



華電國際電力股份有限公司

HUADIAN POWER INTERNATIONAL CORPORATION LIMITED

Stock Code: 1071

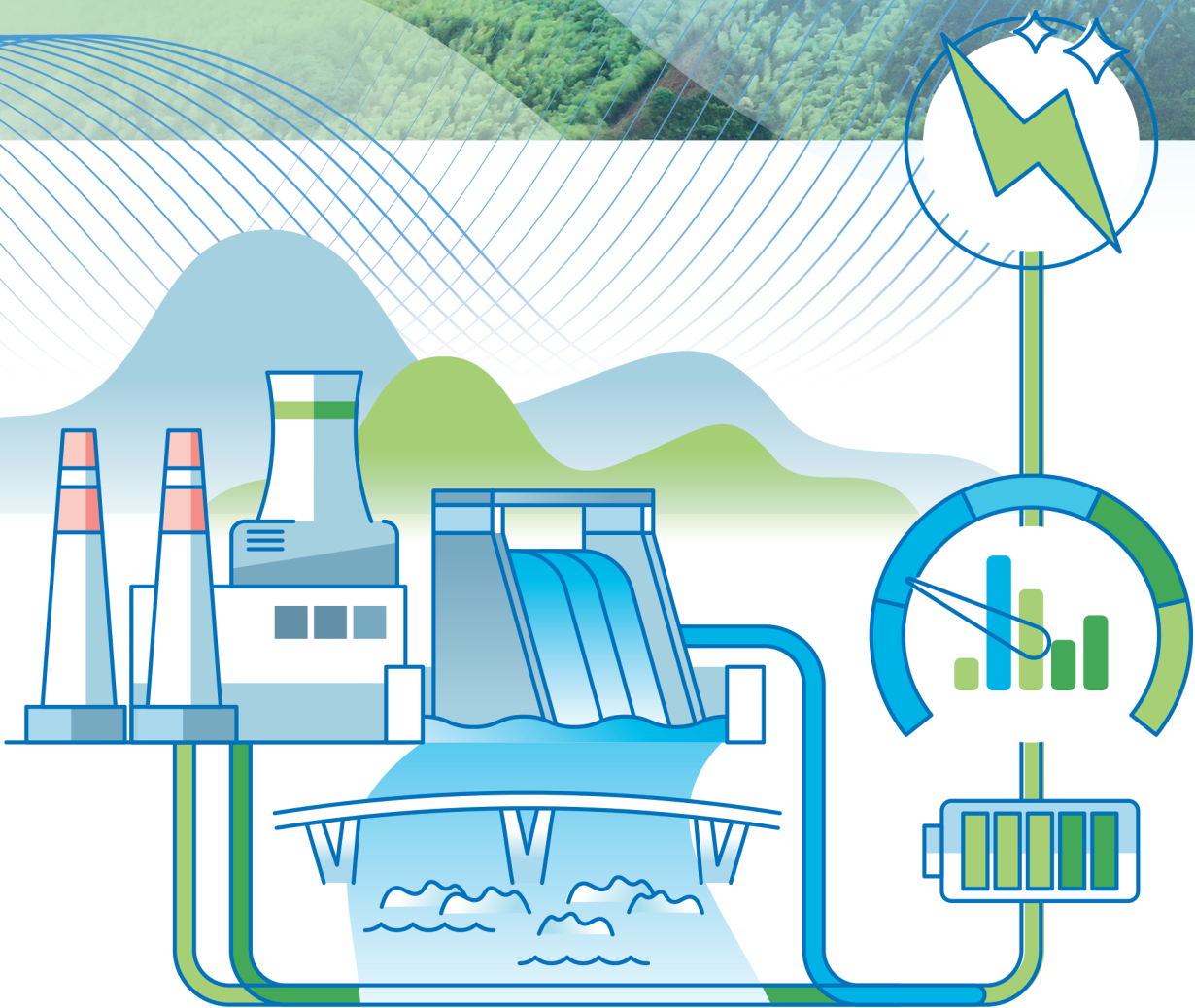
2025

ANNUAL REPORT



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COMPANY PROFILE

Huadian Power International Corporation Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) are one of the largest comprehensive energy companies in the People’s Republic of China (the “**PRC**”), primarily engaged in the construction and operation of power plants, including large-scale efficient coal- or gas-fired generating units and hydropower projects. The Group’s controlled power generating assets in operation are located in 15 provinces, autonomous regions and municipalities across the PRC at the prime location, mainly in the electricity and heat load centres or regions with abundant coal resources.

As of the end of the reporting period, the Group had a total of 55 controlled power generation enterprises which have commenced operations involving a total of 77,924.288 MW controlled installed capacity, primarily including 54,380 MW attributable to coal-fired generating units, 21,072.708 MW attributable to gas-fired generating units, 2,459 MW attributable to hydropower generating units and 12.58 MW attributable to solar power generating units for own use. The coal-fired generating units of the Group account for approximately 69.77% of its controlled installed capacity, while clean energy generating units such as gas-fired generating units and hydropower generating units accounts for approximately 30.23%.

The Company was incorporated in Jinan, Shandong Province, the PRC on 28 June 1994. On 30 June 1999, the Company issued approximately 1,431 million H shares in its initial public offering, and such H shares are listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). On 3 February 2005, the Company successfully issued 765 million A shares in the PRC, and such A shares are listed on the Shanghai Stock Exchange (“**SSE**”). Subsequently, on 1 December 2009, 3 July 2012 and 18 July 2014, the Company issued 750 million, 600 million and 1,150 million A shares, respectively, each through a non-public issuance, and all such A shares are listed on the SSE. On 30 July 2014, the Company issued approximately 286 million H shares by way of placing, and such H shares are listed on the Hong Kong Stock Exchange. On 8 September 2015, the Company issued approximately 1,056 million A shares by way of non-public issuance, and such A shares are listed on the SSE. On 28 September 2021, the Company issued approximately 6.8816 million A shares and 14,701,590 convertible corporate bonds by way of non-public issuance, and such A shares and convertible corporate bonds are listed on the SSE. On 1 June 2023, the Company completed the conversion of 14,701,590 convertible corporate bonds into 358 million A shares and such A shares are listed on the SSE. On 23 June 2025 and 22 August 2025, the Company issued 679 million and 705 million A shares, respectively, each through a non-public issuance, and all such A shares are listed on the SSE. Currently, the Company’s total share capital is 11,611,774,184 shares, including 9,894,540,584 A shares and 1,717,233,600 H shares, accounting for approximately 85.21% and 14.79%, respectively, of the current total share capital of the Company. As of 31 December 2025, the total number of regular employees of the Group amounted to 30,595.

Details of the Group’s major operational power generating assets as of the end of the reporting period are as follows:

(1) DETAILS OF CONTROLLED THERMAL POWER GENERATING UNITS ARE AS FOLLOWS:

Category	Company name	Installed capacity (MW)	Equity interest held by the Company	Generating units	
	1	Zouxian Plant	2,610	100%	2 x 635 MW + 4 x 335 MW
	2	Shiliquan Plant	1,980	100%	2 x 660 MW + 2 x 330 MW
	3	Laicheng Plant	1,340	100%	4 x 335 MW
	4	Fengjie Plant ^(Note 3)	1,200.9	100%	2 x 600 MW + 0.9 MW
	5	Huadian Zouxian Power Generation Company Limited (“ Zouxian Company ”)	2,030	69%	1 x 1,000 MW + 1 x 1,030 MW
Thermal power	6	Huadian Laizhou Power Generation Company Limited (“ Laizhou Company ”)	4,100	75%	2 x 1,050 MW + 2 x 1,000 MW
	7	Huadian Weifang Power Generation Company Limited (“ Weifang Company ”)	2,000	64.29%	2 x 670 MW + 2 x 330 MW
	8	Huadian Qingdao Power Generation Company Limited (“ Qingdao Company ”) ^(Note 4)	2,281.08	55%	2 x 505.54 MW + 1 x 330 MW + 2 x 320 MW + 1 x 300 MW

COMPANY PROFILE (CONTINUED)

Category	Company name	Installed capacity (MW)	Equity interest held by the Company	Generating units
	9 Huadian Zibo Thermal Power Company Limited ("Zibo Company")	950	100%	2 x 330 MW + 2 x 145 MW
	10 Huadian Zhangqiu Power Generation Company Limited ("Zhangqiu Company")	670	87.50%	2 x 335 MW
	11 Huadian Jinan Zhangqiu Thermal Power Company Limited ("Zhangqiu Thermal Power")	1,003.3	70%	2 x 501.65 MW
	12 Huadian Tengzhou Xinyuan Thermal Power Company Limited ("Tengzhou Company")	1,000	93.26%	2 x 350 MW + 2 x 150 MW
	13 Huadian Longkou Power Generation Co., Ltd. ("Longkou Company")	1,320	100%	2 x 660 MW
	14 Huadian Hubei Power Generation Company Limited ("Hubei Company") <i>(Note 1, 3)</i>	6,886.5	82.56%	2 x 680 MW + 2 x 660 MW + 2 x 640 MW + 7 x 330 MW + 2 x 185 MW + 2 x 122.8 MW + 0.9 MW
	15 Anhui Huadian Lu'an Power Generation Company Limited ("Lu'an Company")	1,320	95%	2 x 660 MW
	16 Anhui Huadian Suzhou Power Generation Company Limited ("Suzhou Company")	1,260	97%	2 x 630 MW
	17 Anhui Huadian Wuhu Power Generation Company Limited ("Wuhu Company")	2,320	65%	1 x 1,000 MW + 2 x 660 MW
	18 Hebei Huadian Shijiazhuang Yuhua Thermal Power Company Limited ("Yuhua Company")	600	20.80%	2 x 300 MW
	19 Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited ("Luhua Company") <i>(Note 3)</i>	661	18.74%	2 x 330 MW + 1 MW
	20 Hebei Huadian Shijiazhuang Thermal Power Company Limited ("Shijiazhuang Thermal Power") <i>(Note 3, 4)</i>	1,311.65	82%	2 x 453.6 MW + 2 x 200 MW + 4.45 MW
Thermal power	21 Shijiazhuang Huadian Heat Corporation Limited ("Shijiazhuang Heat")	12.55	100%	2 x 4.275 MW + 2 x 2 MW
	22 Huadian Xinxiang Power Generation Company Limited ("Xinxiang Company")	1,320	20.53%	2 x 660 MW
	23 Huadian Luohe Power Generation Company Limited ("Luohe Company")	660	79.11%	2 x 330 MW
	24 Huadian Qudong Power Generation Company Limited ("Qudong Company")	660	20.79%	2 x 330 MW
	25 Sichuan Guang'an Power Generation Company Limited ("Guang'an Company")	2,400	80%	2 x 600 MW + 4 x 300 MW
	26 Tianjin Huadian Fuyuan Thermal Power Company Limited ("Fuyuan Company") <i>(Note 3)</i>	400.49	100%	2 x 200 MW + 0.49 MW
	27 Tianjin Huadian Nanjiang Thermal Power Company Limited ("Nanjiang Company")	930	65%	2 x 315 MW + 1 x 300 MW
	28 Tianjin Development Area Branch Company of Huadian Power International Corporation Limited ("Tianjin Development Area Branch Company")	510	100%	3 x 170 MW
	29 Guangdong Huadian Pingshi Power Generation Company Limited ("Pingshi Company")	600	100%	2 x 300 MW
	30 Guangdong Huadian Shaoguan Thermal Power Company Limited ("Shaoguan Company")	700	100%	2 x 350 MW
	31 Shantou Huadian Power Generation Company Limited ("Shantou Company")	1,360	51%	2 x 680 MW
	32 Guangdong Huadian Shenzhen Energy Company Limited ("Shenzhen Company")	365	100%	1 x 120 MW + 2 x 82 MW + 1 x 81 MW

COMPANY PROFILE (CONTINUED)

Category	Company name	Installed capacity (MW)	Equity interest held by the Company	Generating units
	33 Huadian Foshan Energy Company Limited ("Foshan Company")	329	90%	4 x 59 MW + 1 x 47.5 MW + 1 x 45.5 MW
	34 Guangdong Huadian Qingyuan Energy Company Limited ("Qingyuan Company")	1,003.2	100%	2 x 501.6 MW
	35 Guangdong Huadian Huizhou Energy Company Limited ("Huizhou Company")	1,070	100%	2 x 535 MW
	36 Guangzhou University City Huadian New Energy Company Limited ("University City Company") (Note 3)	185.74	55.0007%	2 x 78 MW + 3 x 9.78 MW + 0.4 MW
	37 Huadian Fuxin Guangzhou Energy Company Limited ("Guangzhou Company")	1,338.6	55%	2 x 669.3 MW
	38 Huadian Fuxin Jiangmen Energy Company Limited ("Jiangmen Company")	230	70%	2 x 115 MW
	39 Huadian Fuxin Qingyuan Energy Company Limited ("Qingyuan Energy")	75	100%	1 x 75 MW
	40 Shuozhou Thermal Power Branch Company of Huadian Power International Corporation Limited ("Shuozhou Thermal Power Branch Company") (Note 3)	701.2	100%	2 x 350 MW + 1.2 MW
	41 Hunan Huadian Changsha Power Generation Company Limited ("Changsha Company")	1,200	70%	2 x 600 MW
	42 Hunan Huadian Changde Power Generation Company Limited ("Changde Company")	1,320	48.98%	2 x 660 MW
	43 Hunan Huadian Pingjiang Power Generation Company Limited ("Pingjiang Company")	2,000	100%	2 x 1,000 MW
Thermal power	44 Hangzhou Huadian Banshan Power Generation Company Limited ("Banshan Company")	2,415	64%	3 x 415 MW + 3 x 390 MW
	45 Hangzhou Huadian Xiasha Thermal Power Company Limited ("Xiasha Company")	246	56%	1 x 88 MW + 2 x 79 MW
	46 Hangzhou Huadian Jiangdong Thermal Power Company Limited ("Jiangdong Company") (Note 6)	960.5	51%	2 x 480.25 MW
	47 Huadian Zhejiang Longyou Thermal Power Company Limited ("Longyou Company")	405	100%	1 x 130.3 MW + 2 x 127.6 MW + 1 x 19.5 MW
	48 Shanghai Huadian Fuxin Energy Company Limited ("Shanghai Company")	26.4	51%	6 x 4.4 MW
	49 Shanghai Huadian Minhang Energy Company Limited ("Minhang Company") (Note 3)	188.86	100%	2 x 60 MW + 2 x 33.7 MW + 1.46 MW
	50 Jiangsu Huadian Energy Company Limited ("Jiangsu Company") (Note 2, 3, 4, 5)	13,747.818	80%	4 x 1000 MW + 2 x 660 MW + 2 x 494.6 MW + 4 x 475 MW + 2 x 426 MW + 4 x 390 MW + 2 x 330 MW + 1 x 310 MW + 5 x 220 MW + 2 x 200 MW + 2 x 180 MW + 2 x 50 MW + 2 x 40 MW + 3 x 31.607 MW + 1 x 15.134 MW + 1 x 5.383 MW + 1.28 MW
	51 CHD Guigang Electric Power Company Limited ("Guigang Company")	1,260	100%	2 x 630 MW

COMPANY PROFILE (CONTINUED)

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

Category	Company name	Installed capacity (MW)	Shareholding percentage of Hubei Company	Generating units
	Huadian Hubei Power Generation Company Limited Huangshi Thermal Power Plant ("Huangshi Thermal Power")	330	100%	1 x 330 MW
	Hubei Xisaishan Power Generation Company Limited ("Xisaishan Company")	660	50%	2 x 330 MW
Coal-fired generating	Hubei Huadian Xisaishan Power Generation Company Limited ("Xisaishan Power Generation")	1,360	50%	2 x 680 MW
	Hubei Huadian Xiangyang Power Generation Company Limited ("Xiangyang Company")	2,600	60.10%	2 x 640 MW + 4 x 330 MW
	Hubei Huadian Jiangling Power Generation Company Limited ("Jiangling Company")	1,320	20.80%	2 x 660 MW
Gas-fired generating	Huadian Hubei Power Generation Company Limited Wuchang Thermal Power Branch Company ("Wuchang Thermal Power")	370	100%	2 x 185 MW
	Hubei Huadian Xiangyang Gas Turbine Thermal Power Company Limited ("Xiangyang Thermal Power")	246.5	51.01%	2 x 122.8 MW + 0.9 MW

Note 2: Details of the major installed generating units of Jiangsu Company are as follows:

Category	Company name	Installed capacity (MW)	Shareholding percentage of Jiangsu Company	Generating units
	Jiangsu Huadian Energy Company Limited Jurong Power Generation Branch Company ("Jiangsu Jurong Company")	2,000	100%	2 x 1,000 MW
	Jiangsu Huadian Jurong Power Generation Company Limited ("Huadian Jurong Company")	2,000	51.72%	2 x 1,000 MW
Coal-fired generating	Shanghai Huadian Electric Power Development Company Limited Wangting Power Generation Branch Company ("Shanghai Wangting Company")	2,619.2	100%	2 x 660 MW + 2 x 494.6 MW + 1 x 310 MW
	Jiangsu Huadian Yihua Thermal Power Company Limited ("Yihua Company")	100	51%	2 x 50 MW
	Jiangsu Huadian Qishuyan Power Generation Company Limited ("Qishuyan Company")	2,130	41.5%	2 x 475 MW + 2 x 390 MW + 2 x 200 MW
	Jiangsu Huadian Wangting Natural Gas Power Generation Company Limited ("Jiangsu Wangting Company")	780	55%	2 x 390 MW
	Jiangsu Huadian Wujiang Thermal Power Company Limited ("Wujiang Company")	360	19.38%	2 x 180 MW
	Jiangsu Huadian Yangzhou Power Generation Company Limited ("Yangzhou Company")	1,610	55.29%	2 x 475 MW + 2 x 330 MW
Gas-fired generating	Jiangsu Huadian Kunshan Thermal Power Company Limited ("Kunshan Company")	852	60%	2 x 426 MW
	Jiangsu Huadian Yizheng Thermal Power Company Limited ("Yizheng Company")	660	23.26%	3 x 220 MW
	Jiangsu Huadian Jinhu Energy Company Limited ("Jinhu Company")	80	48.46%	2 x 40 MW
	Jiangsu Huadian Tongzhou Thermal Power Company Limited ("Tongzhou Company")	440	65%	2 x 220 MW
	Jiangsu Huadian Yangzhou Zhongran Energy Company Limited ("Zhongran Energy")	115.338	56.23%	3 x 31.607 MW + 1 x 15.134 MW + 1 x 5.383 MW

COMPANY PROFILE (CONTINUED)

Note 3: The 0.9 MW generating units of Fengjie Plant, the 0.9 MW generating units of Xiangyang Thermal Power controlled by Hubei Company, the 1.0 MW generating units of Luhua Company, the 3.0 MW generating units of Shijiazhuang Thermal Power, the 0.49 MW generating units of Fuyuan Company, the 0.4 MW generating units of University City Company, the 1.2 MW generating units of Shuozhou Thermal Power Branch Company, the 1.46 MW generating units of Minhang Company, and the 1.28 MW generating units of Jiangsu Huadian Energy Sales Co., Ltd. controlled by Jiangsu Company are photovoltaic generating units for own use.

