lease

The Group leases certain property, plant and equipment under operating lease arrangements. Rental income recognised by the Group for the year ended 31 December 2025 was RMB85 million (2024: RMB77 million).

As at 31 December 2024 and 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	As at 31 December	
	2025	2024
Within 1 year	14,575	9,164
After 1 year but within 2 years	13,539	8,536
After 2 years but within 3 years	7,500	7,500
After 3 years but within 4 years	7,500	7,500
After 4 years but within 5 years	–	7,500
Total	43,114	40,200

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

## 42 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	As at 31 December	
	2025	2024
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	19,608,992	21,088,659
Right-of-use assets	1,582,214	1,548,338
Investments in associates and joint ventures	12,449,403	12,431,403
Investments in subsidiaries	158,767,904	151,949,205
Loans to subsidiaries	12,071,840	11,982,594
Investment property	124,684	130,011
Other equity instrument investment	338,427	447,482
Deferred income tax assets	186,904	170,424
Goodwill	106,854	106,854
Other non-current assets	28,992,938	28,831,223
<b>Total non-current assets</b>	<b>234,230,160</b>	<b>228,686,193</b>
<b>Current assets</b>		
Inventories	1,561,573	1,867,699
Other receivables and assets	1,917,156	2,613,173
Accounts receivable	2,901,351	3,476,879
Loans to subsidiaries	434,426	549,595
Bank balances and cash	582,228	875,099
<b>Total current assets</b>	<b>7,396,734</b>	<b>9,382,445</b>
<b>Total assets</b>	<b>241,626,894</b>	<b>238,068,638</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	15,698,093	15,698,093
Capital surplus	25,466,919	25,559,490
Other equity instruments	77,538,362	80,170,696
Surplus reserves	8,140,030	8,140,030
Reserve funds	192,019	131,410
Retained earnings	17,840,890	17,721,281
<b>Total equity</b>	<b>144,876,313</b>	<b>147,421,000</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
 (Prepared in accordance with IFRS Accounting Standards)  
 (Amounts expressed in thousands of RMB)

## 42 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	As at 31 December	
	2025	2024
<b>EQUITY AND LIABILITIES (Continued)</b>		
<b>Non-current liabilities</b>		
Long-term loans	4,184,655	5,123,192
Long-term bonds	45,874,839	35,087,605
Lease liabilities	41,728	26,973
Other non-current liabilities	234,000	319,077
<b>Total non-current liabilities</b>	<b>50,335,222</b>	<b>40,556,847</b>
<b>Current liabilities</b>		
Accounts payable and other liabilities	5,728,235	6,009,695
Contract liabilities	785,152	609,739
Taxes payable	275,067	207,171
Short-term bonds	9,028,015	8,017,110
Short-term loans	26,543,904	22,082,549
Current portion of long-term loans	2,038,640	7,433,863
Current portion of long-term bonds	1,977,540	5,727,268
Current portion of lease liabilities	3,396	3,396
Current portion of other non-current liabilities	35,410	–
<b>Total current liabilities</b>	<b>46,415,359</b>	<b>50,090,791</b>
<b>Total liabilities</b>	<b>96,750,581</b>	<b>90,647,638</b>
<b>Total equity and liabilities</b>	<b>241,626,894</b>	<b>238,068,638</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

*(Prepared in accordance with IFRS Accounting Standards)*

*(Amounts expressed in thousands of RMB)*

## 43 SUBSEQUENT EVENTS

On 24 March 2026, the Board of Directors proposed a cash dividend of RMB0.40 (inclusive of tax) for each ordinary share amounting to RMB6,279 million for the year of 2025. This proposal is subject to the approval of the shareholders at the annual general meeting.

Except that, up to the annual report date, there was no other significant subsequent event.

## 44 CONTINGENT LIABILITIES

Disputes over responsibilities for damage caused by vessel collision over the 400MW Offshore Wind Power Project of Shengdong Rudong Offshore Windpower Co., Ltd. (“Shengdong Rudong”).

Shengdong Rudong, a subsidiary of the Company, was in charge of the construction and operation of a 400MW Offshore Wind-power Project. As stipulated by the construction contract signed between Shengdong Rudong and CCCC Third Harbor Engineering Bureau Co., Ltd. (“CCCC Third Harbor Bureau”) on 18 April 2019, CCCC Third Harbor Bureau was responsible for the construction of the offshore wind farm and related construction safety management. On 1 August 2019, a vessel chartering contract was signed between CCCC Third Harbor Bureau and Nantong Ocean Water Construction Engineering Co., Ltd. (“Nantong Water Construction”). As stipulated by the contract, Vessel “Wen Qiang 8”, which was owned by Nantong Water Construction, would be chartered by CCCC Third Harbor Bureau as the construction operation vessel. During the chartering period, Nantong Water Construction was responsible for the safety of Vessel “Wen Qiang 8” and the security of the personnel on board.