Note 4: Within the generating units of Qingdao Company, two 505.54 MW units are gas-fired generating units, and other units are coal-fired generating units; within the generating units of Shijiazhuang Thermal Power, two 200 MW units are coal-fired generating units, and other units are gas-fired generating units; within the generating units of Yangzhou Company controlled by Jiangsu Company, two 330 MW units are coal-fired generating units, and other units are gas-fired generating units; within the generating units of Shanghai Wangting Company controlled by Jiangsu Company, two 494.6 MW units are gas-fired generating units, and other units are coal-fired generating units.

Note 5: Within the generating units of Qishuyan Company, in which Jiangsu Company holds 41.5% of the shares, two 200 MW gas-fired generating units are owned by Jiangsu Huadian Qishuyan Thermal Power Company Limited, in which it holds 51% of the shares.

Note 6: Jiangdong Company is the target company of the Group's public REITs project. The public fund raises funds by offering fund units, of which the Company subscribes for 51% of the fund units. The public fund uses the raised funds to subscribe for asset-backed securities and establishes an asset-backed special purpose vehicle (SPV) plan. The SPV plan injects capital into the SPV through methods such as paid-in capital contributions, capital increase, and shareholder's loans. The SPV utilizes these funds to acquire 100% of the equity of Jiangdong Company. Jiangdong Company then conducts a reverse absorption merger with the SPV, ultimately resulting in the asset-backed SPV plan directly holding the equity of Jiangdong Company.

(2) DETAILS OF CONTROLLED HYDROPOWER GENERATING UNITS ARE AS FOLLOWS:

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

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

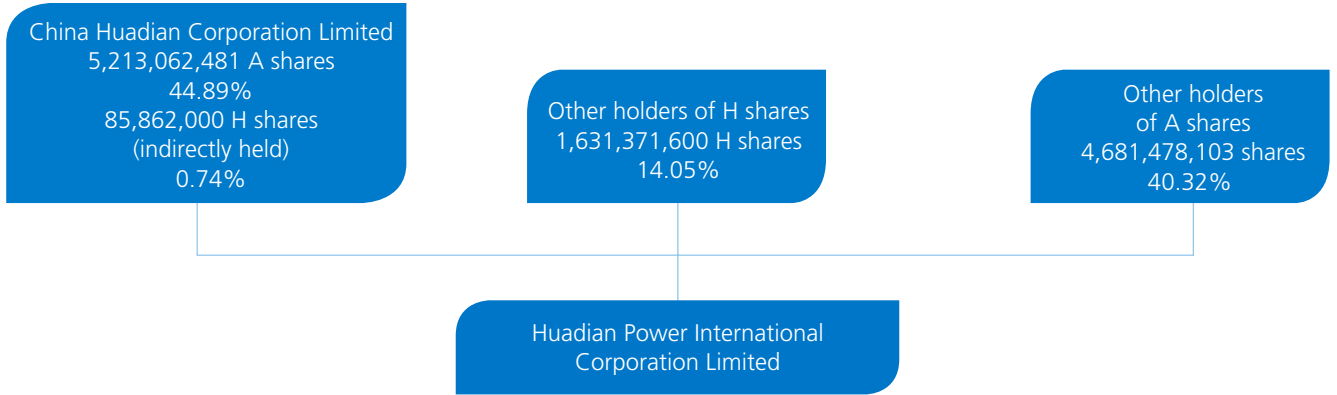
Category	Company name	Installed capacity (MW)	Shareholding percentage of Sichuan Power Investment	Generating units
	Lixian Xinghe Power Company Limited ("Lixian Company")	67	100%	3 x 11 MW + 4 x 8.5 MW
Hydropower	Sichuan Liangshan Shuiluohe Hydropower Development Company Limited ("Shuiluohe Company")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

Note 2: 0.5 MW generating units of Hebei Hydropower are photovoltaic generating units for own use.

COMPANY PROFILE (CONTINUED)

SHAREHOLDING STRUCTURE

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



CHAIRMAN'S STATEMENT



Dear Shareholders,

In 2025, the Group earnestly implemented the decisions and arrangements made by the Board of Directors (the “**Board**”) of the Company, and spared no effort in pursuing business operations, ensuring implementation and strengthening management. As a result, all work progressed steadily with sound momentum, and the annual targets and tasks were fully accomplished, which marked a successful conclusion of the 14th Five-Year Plan period and propelled our high-quality development to a new level.

In terms of results of operations, the operating revenue of the Group was approximately RMB126,013 million; the net profit attributable to shareholders of the parent company was approximately RMB6,070 million; the basic earnings per share were approximately RMB0.49. Upon further auditing, the power generation amounted to 262.27 million MWh, representing a decrease of approximately 7.15% compared with the figures for the same period of the previous year after retrospective adjustment; the volume of on-grid power sold amounted to 246.45 million MWh, representing a decrease of approximately 7.09% compared with the figures for the same period of the previous year after retrospective adjustment. The heat supply amounted to 220 million GJ. As at the end of the year, the liabilities to assets ratio was 61.36%, remaining at the excellent level among listed companies in the same industry.

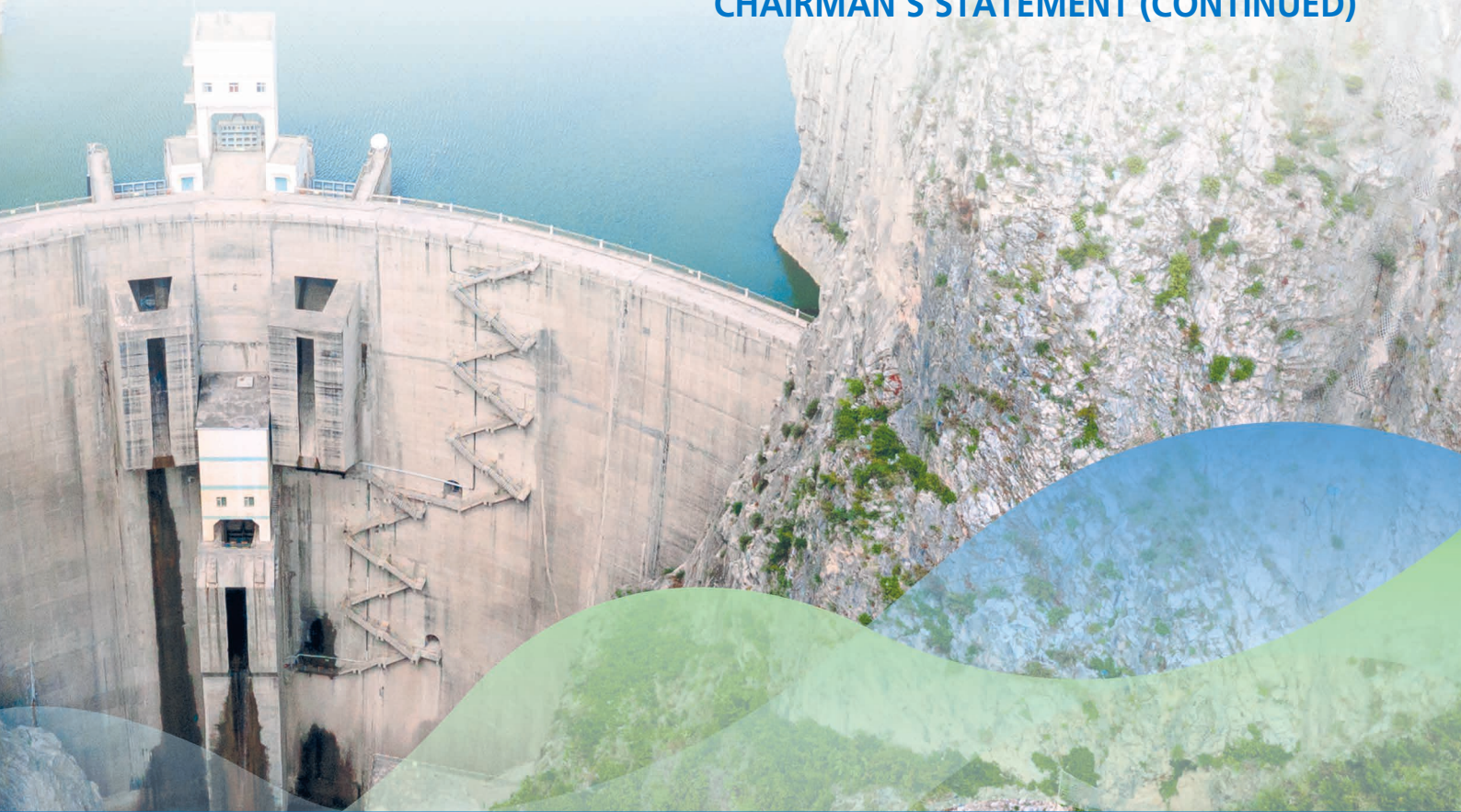
In terms of capital operations, the Group completed the largest asset injection in its history with high quality, fully accomplishing asset delivery, financial consolidation, and industrial and commercial registration changes for eight entities across four regions, which further strengthened its strategic positioning as the ultimate integration platform for conventional energy assets. Additionally, the Group successfully completed the issuance and listing of the first public REITs project for gas turbines among central state-owned enterprises in the capital market, achieving the highest subscription multiple and premium rate among similar projects during the same period, thereby pioneering a new path for the securitization of clean energy infrastructure assets.

In terms of project development, the Group carried out coordinated and orderly project development, and implemented the new development philosophy in a complete, accurate and comprehensive manner. Throughout the year, 5,100 MW of power projects were approved, 3,320 MW of new projects commenced construction, 2,719.2 MW were put into operation, and 16,060 MW were acquired.

In terms of production safety, the Group actively responded to the challenges posed by the continuously rising power load during the peak summer period and natural disasters such as typhoons and floods, making every effort to ensure power generation, heat supply and people’s livelihood, and successfully accomplishing the energy supply guarantee mission. The Group firmly consolidated and enforced safety responsibilities at all levels, and coordinated the implementation of safety warning education, comprehensive production safety inspections and major rectifications in key areas. Furthermore, the Group proactively coped with the pressures from the frequent startup and shutdown of generating units as well as deep peak shaving, while taking a holistic approach to reduce consumption through management improvement and technological transformation.

In terms of energy conservation and emission reduction, the Group proactively coped with the pressures from the frequent startup and shutdown of generating units as well as deep peak shaving, while taking a holistic approach to reduce consumption through management improvement and technological transformation. The coal consumption for power supply was 283.05g/kWh in aggregate,

CHAIRMAN'S STATEMENT (CONTINUED)



maintaining a leading position among comparable listed companies of the same type. 34 generating units were awarded as winning units in the national energy efficiency benchmarking competition for coal-fired generating units, representing an increase of 6 units year-on-year. The Group earnestly fulfilled the environmental protection responsibilities as a listed company and successfully completed the fulfillment and settlement of annual carbon emission quota.

In terms of profit distribution, the Group implemented a continuous, stable and active profit distribution policy under the principle of focusing on reasonable investment returns for shareholders, in consideration of the overall interests of all shareholders, the long-term interests and reasonable capital needs of the Company. An interim dividend of RMB0.09 per share (tax inclusive), based on the total share capital of 11,611,774,184 shares, totaling approximately RMB1,045,059.68 thousand (tax inclusive) for 2025 was proposed at the twenty-fifth meeting of the tenth session of the Board of the Company, and the distribution was completed after the consideration and approval at the second extraordinary general meeting of the Company convened on 25 September 2025. Pursuant to a resolution passed at the thirtieth meeting of the tenth session of the Board, the Board proposed to declare an annual cash dividend for the financial year ended 31 December 2025 of RMB0.23 per share (tax inclusive), including the interim dividend of RMB0.09 per share (tax inclusive) paid in 2025. The final dividend of RMB0.14 per share (tax inclusive) is based on the total share capital of 11,611,774,184 shares, totaling approximately RMB1,625,648 thousand (tax inclusive). The proposed distribution of final dividend is subject to approval by the shareholders at the upcoming 2025 annual general meeting held by the Company.

In 2025, the Group's brand image received full recognition from the capital market and a broad base of investors. The Group won the highest rating of Grade A in information disclosure on the Shanghai Stock Exchange, and was honored with the awards of "Best Listed Company" and "Listed Companies with Excellent Investor Relationship Management" at the 15th China Securities Golden Bauhinia Awards. The Group was recognized as the "2025 Best Practice Case for Sustainable Development of Listed Companies" by the China Association for Public Companies, and ranked among the Top 20 in Carbon Neutrality at the third "Guoxin Cup · ESG Golden Bull Award". The Board won the Special Contribution Award for Corporate Governance at the 20th "Golden Prize of Round Table" of Chinese Boards of Listed Company, and received the award of "2025 Best Practice Case of the Board of Directors of Listed Companies" from the China Association for Public Companies. These honors fully demonstrated the Group's responsibility as a state-owned enterprise and further enhanced its brand image.

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

In 2026, the Group will consolidate and strengthen the foundation for safety and environmental protection, accelerate the transformation and upgrading for development, pursue comprehensive and in-depth quality improvement and efficiency enhancement, focus on enhancing market value management, and continuously improve governance standards. Adhering to the principle of making progress while maintaining stability, the Group will continue to enhance its core functions, and bravely undertake the responsibilities and missions as a central state-owned enterprise, in a bid to ensure a sound and promising start to the 15th Five-Year Plan.

BUSINESS REVIEW AND OUTLOOK



BUSINESS REVIEW

(1) Power Generation

As of the end of the reporting period, the Group's total controlled installed capacity amounted to 77,924.288 MW. Upon further auditing, power generation by the Group in 2025 amounted to 262.27 million MWh, representing a decrease of approximately 7.15% compared with the figures for the same period of the previous year after retrospective adjustment. The volume of on-grid power sold amounted to 246.45 million MWh, representing a decrease of approximately 7.09% compared with the figures for the same period of the previous year after retrospective adjustment. The average utilization hours of the Group's generating units were 3,427 hours, representing a decrease of 378 hours compared with the same period of the previous year; among which the utilization hours of coal-fired generating units were 3,874 hours, representing a decrease of 294 hours compared with the same period of the previous year; the utilization hours of gas-fired generating units were 2,128 hours, representing a decrease of 24 hours compared with the same period of the previous; and the utilization hours of hydropower generating units were 4,071 hours, representing an increase of 707 hours compared with the same period of the previous year. The coal consumption for power supply was 283.05g/KWh in aggregate.

(2) Operating Revenue

Operating revenue of the Group in 2025 amounted to approximately RMB126,013 million, representing a decrease of 10.95% compared with the figures for the same period of the previous year after adjustment; of which revenue generated from sale of electricity amounted to approximately RMB111,807 million, representing a decrease of 9.78% compared with the figures for the same period of the previous year after retrospective adjustment; revenue generated from sale of heat amounted to approximately RMB12,458 million, representing an increase of 2.72% compared with the figures for the same period of the previous year after retrospective adjustment.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

(3) Profit

Total profit of the Group amounted to approximately RMB10,648 million in 2025, representing an increase of 9.03% compared with the figures for the same period of the previous year after retrospective adjustment, mainly attributable to the combined effects of declines in coal prices, tariff, and a reduction in power generation. Net profit attributable to shareholders of the parent company amounted to approximately RMB6,070 million, representing an increase of 1.39% compared with the figures for the same period of the previous year after retrospective adjustment. Basic earnings per share were approximately RMB0.49, representing an increase of 6.52% compared with the figures for the same period of the previous year after retrospective adjustment.

(4) The Capacity of Newly-added Generating Units

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

Company Name	Category	Capacity (MW)
Jiangsu Jurong Company	Coal-fired generating units	2,000
Huadian Jurong Company	Coal-fired generating units	2,000
Shanghai Wangting Company	Coal-fired generating units	1,630
	Gas-fired generating units	989.2
Yihua Company	Coal-fired generating units	100
Guigang Company	Coal-fired generating units	1,260
Longkou Company	Coal-fired generating units	660
Huizhou Company	Gas-fired generating units	1,070
Qishuyan Company	Gas-fired generating units	2,130
Jiangsu Wangting Company	Gas-fired generating units	780
Wujiang Company	Gas-fired generating units	360
Yangzhou Company	Gas-fired generating units	950
	Coal-fired generating units	660
Kunshan Company	Gas-fired generating units	852
Yizheng Company	Gas-fired generating units	660
Jinhu Company	Gas-fired generating units	80
Tongzhou Company	Gas-fired generating units	440
Zhongran Energy	Gas-fired generating units	115.338
University City Company	Gas-fired generating units	185.74
Guangzhou Company	Gas-fired generating units	1,338.6
Jiangmen Company	Gas-fired generating units	230
Qingyuan Energy	Gas-fired generating units	75
Shanghai Company	Gas-fired generating units	26.4
Minhang Company	Gas-fired generating units	188.86
Total		18,781.138

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

(5) Generating Units Approved and under Construction

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

Company Name	Category	Capacity (MW)
Huadian (Chongqing) Gas Turbine Power Generation Company Limited (" Chongqing Power Generation Company ") (Note 2)	Gas-fired generating units	2 x 550.12
Huadian Jiangsu Wangting Energy Development Company Limited (" Wangting Company ")	Coal-fired generating units	2 x 660
Shantou Huadian Energy Company Limited (" Shantou Energy ")	Coal-fired generating units	2 x 1,000
Zibo Company	Coal-fired generating unit	2 x 350
Zhejiang Huadian Wuxi River Hybrid Pumped Storage Power Generation Company Limited (" Wuxi River Company ")	Pumped storage generating unit	298
Huadian (Lingbao) Pumped Storage Co., Ltd (" Lingbao Company ")	Pumped storage generating unit	1,200
Huadian Jingyu Pumped Storage Co., Ltd. (" Jingyu Company ")	Pumped storage generating unit	1,800
Huadian Yongchang Pumped Storage Co., Ltd (" Yongchang Company ")	Pumped storage generating unit	1,200
Anhui Huadian Xixingchong Pumped Storage Power Generation Company Limited (" Xixingchong Company ")	Pumped storage generating units	1,200
Total	/	10,818.24

Note 1: The Company will determine the schedule of project construction and commissioning based on national and local energy policies, electricity market conditions, and the overall strategy of the Group.

Note 2: One gas-fired power generating unit with a capacity of 550.12 MW of Chongqing Power Generation Company, in which the Company holds 100% equity interest, has been put into commercial operation recently.

(6) Decommissioned generating units

As of the end of the reporting period, the details of the Group's decommissioned generating units are as follows:

Company Name	Category	Capacity (MW)
Zhangqiu Company	Coal-fired generating units	2 x 145
Longkou Company	Coal-fired generating units	4 x 220
Total	/	1,170

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

BUSINESS OUTLOOK

(1) Competitive Landscape in the Industry and Development Trend

The 2026 Central Economic Work Conference highlighted that in 2025, the economy held firm against pressures and advanced toward new and high-quality development, successfully concluding the 14th Five-Year Plan and achieving a good start toward the Second Centenary Goal. In 2026, while facing challenges such as a deepening impact from changes in the external environment and the internal prominent contradiction between strong supply and weak demand, the fundamental conditions and long-term positive trend supporting the economy remain unchanged. We will adhere to the philosophy of pursuing progress while ensuring stability, improving quality and enhancing efficiency, and focus on promoting high-quality development. We will implement more proactive and impactful macro policies, enhance the forward-looking, targeted, and coordinated nature of policies, continue to expand domestic demand and optimize supply, and promote effective qualitative improvement and reasonable quantitative growth of the economy, ensuring a strong beginning for the 15th Five-Year Plan.