On 22 September 2019, in order to evade typhoon, Vessel “Wen Qiang 8” anchored nearby the 32# wind turbine pile foundation of Shengdong Rudong 400MW Offshore Wind-farm located around Nantong coastal area. Affected by strong wind, violent waves and big tides, the anchor steel cable was broken, leading to dragging-of-anchor of Vessel “Wen Qiang 8”, and collision with the pipeline bridge of land-island access of Nantong Gang Yangkou Port. The pipeline bridge, bearing line pipes, and Vessel “WenQiang 8” all suffered damages from this collision accident, constituting a relatively large level of water traffic accident.

The above accident has resulted in three lawsuits, with the litigation claiming amount being approximately RMB703 million in total. Shengdong Rudong, together with other several entities, were joint defendants. The second court hearing has been held by the court in December 2023, according to the situation of prior two court hearings, considering the large amount of litigation, and joint defendants may benefit the limitation of liability for maritime claims, etc., a provision of RMB70 million was recognised in other operating expenses in 2023 by Shengdong Rudong.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025  
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*(Amounts expressed in thousands of RMB)*

## 44 CONTINGENT LIABILITIES (CONTINUED)

In April 2024, the Shanghai Maritime Court made a first-instance judgement in this case, ruling that Shengdong Rudong had no liability. The plaintiff, dissatisfied with the first-instance judgement, filed an appeal for a second-instance trial. In September 2024, the Shanghai Higher People's Court made a second-instance judgement, ruling to dismiss the appeal and uphold the original judgement.

In May 2025, Shengdong Rudong received materials such as the retrial application and the response notice.

In August 2025, the Supreme People's Court of the People's Republic of China issued a civil ruling, dismissing the plaintiff's retrial application.

In November 2025, the plaintiff filed a protest application with the Shanghai People's Procuratorate.

On 22 January 2026, Shengdong Rudong received a notice of acceptance from the Shanghai People's Procuratorate, and the case has entered the review stage.

Shengdong Rudong believes that there are still significant uncertainties surrounding the case at present and therefore will not reverse the provision recognised in 2023.

## RECONCILIATION OF FINANCIAL STATEMENTS BETWEEN PRC GAAP AND IFRS ACCOUNTING STANDARDS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB unless otherwise stated)

The consolidated financial statements, which have been prepared by the Group in conformity with Accounting Standards for Business Enterprises (“PRC GAAP”), differ in certain respects from those of IFRS Accounting Standards. The major impact of adjustments for IFRS Accounting Standards, on the net consolidated profit and equity attributable to equity holders of the Company, is summarised as follows:

	Consolidated profit attributable to equity holders of the Company For the year ended 31 December		Total equity attributable to equity holders of the Company As at 31 December	
	2025	2024	2025	2024
<b>Consolidated net profit/equity attributable to equity holders of the Company under PRC GAAP</b>	<b>14,409,554</b>	10,135,494	<b>142,468,648</b>	137,414,785
<b>Impact of IFRS Accounting Standards adjustments:</b>				
Differences in accounting treatment on business combinations under common control, depreciation, amortisation, disposal and impairment of assets acquired in business combinations under common control (a)	<b>(638,946)</b>	(601,352)	<b>3,869,225</b>	4,508,171
Difference on depreciation related to borrowing costs capitalised in previous years (b)	<b>(2,620)</b>	(5,815)	<b>29,205</b>	31,825
Difference on reserve funds (c)	<b>507,019</b>	378,689	–	–
Others	<b>25,123</b>	(36,349)	<b>(515,196)</b>	(510,868)
Applicable deferred income tax impact on the GAAP differences above (d)	<b>134,388</b>	161,473	<b>3,636,479</b>	3,502,091
Profit/equity attributable to non-controlling interests on the adjustments above	<b>102,252</b>	152,493	<b>(936,087)</b>	(1,151,675)
<b>Consolidated net profit/equity attributable to equity holders of the Company under IFRS Accounting Standards</b>	<b>14,536,770</b>	10,184,633	<b>148,552,274</b>	143,794,329

## RECONCILIATION OF FINANCIAL STATEMENTS BETWEEN PRC GAAP AND IFRS ACCOUNTING STANDARDS

For the year ended 31 December 2025

(Amounts expressed in thousands of RMB unless otherwise stated)

### **(a) Differences in accounting treatment on business combinations under common control and depreciation, amortisation, disposal and impairment under common control**

Huaneng Group is the parent company of HIPDC, which in turn is also the ultimate parent of the Company. The Company has carried out a series of acquisitions from Huaneng Group and HIPDC in recent years. As the acquired power companies and plants and the Company were under common control of Huaneng Group before and after the acquisitions, such acquisitions were regarded as business combinations under common control.