According to the analysis and forecast on the national power supply and demand in 2026 by the China Electricity Council, the electricity consumption of the whole society is expected to be 10.9 to 11 trillion KWh, representing a year-on-year increase of 5% to 6%; the maximum regulated power load for the year is projected to be 1.57 to 1.63 billion KW. It is expected that the newly installed generating capacity for the year will exceed 400 million KW, and the total installed generating capacity by the end of the year will reach approximately 4.3 billion KW, with the proportion of coal-fired installed capacity decreasing to 31%. The overall power supply and demand will be balanced, though there may be tightness in some regions during peak periods, which can be largely alleviated through inter-provincial and inter-regional power surplus and deficit sharing. During the peak summer period, power supply and demand may be strained in some provinces in regions such as Southwest, Central China, and East China; during the peak winter period, power supply and demand are expected to be basically balanced across various regions. In the event of widespread extreme weather or primary energy supply tension, some areas may become strained during certain periods. However, through coordinated efforts on both the supply and demand sides, a stable and orderly power supply can be guaranteed.

(2) Development Strategy of the Group

The Group will deeply understand the responsibilities and missions shouldered by central enterprises, accurately grasp the trends and changes in the energy structure transformation, scientifically identify the opportunities and challenges facing the electricity market, and comprehensively comply with the regulatory requirements for listed company governance. Adhering to the principle of making progress while maintaining stability, improving quality and enhancing efficiency, we will focus on building a strong energy nation. Guided by the theme of high-quality development and oriented toward enhancing the "Five Values", and driven by deepening reforms, we will continuously strengthen our core functions and enhance our core competitiveness. We aim to serve the construction of a new energy system and a new power system, accelerating our development into a strong and large first-class energy listed company.

(3) Operation Plan of the Group in 2026

In 2026, the Company is expected to generate approximately 240 million MWh of electricity. According to the actual progress of each project, the Company plans to invest approximately RMB19 billion in 2026, which will be used for the construction of power source projects, environmental protection and energy-saving technology transformation, and equity investment, etc.

In 2026, the Group will focus on the following four aspects:

We will strengthen our commitment to safety and environmental protection and improve our capability in energy security. By fully recognizing our responsibilities and missions, we will comprehensively enhance our supply assurance capability to ensure safe and stable energy supply during major national events, important holidays, and the peak winter (summer) periods. We will coordinate efforts for the emergency reserves and economical dispatch of thermal coal and natural gas. In terms of safety and environmental protection, we will fully implement the "tackling root causes and overcoming difficulties" campaign in production safety, strengthen the fulfillment of responsibilities, promote the application of AI technology in the field of safety management, and enhance our digital and intelligent level. We will coordinate efforts to reduce pollution and carbon emissions, and deeply carry out special initiatives for energy conservation and carbon reduction.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

We will advance transformation and upgrading to improve development quality, focusing our efforts on four key areas: thermal power, pumped storage, strategic emerging industries, and investment management. In the thermal power sector, adhering to the principle of “establishing the new before abolishing the old”, we will coordinate the implementation of high-quality projects, the “replacing small units with larger units” for old and small units, and the tracking and supervision of projects under construction to comprehensively promote high-quality development of coal-fired power. We will also develop gas-fired power projects in a prudent and appropriate manner, considering factors such as gas supply and electricity pricing policies. Regarding pumped storage projects, we will adhere to a coordinated schedule and phased development, properly supervise the engineering construction of ongoing projects, and steadily advance the preliminary work, investment decisions, and construction commencement of reserve projects. In the field of strategic emerging industries, we will utilize the sites of decommissioned coal-fired generating units to deploy new energy storage and heat storage projects, and expand into new business forms such as zero-carbon industrial parks, computing-power coordination, virtual power plants, and integrated smart energy. We will comprehensively improve the quality and efficiency of investments, strengthen the management of investment plans and capital funds, implement the requirement of “calculating before investing”, strictly adhere to approval procedures, and strictly control investment risks.

We will deepen efforts to improve quality and enhance efficiency to increase corporate profitability. In terms of asset supervision, we will emphasize strengthening risk monitoring and early warning, focus on capital operations and debt management, optimize the asset structure, and consolidate the results of deleveraging. Moreover, to improve the quality and efficiency of financing, we will advocate for expanding diversified financing channels, optimizing the debt structure, and increasing the proportion of direct financing to reduce costs. At the same time, we will take advantage of policy windows to replace high-interest debt and actively seek policy funding support such as national special bonds. We will emphasize strengthening carbon asset management, arranging trading quotas reasonably through a tripartite linkage mechanism to ensure the Company’s overall optimal benefit.

We will strengthen market value management and enhance brand value. In capital operations, we will actively improve operational standards to support asset structure optimization and installed capacity growth; coordinate the use of bond funds for project capital contributions, and properly manage the duration of public REITs and quasi-REITs projects. In market value management, we will foster a scientific concept and enrich our management toolbox; formulate a stable and sustainable profit distribution plan in light of regulatory requirements and industry characteristics; improve the information disclosure mechanism, strengthen public opinion analysis and investor interaction, and maintain the brand image. In terms of standardized operations, we will comprehensively implement the Corporate Governance Code for Listed Companies, and promptly amend the Articles of Association and rules of procedure; strengthen the supervision of the entire process of connected transactions, proactively prevent various risks, and ensure the Company’s compliant and steady development.

(4) Possible Risks and Measures

1. Power Market Risks

At present, the nationwide growth rate of new energy installed capacity and electricity generation continues to rise, encroaching on the development space for thermal power. The increase in power supply capacity outpaces the growth in electricity demand, leading to an overall loose supply-demand balance and prominent pressure for new energy consumption in some regions. The full entry of new energy into the market has substantially increased supply in the medium-to-long-term market. Its low marginal cost impacts market prices. Coupled with the full rollout of the spot market, market competition has become more and more fierce with increasing uncertainty, affecting the overall revenue of thermal power enterprises and placing them under significant pressure to maintain volume and stabilize prices.

To address such risks, the Group will closely follow industry policies and changes in market supply and demand, optimize investment regions and the power source mix, accelerate the technological upgrading and transformation development of coal-fired generating units, and timely adjust pricing and trading strategies. We will fully utilize well-established mechanisms such as electricity ancillary services and capacity compensation to enhance our market-oriented operational and risk prevention capabilities, thereby building a competitive advantage characterized by low costs and high efficiency.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

2. Fuel Market Risks

The macroeconomic recovery is driving up the electricity consumption of the entire society. During the peak summer and winter periods and times of extreme weather, the pressure on thermal power to ensure supply intensifies, leading to a seasonal rebound in coal demand. The market's loose supply-demand pattern may face periodic adjustments. If the conflict between the United States, Israel and Iran in the Middle East escalates, there is a risk of pushing up fuel costs.

The Group will strengthen cost control and its capability to secure fuel supply and control prices. We will broaden coal sourcing channels, optimize procurement strategies, and leverage the long-term fuel agreements as a stabilizing force to improve contract fulfillment quality and implement tiered procurement of low-priced spot coal. We will strengthen inventory management and implement the strategy of "storing in off-seasons and consuming in peak seasons" to control coal procurement costs.

3. Environmental Protection Risks

National environmental policies for key regions such as the Beijing-Tianjin-Hebei region and the Yangtze Economic Belt continue to deepen and improve, exerting pressure on grassroots enterprises to increase environmental protection expenditures. Central Ecological and Environmental Protection Inspections are being conducted on a regular basis, raising the requirements for environmental compliance supervision. The allocation of quotas in the national carbon market continues to tighten. Under the influence of quota carry-over policies, carbon market prices are prone to fluctuations, posing a risk of rising carbon emission compliance costs for enterprises. Requirements for controlling total carbon emissions have also been further elevated. The increased demand for low-carbon technology applications brings upward pressure on technological transformation expenses.

The Group will strictly implement the central ecological and environmental protection requirements, and strengthen the supervision of the "three simultaneous" process for environmental and water conservation in new projects. We will accelerate energy conservation and emission reduction renovations, coordinate efforts to reduce pollution and carbon emissions, orderly implement the "triple transformation linkage" for coal-fired generating units, and scientifically select advanced and applicable environmental protection technology solutions. We will thoroughly carry out environmental risk investigation and management, reinforce the foundation of safety and environmental protection, and firmly uphold the bottom line of the ecological environment. We will closely monitor carbon market policies, coordinate carbon emission rights trading and carbon asset management, arrange reasonable trading quotas, strictly control carbon compliance costs, and promote the preservation and appreciation of carbon assets.

DIRECTORS AND SENIOR MANAGEMENT

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

Directors



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



Li Quancheng (李泉城), Chinese nationality, born in February 1972, is a professorate senior accountant and senior economist. He graduated from the Central University of Finance and Economics* (中央財政金融學院) with a major in economic information management and a bachelor’s degree in economics. Mr. Li is currently the deputy Secretary of the Party Committee, Vice Chairman and General Manager of the Company. Mr. Li has successively worked at Zhonghengxin Certified Public Accountants, State Power Corporation of China* (國家電力公司), China Huadian Corporation* (中國華電集團公司), Huadian Property Company Limited* (華電置業有限公司) and China Huadian Corporation Limited (中國華電集團有限公司). Mr. Li has over 30 years of work experience in financial risk control, financial business, capital operation and treasury construction.



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



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



Cao Min (曹敏), Chinese nationality, born in November 1973, is a professorate senior accountant. She graduated from North China Electric Power University with a master of engineering degree in project management. Ms. Cao is currently a non-executive Director of the Company and the director of the audit department of China Huadian Corporation Limited (中國華電集團有限公司). Ms. Cao has successively worked in Xinjiang Hongyanchi Second Power Co., Ltd. (新疆紅雁池第二發電有限責任公司), Xinjiang Huadian Kashgar Power (Phase II) Co., Ltd. (新疆華電喀什發電(二期)有限責任公司) and Huadian Xinjiang Power Co., Ltd. (華電新疆發電有限公司). Ms. Cao has twenty-nine years of working experience in areas including financial management and audit supervision.

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)



Wang Xiaobo (王曉渤), Chinese nationality, born in March 1968, an economist. He graduated from Shandong University with a bachelor's degree in economics. Mr. Wang currently acts as a non-executive Director of the Company, the full-time external director of Shandong Green Energy Investment Co., Ltd. (山東綠色能源投資有限公司). Mr. Wang has successively worked at Shandong Foreign Investment Service Company, US Pacific Peak Investment Co., Ltd., British CAMCO International Carbon Asset Information Consulting (Beijing) Co., Ltd. and Hualu Holdings Co., Ltd. (華魯控股集團有限公司). Mr. Wang has over thirty years of working experience in capital operation, corporate management, etc.



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



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



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



Wang Yuesheng (王躍生), Chinese nationality, born in July 1960, a professor and doctoral supervisor of Peking University. Mr. Wang currently acts as an independent non-executive Director of the Company. He graduated from School of Economics of Peking University in 1985, and since then, he has been teaching in Peking University. Mr. Wang is currently a professor at the School of Economics of Peking University, an executive director at China Society of World Economics, and an executive director at China International Economic Relations Association, member of the Expert Committee of China Council for the Promotion of International Trade and an independent director of Liaoning Chengda Co., Ltd. (600739.SH) and Zhejiang Kan Specialities Material Co., Ltd. (002012.SZ). His research has mainly covered contemporary world economy and Chinese economy, enterprise system and corporate governance, international direct investment and multinational corporations in recent years.

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)



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



Huang Kemeng (黃克孟), Chinese nationality, born in October 1966, holds a bachelor's degree in law from Lanzhou University, a master's degree in economic law from the Graduate School of Chinese Academy of Social Sciences* (中國社會科學院研究生院), and a part-time doctoral degree in international economic law from China University of Political Science and Law. Mr. Huang currently serves as an independent non-executive Director of the Company, as well as a full-time lawyer and chief consultant at Beijing Jurision Law Group* (北京市時代九和律師事務所). Mr. Huang has successively worked for People's Education Press; served as a lawyer of Beijing Yuecheng Law Firm (北京岳成律師事務所律師); and held positions as a lawyer, senior partner and executive partner of Beijing Jingyuan Law Firm* (北京市京元律師事務所); a senior partner, executive partner and executive director of Beijing Jurision Law Group. He also served as an independent director of Xi'an LONGi Silicon Materials Co., Ltd.* (西安隆基硅材料股份有限公司) (now LONGi Green Energy Technology Co., Ltd.), the external supervisor of China Credit Trust Co., LTD* (中誠信託有限責任公司), a member of the Real Estate and Architectural Engineering Professional Committee of the 6th Beijing Lawyers Association* (第六屆北京市律師協會房地產與建築工程專業委員會) and a member of the Restructuring and Reorganization Professional Committee of the 6th Beijing Lawyers Association* (第六屆北京市律師協會改制與重組專業委員會); a member of the Real Estate Development Professional Committee of the 7th Beijing Lawyers Association* (第七屆北京市律師協會房地產開發專業委員會), a member of the Merger and Reorganization Professional Committee of the 7th Beijing Lawyers Association (第七屆北京市律師協會兼併與重組專業委員會). Mr. Huang mainly focuses on investment and M&A, securities and finance, construction and real estate, international business, and intellectual property, covering both non-litigation and various complex litigation (arbitration), including economic crime cases, and has nearly 30 years of legal experience.

Senior Management



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



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

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)



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

CHANGES IN THE BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

As of the end of the reporting period, Mr. Liu Lei was elected as the Chairman of the Company; Mr. Zhu Peng served as the assistant to the General Manager of Shandong Development & Investment Holding Group Co., Ltd. (山東發展投資控股集團有限公司); Ms. Cao Min served as the director of the audit department of China Huadian Corporation Limited (中國華電集團有限公司); Mr. Wang Xiaobo served as the full-time external director of Shandong Green Energy Investment Co., Ltd. (山東綠色能源投資有限公司), and no longer served as the chairman of the supervisory committee of Shandong Huapeng Glass Co., Ltd. (山東華鵬玻璃股份有限公司); Mr. Wang Yuesheng no longer served as the head of the Department of International Economics and Trade of Peking University and the director of the EU Economic and Strategic Research Center jointly established by Peking University and Bank of China; Ms. Shen Ling no longer served as an independent director of Chongqing Taiji Industry (Group) Co., Ltd. (重慶太極實業(集團)股份有限公司); Mr. Zhu Yueguang was elected as the Chairman of the Company's Labor Union, and was elected as the employee representative director of the Company through a democratic election process.

As of the end of the reporting period, Mr. Li Kanyu no longer served as a director of CNNP CHD Hebei Nuclear Power Co., Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Macroeconomic Conditions and Electricity Demand

According to the data released by the National Bureau of Statistics, after preliminary calculations, the Gross Domestic Product (GDP) of the year in 2025 amounted to RMB140,187.9 billion, representing an increase of 5.0% compared with the previous year. According to the data released by the National Energy Administration, power consumption of the entire society totalled 10,368.2 billion KWh in 2025, representing a year-on-year increase of 5.0%. With regard to different industries, the consumption by the primary industry accounted for 149.4 billion KWh, representing a year-on-year increase of 9.9%; the consumption by the secondary industry accounted for 6,636.6 billion KWh, representing a year-on-year increase of 3.7%; and the consumption by the tertiary industry accounted for 1,994.2 billion KWh, representing a year-on-year increase of 8.2%; and the consumption by urban and rural residents accounted for 1,588 billion KWh, representing a year-on-year increase of 6.3%.

(2) Operating Revenue

Operating revenue of the Group amounted to approximately RMB126,013 million in 2025, representing a decrease of 10.95% compared with the figures for the same period of the previous year after retrospective adjustment, which was mainly due to the decrease in power generation and tariff, and the optimization in coal trading business models.

(3) Operating Costs

Operating costs of the Group amounted to approximately RMB111,602 million in 2025, representing a decrease of 13.97% compared with the figures for the same period of the previous year after retrospective adjustment. The particulars are as follows:

Fuel costs of the Group amounted to approximately RMB79,205 million in 2025, representing a decrease of 15.92% compared with the figures for the same period of the previous year after retrospective adjustment, which was mainly due to the decline in coal prices.

Depreciation and amortisation expenses of the Group amounted to approximately RMB13,142 million in 2025, representing a decrease of 0.44% compared with the figures for the same period of the previous year after retrospective adjustment, which was mainly due to the combined effect of the cessation of depreciation for certain assets whose depreciation period expired and the increase in depreciation from newly commissioned projects.

Employee compensation of the Group amounted to approximately RMB11,250 million in 2025, representing an increase of 6.06% compared with the figures for the same period of the previous year after retrospective adjustment, which was mainly due to the increase in employee compensation linked to operating results.

Repair, maintenance and inspection expenses of the Group amounted to approximately RMB4,306 million in 2025, representing a decrease of 0.90% compared with the figures for the same period of the previous year after retrospective adjustment, which was mainly due to the decrease in entrusted operation expenses of coal enterprises.

Other production costs of the Group amounted to approximately RMB2,896 million in 2025, representing a decrease of 7.29% compared with the figures for the same period of the previous year after retrospective adjustment, which was mainly due to the impact of the conversion of water resource fees to taxes.

(4) Taxes and Surcharges

Taxes and surcharges of the Group amounted to approximately RMB1,812 million in 2025, representing an increase of 19.27% compared with the figures for the same period of the previous year after retrospective adjustment, which was mainly due to the increase in environmental protection tax and the impact of the conversion of water resource fees to taxes.

(5) Finance Costs

Finance costs of the Group amounted to approximately RMB3,162 million in 2025, representing a decrease of 16.37% compared with the figures for the same period of the previous year after retrospective adjustment, which was mainly due to the greater efforts in capital operation and the reduction in financing costs.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(6) Investment Income

Investment income of the Group amounted to approximately RMB3,153 million in 2025, representing a decrease of 12.91% compared with the figures for the same period of the previous year after retrospective adjustment, which was mainly due to the impact of the disposal of subsidiary equity in the prior year.

(7) Income tax expense

The income tax of the Group amounted to approximately RMB2,431 million in 2025, representing an increase of 7.77% compared with the figures for the same period of the previous year after retrospective adjustment, which was mainly due to the improvement in operating results.

(8) Pledge and Mortgage of Assets

As at 31 December 2025, the Company's subsidiaries have pledged their income stream in respect of the sale of electricity and heat to secure loans amounting to approximately RMB8,328 million (2024: RMB8,606 million).

As at 31 December 2025, some of the Company's subsidiaries have mortgaged their generating units and relevant equipment to secure loans amounting to approximately RMB1,559 million (2024: RMB1,793 million).

(9) Indebtedness

As at 31 December 2025, the total borrowings of the Group amounted to approximately RMB101,635 million, of which borrowings denominated in Euro amounted to approximately EUR5.56 million. The liabilities to assets ratio (representing the total liabilities divided by total assets of the Group as at 31 December 2025) was approximately 61.36%. Borrowings of the Group were mainly of floating interest rates. Short-term borrowings and long-term borrowings due within one year amounted to approximately RMB56,502 million, and long-term borrowings due after one year amounted to approximately RMB45,133 million. The closing balance of super short-term debenture payables of the Group amounted to approximately RMB3,006 million. The balance of the medium-term notes (including the portion due within one year) and debt financing instruments issued through non-public offering to target subscribers (including the portion due within one year) of the Group amounted to approximately RMB31,124 million. The closing balance of lease liabilities of the Group amounted to approximately RMB141 million at the end of the year.

(10) Contingent Liabilities

As of 31 December 2025, the Group did not have material contingent liability.

(11) Provisions

Provisions represent the Group's best estimate of its liabilities and remedial work costs arising from mine disposal and environmental restoration based on industry practices and historical experience. As at 31 December 2025, the balance of the Group's provisions amounted to approximately RMB129 million.

(12) Cash Flow Analysis

In 2025, the net cash inflow from operating activities of the Group amounted to approximately RMB27,221 million, and the net cash inflow from operating activities amounted to approximately RMB19,457 million in 2024, which was mainly due to the decrease in fuel costs of the Group. The net cash outflow used in investing activities amounted to approximately RMB14,262 million, and the net cash outflow used in investing activities amounted to approximately RMB10,335 million in 2024, which was mainly due to the increase of investment for infrastructure projects. The net cash outflow from financing activities amounted to approximately RMB12,793 million, and the net cash outflow from financing activities amounted to approximately RMB8,864 million in 2024, which was mainly due to the repayment of liabilities and the payment of consideration for merger and acquisition.

(13) Exchange Rate Fluctuation Risk and Related Hedging

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

DIRECTORS' REPORT



The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025 (the “Year”).

PRINCIPAL ACTIVITIES

The Group is one of the largest comprehensive energy companies in the PRC, primarily engaged in the construction and operation of power plants, including large-scale efficient coal- or gas-fired generating units and hydropower projects. All electricity generated is supplied to the grid companies where the plants are located. In 2025, the Group had strictly complied with relevant laws and regulations and industrial rules that impose significant influence on the operation of the Group. The chief operating decision makers of the Group review the Group’s revenue and profit as a whole, which is determined in accordance with the Group’s accounting policies, for resources allocation and performance assessment. Therefore, the Group has only one operating and reportable segment and no further reportable segment information is presented. The profit of the Group for the year ended 31 December 2025 and the Group’s and the Company’s financial positions as at that date prepared in accordance with the CASBE are set out on pages 68 to 194 of the annual report.

PROFIT DISTRIBUTION

Pursuant to a resolution passed at the twenty-fifth meeting of the tenth session of the Board, the Board proposed to declare an interim cash dividend of RMB0.09 per share (tax inclusive) based on the total share capital of 11,611,774,184 shares for the six months ended 30 June 2025, totaling approximately RMB1,045,059.68 thousand (tax inclusive). The distribution of the interim cash dividend was completed after consideration and approval at the second extraordinary general meeting of the Company held on 25 September 2025.

DIRECTORS' REPORT (CONTINUED)

Pursuant to a resolution passed at the thirtieth meeting of the tenth session of the Board, the Board proposes to declare an annual cash dividend of RMB0.23 per share (tax inclusive), including the interim dividend of RMB0.09 per share (tax inclusive) paid in 2025, for the financial year ended 31 December 2025. The proposed final dividend of RMB0.14 per share (tax inclusive) is based on the total share capital of 11,611,774,184 shares, totaling approximately RMB1,625,648 thousand (tax inclusive). The final dividend distribution proposal is subject to approval by the shareholders at the upcoming 2025 annual general meeting of the Company (the “**Annual General Meeting**”). The circular of the annual general meeting of the Company, containing details of the time of meeting, the period of the closure and procedures of the register of members, will be published and despatched to shareholders of the Company in due course.

If the above proposal for profit distribution is considered and approved at the upcoming annual general meeting, the Company expects to pay such cash dividends on or before 31 August 2026.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Particulars of the Company's subsidiaries, associates and joint ventures as at 31 December 2025 are set out in notes VIII. 1 and VIII. 2 respectively to the consolidated financial statements prepared in accordance with the CASBE included in this annual report.

SHORT-TERM AND LONG-TERM LOANS

Details of short-term and long-term loans of the Group and the Company as at 31 December 2025 are set out in note V. 24, 31, 33 to the consolidated financial statements prepared in accordance with the CASBE included in this annual report.

INTEREST CAPITALISED

Details relating to the interest capitalised by the Group during the year 2025 are set out in note V. 50 to the consolidated financial statements prepared in accordance with the CASBE included in this annual report.

FIXED ASSETS

Details relating to movements in fixed assets of the Group and those of the Company during the year 2025 are set out in note V. 15 to the consolidated financial statements prepared in accordance with the CASBE included in this annual report.

CAPITAL RESERVE, OTHER COMPREHENSIVE INCOME, SPECIFIC RESERVE, SURPLUS RESERVE, UNDISTRIBUTED PROFIT

Movements in capital reserve, other comprehensive income, specific reserve, surplus reserve, undistributed profit of the Group and the Company for the year ended 31 December 2025 are set out in the consolidated statement of changes in equity in the consolidated financial statements prepared in accordance with the CASBE and note V. 41-45 to the consolidated financial statements prepared in accordance with the CASBE included in this annual report, respectively.

TAX REDUCTION AND EXEMPTION FOR SHAREHOLDERS

Profit Distribution for Investors of Northbound Trading

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

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

DIRECTORS' REPORT (CONTINUED)

Profit Distribution for Investors of Southbound Trading

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

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

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

Profit Distribution for Investors of Shenzhen Southbound Trading

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

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

As the Company is yet to confirm the date of convening the 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 and the entitlement to the final dividend, the Company will announce such information in due course upon confirmation. The dividend distribution proposal is subject to the approval by the shareholders at the upcoming 2025 annual general meeting. The circular of the 2025 annual general meeting of the Company, containing details of the period of the closure and procedures of the register of members, will be published and despatched to shareholders of the Company in due course.

DIRECTORS' REPORT (CONTINUED)

ENVIRONMENTAL PROTECTION POLICIES

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

In 2025, the Group continuously strengthened its management and control over the technological improvement of environmental protection, improved the monitoring platform construction of environmental protection and strengthened the real-time online monitoring of environmental protection.

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

RELATIONSHIP WITH EMPLOYEES

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

RETIREMENT PLANS

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

Contributions to the plans vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

In addition, the Group's staff has participated in an enterprise annuity plan managed by the annuity council of China Huadian Corporation Limited ("China Huadian") to supplement the above-mentioned plan. According to the plan, employees are required to pay a certain amount as their personal savings for pension insurance based on their service periods in the Group, while the Group pays four times as much as the amount of employee contributions. The employees will receive the total contribution of the plan when retiring.

DIRECTORS' REPORT (CONTINUED)

EMPLOYEES' MEDICAL INSURANCE

During 2025, there was no change in employees' medical insurance policies of the Group as compared with that of 2024. The Group anticipates that implementation of the above medical insurance will not have any significant impact on the business operation and financial position of the Group. Apart from the above contributions, the Group is not required to pay any other medical expenses for its staff.

PRE-EMPTIVE RIGHTS

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

SHARE CAPITAL

Details of the share capital of the Company for the year 2025 and as at 31 December 2025 are set out in the Company's statement of changes in equity in the financial statements prepared in accordance with the CASBE and note V. 39 to the consolidated financial statements prepared in accordance with the CASBE included in this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

The Group is committed to maintaining long-term close business cooperation with customers and suppliers, realizing friendly communication and win-win collaboration and establishing bidding and bargaining mechanism to adapt to market changes. For the financial year of 2025, details regarding the percentages of the Group's total sales and purchases attributable to its major customers and suppliers, respectively, are as follows:

	Approximate Percentage in the Group's Total	
	Sales	Purchases
The largest customer	76.90%	/
The five largest customers combined	91.23%	/
The largest supplier	/	14.50%
The five largest suppliers combined	/	42.36%

The five largest suppliers of the Company and its subsidiaries for 2025 were China Huadian Corporation Limited (中國華電集團有限公司), China National Petroleum Corporation (中國石油天然氣集團有限公司), Shanxi State-owned Capital Operation Co., Ltd. (山西省國有資本運營有限公司), China Energy Investment Corporation Co., Ltd. (國家能源投資集團有限責任公司) and China National Offshore Oil Corporation (中國海洋石油集團有限公司), respectively. The total purchases from them accounted for approximately 42.36% of the total purchases of the Year. The largest supplier was China Huadian Corporation Limited (中國華電集團有限公司), the purchase from which accounted for approximately 14.50% of the total purchase of the Year.

The five largest customers of the Company and its subsidiaries for 2025 were State Grid Corporation of China (國家電網有限公司), China Southern Power Grid Co., Ltd. (中國南方電網有限責任公司), China Huadian Corporation Limited (中國華電集團有限公司), Tianjin State-owned Capital Investment and Management Co., Ltd. (天津國有資本投資運營有限公司) and Tianjin Economic-Technological Development Area State-owned Capital Investment and Operation Co., Ltd. (天津經濟技術開發區國有資本投資運營有限公司), respectively. The total sales to them accounted for approximately 91.23% of the total sales of the Year. The largest customer was State Grid Corporation of China, and the sale to which accounted for approximately 76.90% of the total sales of the Year.

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

DIRECTORS' REPORT (CONTINUED)

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

So far as the Directors of the Company are aware, each of the following persons, not being a Director, chief executive or member of the senior management of the Company, had an interest or short position as at 31 December 2025 in the Company's shares or underlying shares (as the case may be) which was disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or was otherwise interested in 5% or more of any class of the then issued share capital of the Company as at 31 December 2025, or was a substantial shareholder (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules")) of the Company as at 31 December 2025.

Name of shareholder	Class of shares	Number of shares held	Approximate percentage of the total number of shares of the Company in issue	Approximate percentage of the total number of A shares of the Company in issue	Approximate percentage of the total number of H shares of the Company in issue	Capacity
China Huadian Corporation Limited	A shares	5,213,062,481(L)	44.89%	52.69%	–	Beneficial owner
	H shares	85,862,000(L) ^(Note 1)	0.74%	–	5.00%	Interests in a controlled corporation
Shandong Development & Investment Holding Group Co., Ltd. ^(Note 2)	A shares	731,781,709(L)	6.30%	7.40%	–	Beneficial owner
Pacific Asset Management Co., Ltd. ^(Note 3)	H shares	120,550,000(L)	1.04%	–	7.02%	Others

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

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

Note 2: The newly added shares of Shandong Development & Investment Holding Group Co., Ltd. ("**Shandong Development**") during the reporting period represent the number of shares held by Shandong Guohui Investment Holdings Group Co., Ltd. ("**Shandong Guohui**"). As Shandong Guohui Investment Holdings Group Co., Ltd. absorbed and merged Shandong Development & Investment Holding Group Co., Ltd., the number of shares held by the two entities will be combined. In addition, 72,386,000 H shares of the Company held by Shandong Development & Investment Holding Group Co., Ltd. are held in custody by Hong Kong Securities Clearing Company Limited. As shareholder information of H shares is not available, these shares are therefore included in the calculation of the overseas-listed foreign shares held by Hong Kong Securities Clearing Company Limited. For details, please refer to the relevant announcement of the Company dated 8 April 2025.

Note 3: Based on the Corporate Substantial Shareholder Notice filed by Pacific Asset Management Co., Ltd. with the Hong Kong Stock Exchange on 1 November 2024, Pacific Asset Management Co., Ltd. invested the shares as manager for and on behalf of Pacific Anxin Agricultural Insurance Co., Ltd., Pacific Health Insurance Co., Ltd. and a portfolio insurance asset management product.

Save as disclosed above and so far as the Directors are aware, as at 31 December 2025, no other person (other than the Directors, chief executive or members of senior management of the Company) had any interest or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company.

SUFFICIENCY OF PUBLIC FLOAT

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

DIRECTORS' REPORT (CONTINUED)

DIRECTORS, CHIEF EXECUTIVE AND SENIOR MANAGEMENT

The following table sets forth certain information concerning the Directors and senior management of the Company for the financial year ended 31 December 2025 and as of the date of this report. All Directors of the Company are currently serving a term of three years, renewable upon re-election and re-appointment every three years. The consecutive term of office of independent non-executive Directors however shall not exceed six years.

Name	Position in the Company	Changes
Dai Jun	Former Chairman, Former Executive Director	Resigned on 14 January 2025
Liu Lei	Secretary of the Party Committee, Chairman, Executive Director	Elected as an executive Director at the first extraordinary general meeting of the Company for 2025 held on 14 January 2025 Elected as the Chairman at the seventeenth meeting of the tenth session of the Board of the Company held on 14 January 2025
Chen Bin	Former Vice Chairman, Former Executive Director, Former General Manager	Resigned as the general manager of the Company on 17 July 2025 Resigned as the vice chairman of the Company and the executive Director on 25 September 2025
Li Quancheng	Deputy Secretary of the Party Committee, Vice Chairman, Executive Director, General Manager	Appointed as the general manager at the twenty-third meeting of the tenth session of the Board of the Company held on 17 July 2025, and recommended as a candidate for executive Director Elected as the executive Director at the second extraordinary general meeting of 2025 of the Company on 25 September 2025 Elected as the vice chairman at the twenty-seventh meeting of the tenth session of the Board of the Company held on 25 September 2025
Zhu Peng	Vice Chairman, Non-executive Director	Nil
Zhao Wei	Former Non-executive Director	Resigned on 28 September 2025
Zeng Qinghua	Non-executive Director	Nil
Cao Min	Non-executive Director	Nil
Wang Xiaobo	Non-executive Director	Nil
Li Guoming	Member of the Party Committee, Executive Director, Chief Financial Officer	Nil
Zhu Yueguang	Member of the Party Committee, Employee Representative Director, Deputy General Manager	Upon election through democratic procedures, assumed office as the employee representative Director of the Company on 18 November 2025
Feng Zhenping	Independent Non-executive Director	Nil
Li Xingchun	Former Independent Non-executive Director	Resigned on 25 September 2025
Wang Yuesheng	Independent Non-executive Director	Nil
Shen Ling	Independent Non-executive Director	Nil
Huang Kemeng	Independent Non-executive Director	Recommended as a candidate for independent non-executive Director at the twenty-sixth meeting of the tenth session of the Board of the Company held on 5 September 2025 Elected as the independent non-executive Director at the second extraordinary general meeting of 2025 of the Company on 25 September 2025
Qin Jiehai	Secretary to the Board, Company Secretary	Nil
Li Kanyu	Member of the Party Committee, Deputy General Manager	Nil
Gao Mingcheng	General Legal Counsel	Nil

The Directors' remunerations for the year ended 31 December 2025 are set out in note XII. 5 to the consolidated financial statements prepared in accordance with the CASBE included in this annual report.

DIRECTORS' REPORT (CONTINUED)

The biographical details of the incumbent Directors and members of senior management of the Company, including the particulars required under paragraph 12 of Appendix D2 to the Hong Kong Listing Rules (if applicable or appropriate), are set out on pages 16 to 19 in this annual report.

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

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

Name	Name of shareholder entities	Positions held in shareholder entities	Commencement of term of office
Dai Jun	China Huadian Corporation Limited	Former Deputy Chief Economist	July 2022
Liu Lei	China Huadian Corporation Limited	Deputy Chief Economist	December 2024
Zhu Peng	Shandong Development & Investment Holding Group Co., Ltd.	Assistant to the General Manager	February 2025
Cao Min	China Huadian Corporation Limited	Director of the Audit Department	November 2025
Wang Xiaobo	Shandong Development & Investment Holding Group Co., Ltd.	Full-time External Director	February 2025

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

As at 31 December 2025, none of the Directors, chief executive or members of senior management of the Company and their respective associates had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interest or short position which any such Director, chief executive or member of senior management of the Company was taken or deemed to have under such provisions of such sections of the SFO), or was required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") adopted by the Company.

In 2025, the Company has adopted a code of conduct regarding transactions of the Directors in the Company's securities on terms identical to those of the Model Code. Having made specific enquiries of all Directors, the Company understands that all Directors have complied with the required standards set out in the Model Code.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

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

DIRECTORS' INTERESTS IN THE BUSINESS THAT COMPETES WITH THE COMPANY

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

DIRECTORS' REPORT (CONTINUED)

PERMITTED INDEMNITY PROVISIONS

In 2025, the Company has purchased liability insurance for its Directors and members of senior management to provide appropriate guarantee to the Directors and members of senior management of the Company.

SERVICE CONTRACTS OF THE DIRECTORS

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

MANAGEMENT CONTRACT

In 2025, there was no management or administration contract in respect of all or substantial part of the Company's business.

SIGNIFICANT EVENTS

1. Change of Executive Director, Chairman, Vice Chairman and Independent Non-executive Director; Resignation of Non-executive Director and Election of Employee Representative Director

The first extraordinary general meeting of 2025 of the Company was held on 14 January 2025, and Mr. Liu Lei was elected as the executive director of the tenth session of the Board of the Company for a term commencing from the conclusion of the extraordinary general meeting and ending at the expiry of the term of the tenth session of the Board.

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

At the 23rd meeting of the tenth session of the Board of the Company held on 17 July 2025, Mr. Li Quancheng was nominated as a candidate for an executive director of the Board of the Company, and was elected as an executive director at the second extraordinary general meeting of 2025 of the Company held on 25 September 2025, for a term commencing from the conclusion of the extraordinary general meeting and ending at the expiry of the term of the tenth session of the Board.

At the 27th meeting of the tenth session of the Board of the Company held on 25 September 2025, Mr. Li Quancheng was elected as the vice chairman of the Company and appointed as the member of the nomination committee of the Company.

On 17 July 2025, Mr. Chen Bin resigned as the vice chairman, an executive director and a member of the Strategic Committee of the tenth session of the Board of the Company due to personal work adjustment, and the resignation became effective on the date when a new director was elected at the 2025 second extraordinary general meeting (i.e., 25 September 2025).

At the 26th meeting of the tenth session of the Board of the Company held on 5 September 2025, Mr. Huang Kemeng was nominated as a candidate for an independent non-executive director of the Board of the Company, and was elected as an independent non-executive Director at the 2025 second extraordinary general meeting of the Company held on 25 September 2025, for a term commencing from the conclusion of the extraordinary general meeting and ending at the expiry of the term of the tenth session of the Board.

At the 27th meeting of the tenth session of the Board of the Company held on 25 September 2025, Mr. Huang Kemeng was appointed as a member of the audit committee, the Nomination Committee and the remuneration and appraisal Committee of the Board of the Company.

On 5 September 2025, Mr. Li Xingchun resigned as an independent non-executive director of the tenth session of the Board of the Company, a member of the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee of the Board due to personal work reasons, with effective from the date when a new director was elected at the 2025 second extraordinary general meeting (i.e., 25 September 2025).