In accordance with PRC GAAP, for business combinations under common control, the assets and liabilities acquired in business combinations are measured at the carrying amounts of the acquirees in the consolidated financial statements of the ultimate controlling party on the acquisition date. The difference between the carrying amounts of the net assets acquired and the consideration paid is adjusted to the equity account of the acquirer. The operating results for all periods presented are retrospectively restated as if the current structure and operations resulting from the acquisition had been in existence since the beginning of the earliest year presented, with financial data of previously separate entities consolidated. The cash consideration paid by the Company is treated as an equity transaction in the year of acquisition. The subsequent adjustment of contingent consideration after the acquisition date is also accounted for as an equity transaction.

For business combinations occurred prior to 1 January 2007, in accordance with the previous PRC GAAP, when equity interests acquired were less than 100%, the assets and liabilities of the acquirees were measured at their carrying amounts. The excess of the consideration over the proportionate share of the carrying amounts of the net assets acquired was recorded as an equity investment difference and amortised on a straight-line basis for not more than 10 years. When acquiring the entire equity, the entire assets and liabilities are accounted for in a manner similar to purchase accounting. Goodwill arising from such transactions was amortised over the estimated useful lives on a straight-line basis. On 1 January 2007, in accordance with PRC GAAP, the unamortised equity investment differences and goodwill arising from business combinations under common control were written off against undistributed profits.

Under IFRS Accounting Standards, the Company and its subsidiaries have adopted the purchase method to account for the acquisitions above. The assets and liabilities acquired in acquisitions were recorded at fair value by the acquirer. The excess of the acquisition cost over the proportionate share of fair value of net identifiable assets acquired was recorded as goodwill. Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses. The operating results of the acquirees are consolidated in the operating results of the Company and its subsidiaries from the acquisition dates onwards. The contingent consideration not classified as equity is measured at fair value at each reporting date with the changes in fair value recognised in profit or loss, if such changes are not measurement period adjustments.

As mentioned above, the differences in the accounting treatment under PRC GAAP and IFRS Accounting Standards on business combinations under common control affect both equity and profit. Meanwhile, due to different measurement bases of the assets acquired, depreciation and amortisation in the period subsequent to the acquisition will be affected which will also affect the equity and profit or loss upon subsequent disposals and impairment of such investments. Such differences will be gradually eliminated following subsequent depreciation, amortisation and disposal of the related assets.

## RECONCILIATION OF FINANCIAL STATEMENTS BETWEEN PRC GAAP AND IFRS ACCOUNTING STANDARDS

For the year ended 31 December 2025

*(Amounts expressed in thousands of RMB unless otherwise stated)*

### **(b) Effect of depreciation on the capitalisation of borrowing costs in previous years**

In previous years, under the previous PRC GAAP, the scope of capitalisation of borrowing costs was limited to specific borrowings, and thus, borrowing costs arising from general borrowings were not capitalised. In accordance with IFRS Accounting Standards, the Company and its subsidiaries capitalised borrowing costs on general borrowings used for the purpose of obtaining qualifying assets in addition to the capitalisation of borrowing costs on specific borrowings. From 1 January 2007 onwards, the Company and its subsidiaries adopted PRC GAAP No.17 prospectively. The current adjustments represent the related depreciation on capitalised borrowing costs included in the cost of the related assets under IFRS Accounting Standards in previous years.

### **(c) Effect of reserve funds**

Reserve funds represent safety funds. In accordance with PRC GAAP, appropriation of safety funds is recognised in profit or loss and to reserve funds. In accordance with IFRS Accounting Standards, unutilised safety funds are treated as appropriation from retained earnings to reserve funds and the relevant expenses are recognised in profit or loss only when it is incurred.

### **(d) Deferred income tax impact on GAAP differences**

This represents related deferred income tax impact on the GAAP differences above where applicable.



華能國際電力股份有限公司

Huaneng Power International, Inc.