On 28 September 2025, Mr. Zhao Wei resigned as a non-executive director and a member of the Strategic Committee of the tenth session of the Board due to personal work reasons, with effective from 28 September 2025.

DIRECTORS' REPORT (CONTINUED)

On 18 November 2025, in accordance with the amended Articles of Association of the Company, the Board of the Company is composed of twelve directors, including one employee representative director, which does not require review and approval by the general meeting. The Company elected Mr. Zhu Yueguang as the employee representative director of the tenth session of the Board of the Company democratically, with a term commencing from 18 November 2025 and ending at the expiry of the term of the tenth session of the Board.

At the 29th meeting of the tenth session of the Board of the Company held on 18 November 2025, Mr. Zhu Yueguang was appointed as the member of the Strategic Committee of the Board of the Company.

All of the above newly appointed directors have confirmed that they understood their obligations as a director of a listed company and had obtained the legal advice as referred to in Rule 3.09D of the Rules Governing the Listing of Securities on the Hong Kong Listing Rules on the date of commencement of their terms of office. The above resigned directors have confirmed that they have no disagreement with the Board and there is no matter in relation to their resignations that need to be brought to the attention of the shareholders of the Company.

For details, please refer to the announcements of the Company dated 20 December 2024, 14 January 2025, 17 July 2025, 5 September 2025, 25 September 2025, 28 September 2025, and 18 November 2025, as well as the circular dated 5 September 2025.

2. Change of General Manager and Appointment of Deputy General Manager

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

At the 23rd meeting of the tenth session of the Board of the Company held on 17 July 2025, Mr. Li Quancheng was appointed as the general manager of the Company.

On 17 July 2025, Mr. Chen Bin tendered his resignation as the general manager of the Company, and the resignation became effective on the day when the resignation report was delivered to the Board on 17 July 2025.

For details, please refer to the announcements of the Company dated 14 January 2025 and 17 July 2025.

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

To further enhance the Company's market competitiveness and brand influence in the power sector, improve the layout of its domestic conventional energy assets, and strive to create returns for all shareholders, on 1 August and 30 October 2024, the Company entered into the Asset Purchase Agreement and the Supplementary Agreements respectively with China Huadian Corporation Limited (中國華電集團有限公司) ("**China Huadian**"), Fujian Huadian Furui Energy Development Co., Ltd. (福建華電福瑞能源發展有限公司) ("**Huadian Furui**") and China Huadian Group Beijing Energy Co., Ltd. (中國華電集團北京能源有限公司) ("**Huadian Beijing Company**", formerly CHD Power Plant Operation Co., Ltd. (中國華電集團發電運營有限公司)), for the acquisition of the relevant target assets by way of share issuance and cash payments. Each of the above asset purchases constitutes the transaction as a whole and is being implemented simultaneously.

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

On 27 March 2025, the Merger, Acquisition and Reorganisation Review Committee of the Shanghai Stock Exchange considered the application for the Transaction, and considered that the Transaction was in compliance with the reorganisation conditions and the information disclosure requirements. On 16 May 2025, the Company received the Approval for the Transaction and the Non-Public Issuance from the CSRC.

On 24 June 2025, the Company has completed the issuance of 678,863,257 consideration shares to China Huadian in accordance with the terms of the Asset Purchase Agreements and the Supplemental Agreements. The net price of each consideration share is RMB5.05. On 11 July 2025, the transfer procedures and relevant industrial and commercial change registration of the target assets were fully completed.

DIRECTORS' REPORT (CONTINUED)

On 14 August 2025, the Company disclosed the Report on the Issuance of Shares to Specific Objects for Raising Ancillary Funds as Part of Purchasing Assets by Share Issuance and Cash Payment and Raising Ancillary Funds and Related Party Transaction. The Company issued a total of 705,349,794 A-share ordinary shares (with a par value of RMB1.00 each) to 15 target subscribers at an issue price of RMB4.86 per share, and a net price of RMB4.83 per share, with the total raised ancillary funds amounting to approximately RMB3,427,999,998.84. After this issuance, the total share capital of the Company is 11,611,774,184 shares. The share registration procedure has been completed with China Securities Depository and Clearing Corporation Limited on 22 August 2025.

Details of the use of the proceeds raised from this issuance are as follows:

Unit: RMB10 thousand

No.	Project Name	Proposed use of the amount of proceeds	Amount invested during the reporting period	Total proceeds invested as of the end of the reporting period	Uninvested amount during the reporting period
1	Huadian Wangting 2 × 660 MW Unit Expansion Project	200,000.00	88,800.00	88,800.00	111,200.00
2	Payment of cash consideration for this reorganization, intermediary fees, and related taxes and fees	141,223.12	141,223.12	141,223.12	0.00

During the reporting period, no significant changes or delays occurred regarding the use of the proceeds raised from the issuance of shares for raising ancillary funds.

For definitions and details regarding the Transaction and the Non-Public Issuance, please refer to the announcements of the Company dated 18 July 2024, 25 July 2024, 1 August 2024, 30 August 2024, 27 September 2024, 25 October 2024, 30 October 2024, 27 November 2024, 28 March 2025, 16 May 2025, 24 June 2025, 11 July 2025, 14 August 2025 and 25 August 2025 and the circular dated 8 November 2024.

4. Adoption of the Accounting Standards for Business Enterprises and Amendments to the Articles of Association

The Company is listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange, and has been adopting China Accounting Standards for Business Enterprises (the "CASBE") and International Financial Reporting Standards for the preparation of financial reports and disclosure of relevant financial information respectively.

According to the "Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》)" issued by the Hong Kong Stock Exchange in December 2010, Mainland China incorporated issuers listed in Hong Kong are allowed to prepare their financial statements using CASBE, and accounting firms in Mainland China recognized by the Ministry of Finance of the PRC and the CSRC are permitted to provide services using the PRC certified public accountants auditing standards for those issuers.

In view of the fact that the financial reports prepared under CASBE and International Financial Reporting Standards have largely converged and in order to enhance efficiency, the Board considered and approved on 27 March 2025 that the Company's proposed adoption of CASBE for the preparation of financial reports and disclosure of related financial information on a uniform basis commencing from the interim financial report for the period ended 30 June 2025. At the same time, corresponding amendments were made to Articles 151 and 152 of the Articles of Association relating to accounting standards. The unified adoption of the Chinese Accounting Standards for Business Enterprises and the amendments of the Articles of Association were approved at the 2024 annual general meeting.

For details, please see the announcements of the Company dated 27 March 2025 and 17 June 2025, and the circular dated 16 May 2025.

DIRECTORS' REPORT (CONTINUED)

5. Appointment of Accountants and Cessation to Re-Appoint Overseas Financial Report Auditor

On 27 March 2025, the 19th meeting of the tenth session of the Board appointed ShineWing Certified Public Accountants (Special General Partnership) as the Company's PRC auditor (internal control auditor) and overseas auditor for 2025, which was considered and approved at the 2024 annual general meeting. The term of ShineWing Certified Public Accountants (Special General Partnership) commenced from the date of approval at the 2024 annual general meeting and up to the date of the Company's next AGM.

In view of the Company's proposed uniform adoption of CASBE for the preparation of its financial reports and the fact that the Company's domestic financial report auditor, ShineWing Certified Public Accountants (Special General Partnership), has been recognized by the Ministry of Finance of the PRC and the CSRC and is qualified to provide auditing services to Hong Kong-listed and Mainland incorporated issuers in accordance with Mainland auditing standards, the Board proposed to terminate the re-appointment of SHINEWING (HK) CPA Limited as the Company's overseas financial report auditor. The proposal of the cessation to re-appoint overseas financial report auditor has been approved at the 2024 annual general meeting.

For details, please see the announcements of the Company dated 27 March 2025 and 17 June 2025, and the circular dated 16 May 2025.

6. Fuel Purchase Framework Agreement with PetroChina

Due to the acquisition transaction entered into between the Company and China Huadian involving the acquisition of 80% equity interests in Jiangsu Company, on 30 May 2025, the Company entered into a fuel purchase framework agreement with PetroChina Company Limited ("**PetroChina**"). The Group purchased fuel products, including but not limited to natural gas, from PetroChina and its subsidiaries and the annual cap for transactions under the fuel purchase framework agreement during its term should be RMB20 billion. The agreement is effective from 1 June 2025 and will remain in force until 31 December 2027. The above continuing connected transactions have facilitated the growth of the Group's principal business, ensured the safe and stable supply of natural gas required by the Group, and provided the Group a good working environment, and will continue to facilitate the operation and growth of the Group's businesses.

Upon completion of the acquisition of 80% equity interests in Jiangsu Company, Jiangsu Company became a subsidiary of the Company. PetroChina holds 20% of the equity interest in Jiangsu Company, and is a substantial shareholder of Jiangsu Company, and therefore PetroChina is a connected person of the Company at the subsidiary level under the Hong Kong Listing Rules. As the Board has approved the transactions under the fuel purchase framework agreement and the independent non-executive directors have confirmed that the terms of such transactions are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole, pursuant to Rule 14A.101 of the Hong Kong Listing Rules, the continuing connected transactions contemplated under the fuel purchase framework Agreement are subject to the reporting and announcement requirements, but exempt from the requirements of the circular and independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

For details, please see the announcement of the Company dated 30 May 2025.

7. The Proposed Spin-Off and Separate Listing of a Publicly Traded Real Estate Investment Trust Fund for Infrastructure Asset on Shanghai Stock Exchange

On 28 February 2025, the Company held the 18th meeting of the tenth session of the Board. During the meeting, the Report on the Phased Work of the Public REITs Project Issuance (《關於發行公募REITs項目階段性工作的匯報》) was presented, and the Proposal on the Declaration and Issuance Related Work for the Current Public REITs Project (《關於本次發行公募REITs項目開展申報及發行相關工作的議案》) was reviewed and approved. On 10 March 2025, the application materials in respect of the project have been submitted to the CSRC and the Shanghai Stock Exchange, respectively, and upon the approval of the CSRC and the Shanghai Stock Exchange, it was listed and commenced trading on the Shanghai Stock Exchange on 1 August 2025.

For details, please see the announcement of the Company dated 10 March 2025.

DIRECTORS' REPORT (CONTINUED)

8. Amendments to the Articles of Association and Abolishment of the Supervisory Committee

In light of the implementation of the new Company Law, the CSRC's revision of the Guidelines on Articles of Association of Listed Companies and other relevant rules and regulations, and the revised Corporate Governance Code of Hong Kong, and taking into account the changes in the Company's share capital and the requirements for our compliant operations, the Company made corresponding amendments to the Articles of Association. The amendments to the Articles of Association was passed as a special resolution at the extraordinary general meeting held on 18 November 2025.

For details, please see the announcements of the Company dated 28 October 2025 and 18 November 2025, and the circular dated 28 October 2025.

SUBSEQUENT EVENTS

1. Listing and Circulation of Certain Restricted Shares

The total number of restricted shares was 705,349,794 shares in the Issuance of Shares to Specific Objects for Raising Ancillary Funds as Part of Purchasing Assets by Share Issuance and Cash Payment and Raising Ancillary Funds and Related Party Transaction. According to the registration confirmation with respect to the change of securities issued by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 22 August 2025, the share registration procedure for the new shares issued for raising ancillary funds were completed. The listing and trading date for those new shares is 24 February 2026.

For details, please refer to the announcement of the Company dated 6 February 2026.

CONNECTED TRANSACTIONS

Pursuant to requirements of the Hong Kong Listing Rules, the connected transactions conducted by the Group for the year ended 31 December 2025 are as follows:

CONNECTED TRANSACTIONS

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

Please refer to "Directors' Report – Significant Events – 3. Purchase of Assets by Share Issuance and Cash Payment and Raising Ancillary Funds" of this annual report.

2. Formation of a Joint Venture Company with Related Parties

To fully leverage their respective industrial resource advantages and effectively promote the development of pumped storage projects, on 27 March 2025, the 19th meeting of the tenth session of the Board of the Company reviewed and approved the investment agreement entered into by the Company, Shandong Luzhong Holding Group Co., Ltd. (山東魯中控股集團有限公司) ("Luzhong Holding") and China Huadian Hong Kong Company Limited (中國華電香港有限公司) ("Huadian Hong Kong") in relation to the formation of a joint venture company, Huadian (Yiyuan) Pumped Storage Power Co., Ltd. (華電(沂源)抽水蓄能有限公司) (the "Joint Venture Company") by the Company, Luzhong Holding and Huadian Hong Kong in proportions of 70%, 20% and 10%, which is responsible for the investment, construction and operation management of pumped storage projects. The initial registered capital of the Joint Venture Company is RMB200 million. The signing of the investment agreement was completed on 28 April 2025.

Huadian Hong Kong is a subsidiary of China Huadian, the controlling shareholder of the Company, and therefore a connected person of the Company. Accordingly, the formation of a Joint Venture Company between the Company and Huadian Hong Kong constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules. As the maximum applicable percentage ratio (as defined in the Hong Kong Listing Rules) in respect of the capital contribution of the Company under the investment agreement exceeds 0.1% but is less than 5%, the formation of a Joint Venture Company is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

For details, please refer to the announcements of the Company dated 27 March 2025 and 28 April 2025.

DIRECTORS' REPORT (CONTINUED)

3. Capital Increase in Huadian Jinsha River

To ensure the smooth implementation of major projects of Huadian Jinsha River and meet the capital requirements for project construction, the Company considered and approved the Capital Increase Agreement to be entered into between the Company and Huadian Jinsha River Upstream Hydropower Development Co., Ltd. (華電金沙江上游水電開發有限公司) (the “**Huadian Jinsha River**”) on 28 August 2025 at the twenty-fifth meeting of the tenth session of the Board, pursuant to which Huadian Jinsha River will increase its registered capital by RMB5.0 billion, and the Company has agreed to subscribe for a capital contribution of RMB600 million in proportion to its 12% equity interests. Upon completion of the Capital Increase, the registered capital of Huadian Jinsha River will be increased to RMB15.0 billion, which will be funded entirely by capital contributions made by the existing shareholders of Huadian Jinsha River in proportion to their existing equity interests. The equity interests held by the Company in the then enlarged registered capital of Huadian Jinsha River will remain as 12%. The Capital Increase Agreement was entered into on 22 September 2025.

Huadian Jinsha River is a subsidiary of the Company's controlling Shareholder, i.e., China Huadian, and thus a connected person of the Company. The Proposed Capital Increase therefore constitutes a connected transaction of the Company as defined under Chapter 14A of the Hong Kong Listing Rules. As the percentage ratio (as defined in Rule 14.07 of the Hong Kong Listing Rules) applicable to the proposed capital contribution by the Company under the Capital Increase Agreement exceeds 0.1% but is less than 5%, the Proposed Capital Increase is subject to the annual reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

For details, please refer to the announcements of the Company dated 28 August 2025 and 22 September 2025.

CONTINUING CONNECTED TRANSACTIONS

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

In order to reduce the Group's overall coal procurement costs and allocate labor more effectively, and given the Group's long-standing relationship with China Huadian, on 11 September 2023, the Company and China Huadian entered into the Purchase (Supply) of Fuel, Equipment and Services Framework Agreement to renew the original fuel, equipment and services purchase (supply) framework agreement with a term of three years from 1 January 2024 to 31 December 2026. Pursuant to the agreement, the annual cap for the purchase of fuel by the Group from China Huadian is RMB18,000 million, the annual cap for the procurement of engineering equipment, products and services by the Group from China Huadian and its subsidiaries is RMB8,000 million and the annual cap for the sale of fuel and the provision of relevant services to China Huadian by the Group is RMB13,000 million.

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

In 2025, the total actual amount of purchase of fuel by the Group from China Huadian was approximately RMB10,957 million; the total actual amount of procurement of engineering equipment, products and services by the Group from China Huadian and its subsidiaries was approximately RMB2,838 million, and the total actual amount of the sale of fuel and the provision of services to China Huadian by the Group was approximately RMB6,826 million, none of which exceeded the annual cap for the transactions.

For details, please see the announcements of the Company dated 30 August 2023 and 11 September 2023 and the circular dated 14 November 2023.

DIRECTORS' REPORT (CONTINUED)

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

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

Huadian Finance is more than 30% owned by China Huadian, which is a controlling shareholder of the Company. Therefore, Huadian Finance is an associate of China Huadian and a connected person of the Company under the Hong Kong Listing Rules.

With regard to deposit services under the financial services framework agreement, as one or more of the applicable percentage ratios in relation to the maximum daily balance of the deposits of the deposit services under the Financial Services Framework Agreement, i.e. RMB12 billion, exceed 5% but are less than 25%, the transaction involving the provision of deposit services to the Group by Huadian Finance constitutes a discloseable transaction and non-exempt continuing connected transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules and the reporting, announcement and independent shareholders' approval requirements under Chapter 14A. The independent shareholders have approved the transaction and relevant annual caps.

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

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

In 2025, the maximum daily balance of the deposits of the Company with Huadian Finance is RMB11.522 billion, which did not exceed the aforesaid agreement and met the relevant provisions of the agreement.

For details, please see the announcement of the Company dated 22 August 2024 and the circular dated 8 October 2024.

DIRECTORS' REPORT (CONTINUED)

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

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

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

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

In 2025, the total actual amount of purchase of coal by the Group from Yankuang Energy was approximately RMB1,506 million, which did not exceed the annual cap specified in the agreement and met the relevant provisions of the agreement.

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

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

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

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

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

DIRECTORS' REPORT (CONTINUED)

During the period from 1 January 2025 to 31 December 2025, the maximum financing balance obtained by the Group from Huadian Financial Leasing was RMB206 million, not exceeding the cap of RMB6 billion as agreed in the agreement. No new direct lease or sale and leaseback was incurred throughout the year, satisfying the relevant provisions in the agreement.

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

5. Fuel Purchase Framework Agreement with PetroChina

Please refer to "Directors' Report – Significant Events – 6. Fuel Purchase Framework Agreement with PetroChina" of this annual report.

In 2025, the Group purchased fuel products such as natural gas from PetroChina and its subsidiaries amounting to RMB8,062 million, not exceeding the annual cap as agreed in the agreement, and satisfying the relevant provisions therein.

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

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

China Huadian is a controlling shareholder of the Company and holds directly and indirectly approximately 45.63% of the total issued share capital of the Company. Huadian Factoring is a wholly-owned subsidiary of China Huadian and therefore is a connected person of the Company. Therefore, the execution of the Commercial Factoring Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) of the transactions contemplated under the commercial factoring services framework agreement exceed 5%, the commercial factoring services framework agreement and the transactions contemplated thereunder are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

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

The Factoring business facilitates the Group to revitalize its trade receivables, reduce the amount of funds allocated for current assets, and lower the trade receivables and inventory, and improve the operating efficiency of the supply chain. As the financial institution within China Huadian Group, Huadian Factoring has a deeper understanding on the operation of the Group, which is beneficial for Huadian Factoring to provide more convenient, efficient and personalized factoring business services than other financial institutions.

In 2025, the amount of the aforesaid factoring business was RMB3,071 million, which did not exceed the annual cap specified in the agreement and met the relevant provisions of the agreement.

For details, please see the announcement of the Company dated 22 August 2024 and the circular dated 8 October 2024.

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

DIRECTORS' REPORT (CONTINUED)

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

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

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

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

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

ISSUE OF DEBENTURES

In 2025, to meet operational requirements, the Group successfully issued six tranches of ultra-short-term financing debentures with a face value of RMB10.5 billion and coupon rates ranging from 1.60% to 1.86% per annum. The Group successfully issued three tranches of medium-term notes with a face value of RMB6.0 billion and coupon rates ranging from 1.79% to 1.95% per annum. The Group successfully issued two tranches of corporate bonds with a face value of RMB3 billion and coupon rates ranging from 1.77% to 1.87%. Further details are set out in the note V. 32, 34 to the consolidated financial statements prepared in accordance with the Chinese Accounting Standards for Business Enterprises in this annual report.

ISSUE OF EQUITY FINANCING INSTRUMENTS

In 2025, in order to meet its operational needs, the Company has successfully issued eight tranches of perpetual capital securities at a total par value of RMB13.5 billion. For details, please see note V. 40 to the consolidated financial statements prepared in accordance with the CASBE included in this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the financial year of 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its issued securities ("securities" having the meaning as ascribed thereto under paragraph 1 of Appendix D2 to the Hong Kong Listing Rules).

FINANCIAL SUMMARIES

Summaries of the results and the assets and liabilities of the Group for each of the five financial years ended 31 December 2025 prepared in accordance with the CASBE are set out on page 195. The Company is not aware of any matter taking place in the year ended 31 December 2025 that would be required to be disclosed under Rules 13.13 to 13.19 of the Hong Kong Listing Rules.

BUSINESS REVIEW AND OUTLOOK

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

DIRECTORS' REPORT (CONTINUED)

MATERIAL LITIGATION

As of 31 December 2025, some members of the Group were a party to certain litigations arising from the Group's ordinary course of business or acquisition of assets. The management of the Group believes that any possible legal liability which incurred or may incur from the aforesaid cases will have no material adverse effect on the financial position and operating results of the Group.

DESIGNATED DEPOSITS AND OVERDUE TIME DEPOSITS

As at 31 December 2025, the Group's deposits placed with financial institutions or other parties did not include any designated or entrusted deposits, or any material overdue time deposits which could not be collected by the Group upon maturity.

AUDIT COMMITTEE

The Company's Audit Committee has reviewed the annual results of the Group for 2025 and the financial statements prepared under the CASBE for the financial year ended 31 December 2025.

AUDITORS

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

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

At the 2024 annual general meeting held on 17 June 2025, the Company appointed ShineWing Certified Public Accountants (Special General Partnership) as the Company's PRC auditor (internal control auditor) and overseas auditor. The term of service of ShineWing Certified Public Accountants (Special General Partnership) commenced from the approval date of the 2024 annual general meeting to the conclusion of 2025 annual general meeting.

In view of the Company's uniform adoption of CASBE for the preparation of its financial reports and the fact that the Company's domestic financial report auditor, ShineWing Certified Public Accountants (Special General Partnership), has been recognized by the Ministry of Finance of the PRC and the CSRC and is qualified to provide auditing services to Hong Kong-listed and Chinese Mainland incorporated issuers in accordance with Chinese Mainland auditing standards, the termination of re-appointment of SHINEWING (HK) as the Company's overseas financial report auditor was approved at the 2024 annual general meeting held on 17 June 2025.

SHINEWING (HK) confirmed that there are no matters relating to the termination of the re-appointment of the overseas financial report auditor required to be brought to the attention of shareholders or creditors. The Board and the Company's Audit Committee confirmed that there is no disagreement between the Company and SHINEWING (HK) regarding the termination of the re-appointment of the overseas financial report auditor.

Following approval by the shareholders, ShineWing Certified Public Accountants (Special General Partnership) has become the Company's sole auditor responsible for auditing the Company's financial reports in accordance with the Chinese Accounting Standards for Business Enterprises, while also assuming the duties required of an overseas financial report auditor under the Listing Rules.

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

By Order of the Board
Liu Lei
Chairman

Beijing, the PRC
26 March 2026

CORPORATE GOVERNANCE REPORT



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

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

1. Articles of Association;
2. Rules of Procedures for General Meetings of Shareholders and the Board of Directors (as a part of the current Articles of Association);
3. Terms of Reference for the Strategic Committee, Audit Committee, Remuneration and Appraisal Committee, and Nomination Committee under the Board;
4. Measures for Management of Authorization of the Board of Directors;
5. Code on the Investment Projects;
6. Working Requirements for Independent Directors;
7. Working Rules for General Manager;
8. Working Requirements for Secretary to the Board;

CORPORATE GOVERNANCE REPORT (CONTINUED)

9. Working Rules on Annual Report for the Audit Committee;
10. Market Value Management System;
11. Management Rules on Information Disclosure;
12. Insider Registration and Management Methods;
13. Management Rules on Investor Relations;
14. Management Policies on Connected Transactions;
15. Management Methods on Raised Proceeds;
16. Code on Trading in Securities of the Company by Directors of the Company;
17. Management policies for resignation of Directors and senior management;
18. Management Methods for Affairs of the Board of Directors;
19. Management Rules on Related Transactions; and
20. Code on Trading in Securities of the Company by Employees.

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

The Board has reviewed the relevant requirements prescribed under the corporate governance code adopted by the Company and its actual practices, and has taken the view that the corporate governance of the Company in 2025 has met all the requirements under the code provisions in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Hong Kong Listing Rules and there was no deviation from such provisions. In certain aspects, the corporate governance codes adopted by the Company are more stringent than the code provisions set out in the CG Code, mainly including:

- The Company has formulated the Code on Trading in Securities of Huadian Power International Corporation Limited by Directors and the Code on Trading in Securities of Huadian Power International Corporation Limited by Employees, which are on terms no less exacting than those set out in the Model Code set out in Appendix C3 to the Hong Kong Listing Rules.
- In addition to the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, the Company has established the Strategic Committee and has stipulated the Terms of Reference for the Strategic Committee.
- In the financial year of 2025, a total of thirteen Board meetings were held by the Company.
- The Audit Committee comprises six members, including two non-executive Directors and four independent non-executive Directors.

CORPORATE GOVERNANCE REPORT (CONTINUED)

THE BOARD OF DIRECTORS

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

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

As at 31 December 2025, members of the Board are set out below:

Name	Position
Liu Lei	Secretary of the Party Committee, Chairman, Executive Director
Li Quancheng	Deputy Secretary of the Party Committee, Vice Chairman, Executive Director, General Manager
Zhu Peng	Vice Chairman, Non-executive Director
Zeng Qinghua	Non-executive Director
Cao Min	Non-executive Director
Wang Xiaobo	Non-executive Director
Li Guoming	Member of the Party Committee, Executive Director, Chief Financial Officer
Zhu Yueguang	Member of the Party Committee, Employee Representative Director, Deputy General Manager
Feng Zhenping	Independent Non-executive Director
Wang Yuesheng	Independent Non-executive Director
Shen Ling	Independent Non-executive Director
Huang Kemeng	Independent Non-executive Director

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

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

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Directors of the Company received the following trainings with an emphasis related to the roles, functions and duties of a director of a listed company during the year ended 31 December 2025:

Name	Trainings ^(Note 1)
Dai Jun ^(Note 2)	A
Liu Lei	A, B
Chen Bin ^(Note 2)	A
Li Quancheng	A, B
Zhu Peng	A, B
Zhao Wei ^(Note 2)	A, B
Zeng Qinghua	A, B
Cao Min	A, B
Wang Xiaobo	A, B
Li Guoming	A, B
Zhu Yueguang	A, B
Feng Zhenping	A, B
Li Xingchun ^(Note 2)	A, B
Wang Yuesheng	A, B
Shen Ling	A, B
Huang Kemeng	A, B

Note 1:

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

Note 2:

Mr. Dai Jun ceased to be the Director of the Company with effect from 14 January 2025; Mr. Chen Bin ceased to be the Director of the Company with effect from 25 September 2025; Mr. Zhao Wei ceased to be the Director of the Company with effect from 28 September 2025; Mr. Li Xingchun ceased to be the Director of the Company with effect from 25 September 2025.

The current Company Secretaries have taken no less than 15 hours of relevant professional training for the year ended 31 December 2025.

CHAIRMAN AND GENERAL MANAGER

To improve independence, accountability and responsibility, the positions of the Chairman and General Manager of the Company are assumed by different individuals. During the reporting period, the position of Chairman was served by Mr. Liu Lei (served as the Chairman since 14 January 2025), the position of General Manager was served by Mr. Li Quancheng (served as the General Manager since 17 July 2025). As the legal representative of the Company, the Chairman presides over the Board, aiming to ensure that the Board acts in the best interest of the Company, operates effectively, duly fulfills its responsibilities and engages in discussion of important and appropriate matters, and to ensure Directors' access to accurate, timely and clear data. The Chairman appoints the Secretary to the Board to arrange for agenda of every Board meeting and consider any matter proposed by other Directors to be included in the agenda, thus ensuring that all Directors are properly briefed regarding matters discussed at the Board meeting and have the access to adequate and reliable data in due time. The Chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors.

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

THE MANAGEMENT

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

- (1) to preside over the production, operation and management, and to implement resolutions of the Board and report the work to the Board;
- (2) to formulate development plans, annual production and operation plans, annual financial budget, final account scheme, profit (after tax) distribution plan and loss recovery plan;
- (3) to implement the annual business plans and investment schemes;
- (4) to formulate the scheme of the internal management structure;
- (5) to formulate the basic management system;
- (6) to formulate the basic regulations;
- (7) To propose to the Board the appointment or removal of senior management personnel including Deputy General Manager, the Chief Financial Officer, the Chief Engineer, the Chief Economist and the General Counsel;
- (8) to decide to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors; and
- (9) to exercise other powers within the authorisation of Articles of Association and the Board.

BOARD MEETINGS

The Board meetings comprise regular meetings and extraordinary meetings. Regular meetings comprise annual Board meeting, interim Board meeting, first quarterly Board meeting and third quarterly Board meeting. The Board meetings shall be convened and presided over by the Chairman of the Board, who is responsible for promoting or checking on the implementation of resolutions of the Board of Directors, and exercising other functions and powers conferred by the Board of Directors and securities regulatory provisions of the place where the shares of the Company are listed. The notice of a regular meeting shall be sent 14 days prior to the date of the meeting.

The Chairman of the Board shall convene an extraordinary Board meeting, not being subject to time limit of notice to Board meetings, within 10 days in case of any of the following circumstances:

- (1) when proposed by shareholders representing 10% or more of voting rights;
- (2) when deemed as necessary by the Chairman of the Board;
- (3) when proposed by one-third or more of the Directors;
- (4) when proposed by a majority of the independent Directors; and
- (5) when proposed by the Audit Committee.

CORPORATE GOVERNANCE REPORT (CONTINUED)

A prior notice shall be served on all Directors and other participants to the Board meeting before its convening. The notice of such meeting shall be issued by the Secretary to the Board. A notice of the time, venue and duration of the meeting, the reason for convening the meeting and agenda thereof, and the date of issuing the meeting notice shall be sent by the Secretary to the Board, either by facsimile, express mail, registered mail, by hand or e-mail according to the aforesaid time requirements.

A confirmation on participation in the meeting shall be made 2 days prior to the convening with the Secretary to the Board by the recipient of such notice. In the case of participation in effect and without objection to not being served with the notice of Board meeting prior to or upon his/her participation, the Director shall be deemed as if he/she has been served with the notice of meeting.

Unless otherwise provided by laws, regulations, securities regulatory provisions of the place where the shares of the Company are listed, or the Articles of Association, Board's resolutions shall be passed by a majority of all Directors. Each Director shall have one vote when voting on the resolution of the Board. A Director shall attend the Board meeting in person. The Board meeting can be held by way of teleconference meeting or by virtue of similar telecommunication devices. So long as the participating Director can hear and communicate with each other, all participating Directors are deemed to have participated in such meeting in person.

A Director shall appoint in writing another Director to attend the meeting on his/her behalf due to his/her absence. The name of the proxy, the matters for entrustment, the authorisation scope and the validity period shall be specified in the power of attorney which shall be signed or sealed by the entrusting Director. The Director attending such meeting on behalf of another entrusting Director shall exercise relevant rights within the authorization scope. Should a Director neither attend a Board meeting nor appoint another Director to attend on his/her behalf, the said Director shall be deemed as having waived his/her voting rights at the meeting.

Resolutions shall generally be made for matters discussed at the Board Meeting. The Company shall establish a special meeting mechanism exclusively attended by the independent non-executive Directors. Where the Board of Directors considers matters such as connected transactions, prior approval shall be obtained from the special meeting of independent non-executive Directors. Any written resolution without execution by Directors in accordance with legal procedures, even though voted on by each Director by various means shall not have the legal effect of Board resolutions.

Detailed minutes shall be prepared for the matters discussed at Board meetings. The minutes shall be circulated among all Directors for review as soon as practicable. The Directors who wish to make amendments or supplements to the minutes shall submit their opinions in written form to the Chairman of the Board within one week commencing from receipt of the minutes. The Directors and the recorder present at the meeting shall sign on the meeting minutes. A Director has the right to request to make descriptive statements of his/her speech at the meeting minutes. The minutes of Board meetings shall be properly maintained at the domicile of the Company as important archives permanently.

The Board shall strictly observe relevant State laws, regulations and the information disclosure requirements from the stock exchange where the Company's shares are listed, and disclose the proposed matters and/or resolutions of Board meetings on a timely, truthful, accurate and complete basis.

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

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

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

- (1) to convene general meetings and report its work to the general meetings;
- (2) to implement the resolutions passed at general meetings;
- (3) to decide the Company's business plans and investment schemes;
- (4) to determine the Company's annual budget scheme and final account plan;
- (5) to formulate the Company's profit distribution plan and loss recovery plan;
- (6) to formulate proposals for increase or decrease of the Company's registered capital and for issue of corporate bonds or other securities, and listing plans;
- (7) to draw up plans for significant acquisition of the Company, repurchase of the Company's shares or for merger, division, dissolution and changing the form of the Company;
- (8) to determine external investments, acquisition and disposal of assets, assets pledge, entrusted asset management, connected transactions, external donations and the issuance of bonds of the Company within the authorisation of the general meeting; and to decide on external guarantees matters other than those requiring approval of the shareholders at general meeting according to relevant laws, administrative regulations and the provisions of the Articles of Association;
- (9) to determine the establishment of the Company's internal management structure;
- (10) to determine the appointment or dismissal of the Company's General Manager and the Secretary to the Board and other senior management, and to determine their remuneration and disciplinary measures, and pursuant to the General Manager's nominations, to determine the appointment or dismissal of senior management including the Deputy General Managers, chief financial officers, the chief engineer, the chief economist and the chief legal counsel of the Company and determine their remuneration, bonus and penalties;
- (11) to formulate the Company's basic management system to facilitate the development of legal governance;
- (12) to formulate proposed amendments to the Articles of Association;
- (13) to manage the information disclosure of the Company;
- (14) to propose at general meetings for the appointment or change of auditors providing audit services to the Company;
- (15) to hear the work report and inspect the work of the Company's General Manager; and
- (16) to exercise any other powers specified in relevant laws, administrative regulations, departmental rules or the Articles of Association and conferred by the shareholders at general meetings.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Any resolution on the Company's external guarantees and financial assistances shall be approved by a majority of all the Directors and by two-thirds or more of the Directors present at Board meetings.

The Board mainly performed the following duties in respect of corporate governance in the reporting period:

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

Thirteen Board meetings were held by the Company in the financial year from 1 January 2025 to 31 December 2025, the attendance of each Director at which is set out as follows:

Name	Position	Number of meetings actually attended (excluding by proxy)/ number of meetings to attend
Liu Lei	Chairman, Executive Director	13/13
Li Quancheng	Vice Chairman, Executive Director	3/3
Chen Bin	Former Vice Chairman, Former Executive Director	9/10
Zhu Peng	Vice Chairman, Non-executive Director	11/13
Zhao Wei	Former Non-executive Director	9/11
Zeng Qinghua	Non-executive Director	13/13
Cao Min	Non-executive Director	11/13
Wang Xiaobo	Non-executive Director	13/13
Li Guoming	Executive Director	13/13
Zhu Yueguang	Employee representative Director	1/1
Feng Zhenping	Independent Non-executive Director	12/13
Li Xingchun	Former Independent Non-executive Director	10/10
Wang Yuesheng	Independent Non-executive Director	13/13
Shen Ling	Independent Non-executive Director	13/13
Huang Kemeng	Independent Non-executive Director	3/3

CORPORATE GOVERNANCE REPORT (CONTINUED)

One annual general meeting and three extraordinary general meetings were held by the Company in the financial year from 1 January 2025 to 31 December 2025, the attendance of each Director at which is set out as follows:

Name	Position	Number of meetings actually attended/number of meetings to attend
Liu Lei	Chairman, Executive Director	4/4
Li Quancheng	Vice Chairman, Executive Director	1/1
Chen Bin	Former Vice Chairman, Former Executive Director	2/3
Zhu Peng	Vice Chairman, Non-executive Director	3/4
Zhao Wei	Former Non-executive Director	2/3
Zeng Qinghua	Non-executive Director	4/4
Cao Min	Non-executive Director	2/4
Wang Xiaobo	Non-executive Director	2/4
Li Guoming	Executive Director	4/4
Zhu Yueguang	Employee representative Director	0/0
Feng Zhenping	Independent Non-executive Director	2/4
Li Xingchun	Former Independent Non-executive Director	0/3
Wang Yuesheng	Independent Non-executive Director	4/4
Shen Ling	Independent Non-executive Director	3/4
Huang Kemeng	Independent Non-executive Director	1/1

Note: Mr. Wang Xiaobo, non-executive Director, Mr. Li Xingchun, former independent non-executive Director, were unable to be present at the first extraordinary general meeting of 2025 of the Company held on 14 January 2025 due to personal business commitments; Mr. Li Xingchun, former independent non-executive Director, was unable to be present at the annual general meeting of 2024 of the Company held on 17 June 2025 due to personal business commitments; Mr. Chen Bin, former vice Chairman, former executive Director, Mr. Zhao Wei, former non-executive Director, Ms. Cao Min, executive Director, Mr. Wang Xiaobo, non-executive Director, Mr. Feng Zhenping, independent non-executive Director, Mr. Li Xingchun, former independent non-executive Director, and Ms. Shen Ling, independent non-executive Director, were unable to be present at the second extraordinary general meeting of 2025 of the Company held on 25 September 2025 due to personal business commitments; Mr. Zhu Peng, vice Chairman and non-executive Director, Ms. Cao Min, non-executive Director and Mr. Feng Zhenping, independent non-executive Director, were unable to be present at the third extraordinary general meeting of 2025 of the Company held on 18 November 2025 due to personal business commitments.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

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

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

SECURITIES TRANSACTIONS BY DIRECTORS

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

After specific inquiries with all Directors, the Directors of the Company have complied with the relevant codes on securities transactions by Directors set out in the Model Code and the "Code on Trading of the Company's Securities by Directors of Huadian Power International Corporation Limited" during the year ended 31 December 2025.

CORPORATE GOVERNANCE REPORT (CONTINUED)

AUDIT COMMITTEE

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

The primary terms of reference of the Audit Committee include:

- (1) to submit recommendations to the Board on the appointment or replacement of the external audit institution;
- (2) to review, monitor and assess the external auditor’s independence and objectivity as well as the effectiveness of the audit process;
- (3) to formulate and implement policies on engaging an external auditor to supply non-audit services;
- (4) to act as the key representative body for the communication between the Company and the external auditor;
- (5) to examine, monitor and supervise integrity of the Company’s financial statements and regular reports, and to review any significant financial reporting judgements contained in them;
- (6) to review the Company’s financial controls, internal control and risk management systems;
- (7) to be responsible for the communication between internal and external auditors and to ensure coordination between their audit work;
- (8) to be involved in the appraisal of the head of internal audit;
- (9) to supervise and instruct the internal audit department to review the matters such as the use of raised funds and large-sum transactions of the Company at least once every six months;
- (10) to review and monitor the effective operation of the Company’s internal control rules and risk management systems on an ongoing basis, listen to the report on development of the corporate internal control and risk management mechanism and system, issue written assessment opinions on the effectiveness of the Company’s internal control and report it to the Board;
- (11) to consider major investigation findings on internal control and risk management matters as delegated by the Board or on its own initiative and management’s response to these findings;
- (12) to ensure employees of the Company have appropriate channels, in confidence, to blow the whistle on or raise concerns about possible improprieties in financial reporting, internal control or other matters, and review relevant arrangements from time to time, so that the Company can conduct fair and independent investigation into such matters and take appropriate follow-up actions;
- (13) to ensure the establishment of a whistle-blowing policy and system of the Company;
- (14) to urge the Company to carry out effective follow-up rectification, internal accountability and related work, formulate rectification plans and measures and complete rectification within a time limit, and establish, improve, and strictly implement an internal accountability system;
- (15) to review the financial and accounting policies and practices of the Company and its subsidiaries;

CORPORATE GOVERNANCE REPORT (CONTINUED)

- (16) to evaluate the Company's existing or potential risks and make recommendations on improvement of the Company's risk management;
- (17) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or monitoring systems and management's responses;
- (18) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;
- (19) to ensure that the Board provides a timely response to the issues raised in the external auditor's management letter;
- (20) to formulate and examine the corporate governance policies and practices of the Company;
- (21) to confirm the related/connected parties of the Company, and report to the Board, and inform relevant staff members of the Company of such related/connected parties in a timely manner;
- (22) to conduct preliminary review of the related/connected transactions which should be approved by the Board, to submit to the Board for consideration, and to approve or accept the filings of connected/related transactions within the authorization of the Board;
- (23) other powers as conferred by or other matters assigned by the Board, and to consider other topics as defined by the Board.
- (24) to report to the Board on the decisions or recommendations made by the committee, unless there are legal or regulatory restrictions on their ability to do so;
- (25) to exercise the primary functions and powers of the supervisory committee stipulated in the Company Law;
- (26) other relevant requirements on the terms of reference for the Audit Committee (as amended from time to time) under the Listing Rules of the places where the Company's shares are listed;
- (27) other matters as required by the Board of the Company; and
- (28) other powers stipulated by laws, regulations, securities regulatory provisions of the place where the Company's shares are listed, and the Articles of Association.

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

The Audit Committee held eight meetings respectively on 26 March 2025, 23 April 2025, 29 April 2025, 30 May 2025, 17 July 2025, 27 August 2025, 28 October 2025 and 5 December 2025. All of the members of the committee attended all of the meetings in person instead of by proxy.

CORPORATE GOVERNANCE REPORT (CONTINUED)

During the reporting period, the Audit Committee considered and approved the financial reports (final accounts) of the Company for 2024, the summary report on the accounting firm's audit work for 2024, the resolution on the provision for impairment of assets for 2024, the resolution on the overseas annual report and results announcement, the resolution on the domestic annual report and its summary, the resolution on the connected transaction in relation to the establishment of Huadian (Yiyuan) Pumped Storage Power Co., Ltd. (華電(沂源)抽水蓄能有限公司), the resolution on confirmation of continuing related party transactions of the Company, the report on risk continuation assessment of related party transactions between Huadian Power International Corporation Limited and China Huadian Finance Corporation Limited, the internal control evaluation report for 2024, the accounting firm's report on internal control audit for 2024, the work performance of the Audit Department for 2024 and work plan for 2025, the evaluation report on the performance of the accounting firm for 2024, the report by the Audit Committee on the performance of its duties in supervising the accounting firm, the resolution on adoption of PRC Accounting Standards uniformly for the preparation of financial reports, termination of the reappointment of the overseas financial report auditors and submission to the general meeting for consideration, the resolution on appointment of auditors for the Company's financial reports and internal control for 2025 and submission to the general meeting for consideration, the resolution on providing entrusted loans to CNNP CHD Hebei Nuclear Power Co., Ltd. and submission to the general meeting for consideration, the annual work report of the Audit Committee for 2024, the progress report on the Company's asset restructuring, the resolution on the draft of Huadian Power International Corporation Limited to purchase assets by share issuance and cash payment and raising ancillary funds and connected transaction (Updated for 2024 Annual Report) and its summary, the resolution on the supplementary pro forma review report and audit report in relation to the Transaction, the explanation on the quarterly financial report for the first quarter of 2025, the resolution on the first quarterly report of the Company for 2025, the report on the progress of the Company's audit work for the first quarter of 2025, the resolution on continuing related party transactions for the fuel purchase from PetroChina Company Limited, the resolution on the establishment of a fund-raising account, the resolution on the related party transaction in relation to Shandong Guohui's proposed participation in raising ancillary funds of the Company, the explanation on the interim financial report for 2025, the explanation by the accounting firm on the review of the interim financial report, the explanation on the financial information in relation to the half-yearly report of 2025, the resolution on confirmation of continuing related party transactions of the Company, the report on risk continuation assessment of related party transactions with China Huadian Finance Corporation Limited, the report on the completion of the Company's audit work for the second quarter of 2025, the report on launching the selection and appointment of the Company's domestic and overseas auditors for 2026, the resolution on the related party transaction in relation to capital contribution to Huadian Jinsha River Upstream Hydropower Development Company Limited jointly with China Huadian Corporation Ltd., the interim work report of the Audit Committee for 2025, the explanation on the quarterly financial report for the third quarter of 2025, the third quarterly report of the Company for 2025, the resolution on the revision of the list of related parties, the report on the completion of the Company's audit work for the third quarter of 2025, the report by ShineWing Certified Public Accountants on the audit plan for 2025 Annual Report, and the resolution on the annual financial report and the selection and appointment documents for the internal control auditors.

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROL

Main Features of the Risk Management and Internal Control Systems

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

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

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

Process Used to Identify, Evaluate and Manage Major Risks

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

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

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

In 2025, the effectiveness assessment on risk management and internal control of the Company and its subsidiaries was conducted using the “Internal Control and Risk Management-A Basic Framework” issued by Hong Kong Institute of Certified Public Accountants as guidance, and in accordance with requirements of the “Standard Regulations on Corporate Internal Control” jointly issued by five PRC ministries and commissions including the Ministry of Finance of the PRC, specifically covering various material aspects including operational control, finance control, compliance control and risk management. Based on the assessment results, the Audit Committee of the Board prepared the draft 2025 assessment report on internal control which was approved at the thirtieth meeting of the tenth session of the Board of the Company. The 2025 assessment report on internal control of the Board concluded that no material and important internal control defect was found from the assessment, and therefore confirmed that the Company has fully complied with provisions of risk management and internal control set out in the CG Code in 2025, and confirmed that the existing risk management and internal control systems of the Company were in line with the relevant PRC laws and requirements of securities regulators, and it could effectively perform the role of controlling and preventing in areas of major enterprise risks, serious management fraud and important procedures. The Board and the Audit Committee considered that the Company has adequate resources, staff qualifications and experience of employees in accounting and financial reporting, and that the relevant employees have received adequate trainings, and the Company has adequate budget. The Company handled and disseminated the inside information according to the information disclosure management system and the stipulated procedures to ensure that inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made after obtaining the appropriate approval.

In 2025, the Company has performed its duties in accordance with the latest requirements of Hong Kong Listing Rules on risk management and internal control of listed companies. The Board considers that the risk management and internal control systems of the Group in 2025 were effective and adequate.

REMUNERATION AND APPRAISAL COMMITTEE

The Company has set up a Remuneration and Appraisal Committee. The Remuneration and Appraisal Committee is a specialised committee of the Board established under the resolution of the general meeting of the Company. It is responsible for formulating the appraisal standards for the Directors and the senior management of the Company and performing appraisal. It is also responsible for formulating and reviewing remuneration policies and schemes including decision-making mechanisms, decision-making processes, and payment and clawback arrangements for the Company’s directors and senior management. The Committee is accountable to the Board. It has reviewed the current remuneration policy and proposed to the Board to improve the remuneration policy and system. After each meeting, the Committee will report to the Board. None of the Directors shall participate in the determination of his/her own remuneration.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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

- (1) to make recommendations to the Board on the policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (2) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board;
- (3) to determine the remuneration management method and remuneration packages for each of the directors and senior management and make recommendations to the Board on such remuneration packages;
- (4) to consider factors such as salaries paid by comparable companies, time commitment and responsibilities of such director or senior management, and employment conditions elsewhere in the Company, in determining the remuneration packages of directors and senior management;
- (5) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with contractual terms;
- (6) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms;
- (7) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (8) to supervise the execution of the Company's remuneration system;
- (9) to examine and supervise the training and sustainable professional development of the directors and senior management;
- (10) to consider and make recommendations on the Company's stock incentive plan;
- (11) to report to the Board on the decisions or recommendations made by the Committee, unless there are legal or regulatory restrictions on their ability to do so;
- (12) any other powers and authorities as conferred by the Board; and
- (13) the relevant requirements on the terms of reference for the Committee (as amended from time to time) under the Listing Rules.

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

The Remuneration and Appraisal Committee held three meetings on 26 March 2025, 17 July 2025 and 27 August 2025 respectively. All members of the Committee were present at all of the meetings in person instead of by proxy.

During the reporting period, the Remuneration and Appraisal Committee considered and approved the resolution on the plans for review and payment of annual salaries of the general manager and other senior management members for 2024, the resolution on the Work Plan on Tenure System and Contract-based Management of Management Members of Huadian Power International Corporation Limited, the work report of the Remuneration and Appraisal Committee for 2024, the resolution on matters relating to the adjustment to the Work Plan on Tenure System and Contract-based Management of Management Members of the Company and the resolution on signing the 2025–2027 Term Business Performance Responsibility Letters with the Management Members.

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

ANNUAL SALARY SCHEME FOR THE DIRECTORS IN 2025

In order to provide the necessary safeguard for the accomplishment of the strategic development targets for the year 2025 and to ensure completion of the annual missions of the Board, the Company linked the annual salary scheme for the Directors with the annual operating performance of the Company with reference to the Company's actual circumstances.

ANNUAL SALARY SCHEME FOR THE GENERAL MANAGER IN 2025

In order to provide the necessary safeguard for the accomplishment of the strategic development targets for the year 2025 and to ensure completion of the annual plans of the Company, the Company linked the annual salary scheme for the General Manager with the annual operating performance with reference to the Company's actual circumstances.

Based on the Company's development strategies, external environmental changes, annual performance results, salary level of employees and other factors, and with reference to the salary level of the listed peers and the Company's actual circumstances, the Remuneration and Appraisal Committee determined the annual salary plan for the Directors and General Manager of the Company in 2025 in line with principles such as integration of incentives and constraints, priority to efficiency while giving considerations to impartiality, and combination of material and ideological incentives, subject to the approval of the general meeting or the Board before implementation of such plan.

MOTIVATION AND APPRAISAL METHODS FOR OTHER SENIOR MANAGEMENT IN 2025

In order to secure the accomplishment of the strategic development targets of the Company in 2025 and to ensure completion of the annual missions of the Board, the Remuneration and Appraisal Committee formulated the motivation and assessment methods for other senior management members (including the Deputy General Managers, Chief Financial Officer, Secretary to the Board and General Counsel) in 2025 with reference to the Company's actual circumstances, and the annual salary scheme for the General Manager, and in line with the performance-based and integration of incentives and constraints principles. The motivation and appraisal methods are carried out by the Remuneration and Appraisal Committee upon approval of the Board.

EMPLOYEE REMUNERATION POLICY FOR THE GROUP

As of 31 December 2025, the total number of the Group's official staff amounted to 30,595. Consistently complying with State regulations, the Group determines the salary of the employees at various levels based on its economic benefits, and adheres to the concept of "identify talents through performance, select talents through competition and award talents through remuneration", thus establishing the objective, impartial, scientific and effective remuneration distribution mechanism and performance appraisal mechanism for its employees.

ALLOWANCES OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company paid the allowance of RMB180,000 per annum to the independent non-executive Directors, namely, Mr. Feng Zhenping, Mr. Li Xingchun, Mr. Wang Yuesheng, Ms. Shen Ling and Mr. Huang Kemeng in 2025.

CORPORATE GOVERNANCE REPORT (CONTINUED)

REMUNERATION (ALLOWANCE) OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY IN 2025

Name	Position	Remuneration (allowance) (RMB'000)
Liu Lei ^{Note 3}	Chairman, Executive Director, Secretary of the Party Committee	105.68
Dai Jun	Former Chairman, Former Executive Director	–
Li Quancheng ^{Note 3}	Vice Chairman, Executive Director, General Manager	43.70
Chen Bin ^{Note 3}	Former Vice Chairman, Former Executive Director, Former General Manager	61.15
Zhu Peng	Vice Chairman, Non-executive Director	–
Zhao Wei ^{Note 4}	Former Non-executive Director	–
Zeng Qinghua	Non-executive Director	–
Cao Min	Non-executive Director	–
Wang Xiaobo	Non-executive Director	–
Li Guoming ^{Note 3}	Executive Director, Chief Financial Officer	99.43
Zhu Yueguang ^{Note 3}	Employee Representative Director, Deputy General Manager	84.48
Feng Zhenping	Independent Non-executive Director	18
Li Xingchun	Former Independent Non-executive Director	13.5
Wang Yuesheng	Independent Non-executive Director	18
Shen Ling	Independent Non-executive Director	18
Huang Kemeng	Independent Non-executive Director	4.5
Qin Jiehai	Secretary to the Board, Company Secretary	101.94
Li Kanyu	Deputy General Manager	91.70
Gao Mingcheng	General Legal Counsel	99.29

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

Note 2: The remuneration of the Company's directors and senior management as disclosed above includes pre-tax salary income (the remuneration shown in the table does not include term incentive income for 2022 to 2024, which amounts to RMB343,800 for Mr. Chen Bin, RMB301,900 for Mr. Qin Jiehai, RMB259,300 for Mr. Li Guoming, and RMB51,900 for Mr. Zhu Yueguang), as well as enterprise contributions to endowment insurance, enterprise annuity, housing provident fund and other items. Remuneration for independent directors represents the pre-tax amount of independent director allowances.

Note 3: The emoluments received by Mr. Liu Lei are the remunerations he received for serving as the secretary of the party committee of the Company. The emoluments received by Mr. Li Quancheng are the remunerations he received for serving as the general manager of the Company. The emoluments received by Mr. Chen Bin are the remunerations he received for serving as the general manager of the Company. The emoluments received by Mr. Li Guoming are the remunerations he received for serving as the chief financial officer of the Company. The emoluments received by Mr. Zhu Yueguang are the remunerations he received for serving as the deputy general manager of the Company.

Note 4: The remunerations received by Mr. Zhao Wei from Huadian Power International Corporation Limited Hebei Branch (華電國際電力股份有限公司河北分公司) from January to September 2025 was RMB632,700.

CORPORATE GOVERNANCE REPORT (CONTINUED)

NOMINATION COMMITTEE

On 28 March 2012, the Company set up a Nomination Committee, which is a body specifically set up by the Board according to the resolution of the general meeting, and mainly responsible for formulating selection criteria and procedures for Directors and senior management, and making recommendations to the Board regarding the selection and review of candidates for Directors and senior management and their qualifications.

In 2025, the Nomination Committee strictly implemented the nomination policy of the Company. The standards relating to the selection and recommendation of Director candidates include the Director's appropriate professional knowledge and background, personal ethics, as well as their time commitment. In order to achieve sustainable and balanced development, the Company will take into account many aspects concerning the diversity of members of the Board, including but not limited to gender, age, cultural and educational background, race, professional expertise, skills, knowledge and terms of service, when determining the composition of the Board. Based on the Company's existing business model and specific needs, the current composition of the Board satisfies the Board Diversity Policy in 2024.

If the term of office of the Board expires or the Board proposes to add new Directors or to fill vacancies of the Board, the Nomination Committee shall recommend to the Board the candidates. Upon being considered and approved by the Board, relevant proposals will be submitted at the general meeting for approval and then take effect. The candidates for the Director shall be nominated by the Board and shareholders individually or collectively holding over 1% of the Company's shares (including preferred shares with restored voting rights, etc.), and elected at the general meeting of the Company.

The primary terms of reference of the Nomination Committee include:

- (1) to regularly review the structure, size and composition of the Board;
- (2) to study and make recommendations on the standards and procedures for selecting the directors and senior management;
- (3) to make recommendations to the Board on the relevant matters of appointment or reappointment of and succession planning for directors and senior management;
- (4) there should be plans in place for orderly succession for appointment of directors. All directors should be subject to re-election at regular intervals. It should ensure that changes in composition of the Board can be managed without undue disruption to the Company;
- (5) to verify the personal information of all the candidates for election or re-election of the directors and senior management, and submit the verification result and appointment recommendations to the Board or the general meeting for reference;
- (6) in case of resignation or removal of a director, to present the Board the reasons for such resignation or removal and other matters that need to be specified to shareholders;
- (7) in case of resignation or removal of a senior management member, to present the Board the reasons for such resignation or removal;
- (8) to assess the independence of independent non-executive directors;
- (9) to formulate and review the standards for establishing the special committees under the Board and provide proposed amendments to the Board when appropriate;
- (10) to review annually the qualifications and potential conflict of interests of the chairmen and other members of all the special committees under the Board, and make proposals to the Board on replacement and recommendation of candidates of members of such committees;
- (11) to formulate the policy concerning diversity of board members;
- (12) to report the decisions or recommendations made by the Committee to the Board;

CORPORATE GOVERNANCE REPORT (CONTINUED)

- (13) to ensure and assist in the completion of the relevant requirements of the Hong Kong Listing Rules by the Board;
- (14) to support the regular evaluation of the Board's performance;
- (15) other powers as conferred by the Board; and
- (16) other relevant requirements on the terms of reference for the Nomination Committee (as amended from time to time) under the Listing Rules.

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

The Nomination Committee held four meetings on 24 January 2025, 26 March 2025, 17 July 2025 and 5 September 2025 respectively. All members of the committee attended the meetings in person instead of by proxy.

During the reporting period, the Nomination Committee considered and approved the resolution on the appointment of the Deputy General Manager, the work report of the Nomination Committee for the year 2024, the resolution on the appointment of the General Manager, the resolution on the nomination of the candidate for director to be submitted to the general meeting for consideration, the resolution on the nomination of the candidate for independent director to be submitted to the general meeting for consideration.

DIVERSITY

Diversity of Directors

According to the goal of the Board diversity policy, the Board of the Company includes two female directors in 2025. The Company will continue to comply with the requirements of the Board Diversity in the future, provided that (i) the Director candidates meet the requirements on the ability and experience of a Director, as confirmed by the performance of comprehensive investigation and audit procedures under reasonable standards; and (ii) in considering the appointments, there shall be assurance that the Director candidates will earnestly perform their responsibilities and act according to the principle of safeguarding the best interests of the Company and its shareholders as a whole.

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

Diversity of Employees

		Data for 2025 <i>(person)</i>	Data for 2024 <i>(person)</i>
Total number of regular employees		30,595	25,093
By gender	Male	24,472	19,690
	Female	6,123	5,403

As at 31 December 2025, the male and female regular employees of the Group accounted for 79.99% and 20.01% respectively. The Group implemented the principle of fair employment and adopted the merit-based recruitment method, without discrimination. The Group attached importance to the principles of fairness, justice and openness in recruiting and promoting suitable employees, and never discriminated against employees on the grounds of gender.

CORPORATE GOVERNANCE REPORT (CONTINUED)

DIVIDEND DISTRIBUTION POLICY

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

Pursuant to a resolution passed at the twenty-fifth meeting of the tenth session of the Board, the Board proposed to declare an interim cash dividend of RMB0.09 per share (tax inclusive) based on the total share capital of 11,611,774,184 shares for the six months ended 30 June 2025, totaling approximately RMB1,045,059.68 thousand (tax inclusive). The distribution of interim cash dividend was completed after consideration and approval at the second extraordinary general meeting convened on 25 September 2025.

Pursuant to a resolution passed at the thirtieth meeting of the tenth session of the Board, the Board proposes to declare an annual cash dividend of RMB0.23 per share (tax inclusive), including the interim dividend of RMB0.09 per share (tax inclusive) paid in 2025, for the financial year ended 31 December 2025. The proposed final dividend of RMB0.14 per share (tax inclusive) is based on the total share capital of 11,611,774,184 shares, totaling approximately RMB1,625,648 thousand (tax inclusive). The proposed final dividend distribution is subject to approval by the shareholders at the upcoming 2025 annual general meeting. The circular of the 2025 annual general meeting of the Company, containing details of the time of meeting, the period of the closure of the register of members and procedures of the register of members, will be published and despatched to shareholders of the Company in due course.

If the above proposal for profit distribution is considered and approved at the upcoming annual general meeting, the Company expects to pay such cash dividends on or before 31 August 2026.

AUDITORS

As the Company uniformly prepares its financial statements in accordance with the Chinese Accounting Standards for Business Enterprises, ShineWing Certified Public Accountants (Special General Partnership) has become the sole auditor of the Company responsible for auditing the financial reports of the Company under the Chinese Accounting Standards for Business Enterprises, and shall concurrently perform the duties required by the Listing Rules for an overseas financial report auditor.

During the year ended 31 December 2025, the Company paid an aggregate of RMB8.08 million of audit service fees to its auditors, ShineWing Certified Public Accountants (Special General Partnership), including fees for audit of internal control provided by ShineWing Certified Public Accountants (Special General Partnership) to the Company. The audit service fees were considered by the Audit Committee and the Board and were approved at the 2024 annual general meeting of the Company.

SHAREHOLDERS' RIGHTS

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

Shareholders individually or jointly holding 1% or more of the Company's shares (including preferred shares with voting rights restored, etc.) shall have the right to submit proposals at a general meeting of the Company. Shareholders individually or jointly holding 1% or more of the Company's shares (including preferred shares with voting rights restored, etc.) may submit extraordinary proposals to the convener in writing 10 days prior to the general meeting. The convener shall issue a supplemental notice of the general meeting and announce the contents of such extraordinary proposals within 2 days after receipt thereof and submit such extraordinary proposals to the general meeting for consideration.

CORPORATE GOVERNANCE REPORT (CONTINUED)

INVESTOR RELATIONS

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

The previous annual general meeting of the Company was the 2024 annual general meeting held at Huabin International Hotel, No. 4 Xuanwumennei Street, Xicheng District, Beijing on 17 June 2025, at which the Chairman of the Board attended the meeting and answered questions. At the annual general meeting, each matter was put forward in form of a separate proposal and voted by way of poll.

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

For any enquiry addressed to the Board, investors can contact the Board through shareholder hotlines (010) 8356 7905 or by email (hdpi@hdpi.com.cn) or by fax (8610) 8356 7963, and shareholders may raise questions at annual or extraordinary general meetings of the Company. The Company maintained smooth channels of communication with investors by reception of shareholders, roadshow and reverse roadshow activities, online communication via telephone and Internet, etc., to answer inquiries from investors in a timely and accurate manner. During the reporting period, the Company assessed and reviewed various communication channels and believed that the above policy was effectively implemented in 2025.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES AND PERFORMANCE

The Company complied with the "comply or explain" provisions set out in the Environmental, Social and Governance Reporting Guide and other relevant laws and regulations in 2025. The information relating to the environmental, social and governance policies and performance of the Company in 2025 is set out in the Environmental, Social and Governance Report of the Company.

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

Beijing, the PRC
26 March 2026

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

Liu Lei (Chairman, Executive Director), Li Quancheng (Vice Chairman, Executive Director), Zhu Peng (Vice Chairman, Non-executive Director), Zeng Qinghua (Non-executive Director), Cao Min (Nonexecutive Director), Wang Xiaobo (Non-executive Director), Li Guoming (Executive Director), Zhu Yueguang (Executive Director), Feng Zhenping (Independent Non-executive Director), Wang Yuesheng (Independent Non-executive Director), Shen Ling (Independent Non-executive Director) and Huang Kemeng (Independent Non-executive Director).

CORPORATE INFORMATION

CORPORATE INFORMATION

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

COMPANY PUBLICATIONS

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AUDITOR'S REPORT

	信永中和会计师事务所	北京市東城區朝陽門北大街 8號富華大廈A座9層	聯繫電話: +86 (010) 6554 2288 telephone: +86 (010) 6554 2288
	ShineWing certified public accountants	9/F, Block A, Fu Hua Mansion, No.8, Chaoyangmen Beidajie, Dongcheng District, Beijing, 100027, P.R.China	傳真: +86 (010) 6554 2288 facsimile: +86 (010) 6554 2288

XYZH/2026BJAA3B0397

Huadian Power International Corporation Limited

To all shareholders of Huadian Power International Corporation Limited,

I. OPINION

We have audited the consolidated financial statements of Huadian Power International Corporation Limited (the “**Company**”) and its subsidiaries (together the “**Group**”), including the consolidated and the parent company’s balance sheets as of 31 December 2025, the consolidated and the parent company’s statements of profit and loss, the consolidated and the parent company’s statements of cash flows and the consolidated and the parent company’s statements of changes in equity for the year then ended, and the Notes to the Financial Statements.

In our opinion, the attached financial statements give a true and fair view of the consolidated and parent company’s financial positions of the Group as of 31 December 2025, and its consolidated and parent company’s financial performance and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

We have conducted our audit in accordance with the Auditing Standards for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the “CPAs’ Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Group in accordance with the Independence Standards for Chinese Certified Public Accountants and the independence requirements applicable to the audit of financial statements of public interest entities under the China Code of Ethics for Certified Public Accountants, and we have fulfilled our other independent and ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

AUDITOR'S REPORT (CONTINUED)

III. KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
(I) Accuracy of operating cost accounting	
<p>As set out in "V. Notes to the Consolidated Financial Statements – 46. Operating costs" in the Notes to the Financial Statements, for the year ended 31 December 2025, the Group incurred operating costs of RMB111,601,546 thousand, primarily comprising coal costs and depreciation expenses of fixed assets for production, etc. These amounts were significant to the consolidated financial statements. For all the reasons above, we identified the accuracy of operating cost accounting as the key audit matter.</p>	<ol style="list-style-type: none"> 1. Understanding the internal controls related to operating costs and testing the design and operating effectiveness of key internal controls; 2. Performing analytical review procedures, in conjunction with the audit of operating revenue, to analyse the reasons for and the reasonableness of changes in gross margin between periods; comparing and analysing the reasonableness of the composition and amount changes in operating costs between the two periods, and obtaining sufficient audit evidence for any anomalies identified; 3. Analysing the reasonableness of coal purchase prices and standard coal consumption per unit using industry data and recent historical data, and analysing the reasons for fluctuations. Examining the overall coal purchase, sales, and inventory for the year, and recalculating coal consumption. Verifying the accuracy of warehouse-in/out data by selecting a sample of contracts, goods received notes, and goods issue notes and reconciling them with accounting records; 4. In conjunction with the audit of fixed assets and inventories, testing the accuracy of amounts charged to operating costs, such as depreciation of fixed assets and cost transfers; 5. Performing physical inventory monitoring of coal at the end of the year, and conducting analytical procedures to reconcile coal movements (in/out) between the inventory count date and the balance sheet date; 6. Performing cut-off testing on cost transactions recorded around the balance sheet date; 7. Reviewing whether operating costs have been appropriately presented and disclosed in the consolidated financial statements.

AUDITOR'S REPORT (CONTINUED)

III. KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
(II) Measurement of fixed assets	
<p>As set out in “V. Notes to the Consolidated Financial Statements – 15. Fixed assets” in the Notes to the Financial Statements, as at 31 December 2025, the carrying amount of fixed assets in the consolidated balance sheet of the Group was RMB155,440,596 thousand, representing 58.83% of total assets in the consolidated balance sheet, making it a significant component of the Group’s assets. Due to the materiality of the carrying amount of fixed assets to Huadian Power International’s financial statements, we identified the measurement of fixed assets as the key audit matter.</p>	<ol style="list-style-type: none"> 1. Understanding and evaluating the design effectiveness of key controls in the internal control system related to the measurement of fixed assets, and testing their operating effectiveness; 2. Examining whether the fixed asset depreciation policies and methods comply with relevant accounting standards, comparing them with those of other companies in the same industry, and assessing whether the depreciation methods used can reasonably allocate the cost of the fixed assets, and whether the estimated useful lives and net residual values are reasonable; 3. Performing recalculation procedures on the depreciation of fixed assets for significant component companies to verify the accuracy of depreciation charges; 4. Selecting samples of major additions to fixed assets during the period and examining supporting documents such as approvals, contracts, invoices, and acceptance reports; examining disposals of fixed assets during the period and verifying corresponding supporting documents; 5. Examining title certificates for fixed assets to confirm ownership or control by Huadian Power International and to identify any restrictions on title; 6. Performing physical inventory monitoring procedures on fixed assets for significant component companies to examine major fixed assets, understand their production and usage status, and confirm their existence; 7. Discussing with the management whether there was any indication of impairment of fixed assets at the balance sheet date, obtaining the management’s impairment test calculations, and recalculating the basis for recognising any impairment provisions to assess whether it was sufficient and the accounting treatment was appropriate; 8. Reviewing whether fixed assets have been appropriately presented and disclosed in the consolidated financial statements.

AUDITOR'S REPORT (CONTINUED)

IV. OTHER INFORMATION

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

Our audit opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

V. RESPONSIBILITIES OF THE DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for preparing the financial statements in accordance with Accounting Standards for Business Enterprises to achieve fair presentation; and designing, implementing, and maintaining necessary internal control to make sure that the financial statements are free from material misstatement, whether due to fraud or error.

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

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

VI. CPAS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted according to auditing standards can 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 based on the financial statements.

We exercise professional judgment and maintain professional skepticism in carrying out our audit according to the Auditing Standards. At the same time, we also:

- (1) Identify and assess the risks of material misstatement of the 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 fraudulent practices is higher than that resulting from mistakes, as fraudulent practices may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design appropriate audit procedures.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

AUDITOR'S REPORT (CONTINUED)

VI. CPAS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

ShineWing Certified Public Accountants LLP

Certified Public Accountant of China: Qiu Xin
(Engagement Partner)

Certified Public Accountant of China: Yan Huan

Beijing, China

26 March 2026

CONSOLIDATED BALANCE SHEET

31 December 2025

(Unless otherwise stated, amounts are expressed in RMB'000)

Item	Notes	31 December 2025	31 December 2024 (Restated)
Current assets:			
Cash and cash equivalents	V. 1	6,982,918	6,860,552
Bills receivable	V. 2	330,951	32,021
Accounts receivable	V. 3	11,530,241	15,073,880
Financing accounts receivable	V. 4	281,149	144,088
Prepayments	V. 6	4,090,810	4,590,904
Other receivables	V. 5	1,778,077	1,048,161
Inventories	V. 7	5,439,429	5,801,347
Contract assets		8,288	
Non-current assets due within one year	V. 8	96,552	58,493
Other current assets	V. 9	2,173,443	1,765,712
Total current assets		32,711,858	35,375,158
Non-current assets:			
Debt investments	V. 10	231,362	269,452
Long-term equity investments	V. 11	50,122,529	48,111,014
Other equity instrument investments	V. 12	150,791	132,125
Other non-current financial assets	V. 13	195,569	250,969
Investment properties	V. 14	70,601	73,580
Fixed assets	V. 15	155,440,596	158,449,839
Construction in progress	V. 16	13,419,557	9,950,900
Right-of-use assets	V. 17	170,998	268,824
Intangible assets	V. 18	8,613,418	8,826,528
Development expenditures		36,290	3,293
Goodwill	V. 19	373,940	373,940
Long-term deferred expenses	V. 20	651,887	639,684
Deferred tax assets	V. 21	1,228,654	1,890,609
Other non-current assets	V. 22	812,718	785,716
Total non-current assets		231,518,910	230,026,473
Total assets		264,230,768	265,401,631
Current liabilities:			
Short-term loans	V. 24	38,546,701	33,863,751
Bills payable	V. 25	3,603,207	2,182,198
Accounts payable	V. 26	10,721,999	11,385,780
Advances from customers		824	4,623
Contract liabilities	V. 28	2,492,012	2,407,967
Employee benefits payable	V. 29	174,758	194,942
Taxes payable	V. 30	1,095,413	869,074
Other payables	V. 27	2,690,966	3,228,272
Non-current liabilities due within one year	V. 31	23,674,665	21,786,538
Other current liabilities	V. 32	3,519,784	4,314,731
Total current liabilities		86,520,329	80,237,876

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 December 2025

(Unless otherwise stated, amounts are expressed in RMB'000)

Item	Notes	31 December 2025	31 December 2024 (Restated)
Non-current liabilities:			
Long-term loans	V. 33	45,133,038	60,682,872
Bonds payable	V. 34	25,492,416	19,891,555
Lease liabilities	V. 35	63,996	113,590
Long-term payables	V. 36	15,454	29,334
Long-term employee benefits payable		64,727	72,240
Provisions	V. 37	129,349	154,093
Deferred income	V. 38	3,565,891	3,796,697
Deferred tax liabilities	V. 21	1,157,238	1,038,699
Total non-current liabilities		75,622,109	85,779,080
Total liabilities		162,142,438	166,016,956
Shareholders' equity:			
Share capital	V. 39	11,611,774	10,227,561
Other equity instruments	V. 40	21,000,000	25,019,956
Including: Preferred stock			
Perpetual bond		21,000,000	25,019,956
Capital reserve	V. 41	18,502,922	21,369,822
Other comprehensive income	V. 42	104,311	169,459
Specific reserve	V. 43	167,365	133,668
Surplus reserve	V. 44	6,055,197	5,922,322
Undistributed profits	V. 45	11,720,633	8,156,429
Total shareholders' equity attributable to the parent company		69,162,202	70,999,217
Non-controlling interests		32,926,128	28,385,458
Total shareholders' equity		102,088,330	99,384,675
Total liabilities and shareholders' equity		264,230,768	265,401,631

The attached Notes to the Financial Statements form an integral part of the Financial Statements.

The Financial Statements on Pages 67 to 193 are signed by the following persons in charge:

Legal representative: Liu Lei Person in charge of accounting: Li Guoming Person in charge of the accounting sector: Wang Chao

PARENT COMPANY BALANCE SHEET

31 December 2025

(Unless otherwise stated, amounts are expressed in RMB'000)

Item	Notes	31 December 2025	31 December 2024
Current assets:			
Cash and cash equivalents		1,189,109	836,515
Bills receivable		40,951	32,021
Accounts receivable	XVII. 1	1,210,874	1,501,791
Financing accounts receivable		85,893	27,000
Prepayments		428,603	261,537
Other receivables	XVII. 2	7,004,112	11,208,847
Inventories		853,683	797,181
Non-current assets due within one year		112,013	73,953
Other current assets		75,609	67,932
Total current assets		11,000,847	14,806,777
Non-current assets:			
Debt investments		259,153	307,590
Long-term equity investments	XVII. 3	103,486,392	94,114,603
Other non-current financial assets		131,622	131,622
Investment properties		18,228	19,265
Fixed assets		15,899,280	16,364,372
Construction in progress		670,596	421,617
Right-of-use assets		57,654	121,681
Intangible assets		842,380	847,883
Development expenditures		1,549	
Long-term deferred expenses		275	236
Other non-current assets		61,532	54,728
Total non-current assets		121,428,661	112,383,597
Total assets		132,429,508	127,190,374
Current liabilities:			
Short-term loans		13,311,139	7,811,866
Accounts payable		1,390,624	1,738,872
Advances from customers		438	258
Contract liabilities		154,039	103,234
Employee benefits payable		50,694	44,561
Taxes payable		145,171	63,486
Other payables		421,337	942,094
Non-current liabilities due within one year		14,689,753	10,034,167
Other current liabilities		14,107	1,011,811
Total current liabilities		30,177,302	21,750,349

PARENT COMPANY BALANCE SHEET (CONTINUED)

31 December 2025

(Unless otherwise stated, amounts are expressed in RMB'000)

Item	Notes	31 December 2025	31 December 2024
Non-current liabilities:			
Long-term loans		11,561,821	18,929,639
Bonds payable		21,493,234	17,892,058
Lease liabilities		18,715	42,952
Long-term payables		9,497	11,123
Deferred income		45,128	48,603
Deferred tax liabilities		63,675	63,805
Total non-current liabilities		33,192,070	36,988,180
Total liabilities		63,369,372	58,738,529
Shareholders' equity:			
Share capital		11,611,774	10,227,561
Other equity instruments		21,000,000	25,019,956
Including: Preferred stock			
Perpetual bond		21,000,000	25,019,956
Capital reserve		16,835,740	15,613,289
Other comprehensive income		93,756	165,860
Specific reserve		17,635	15,565
Surplus reserve		5,985,931	5,485,291
Undistributed profits		13,515,300	11,924,323
Total shareholders' equity		69,060,136	68,451,845
Total liabilities and shareholders' equity		132,429,508	127,190,374

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year 2025

(Unless otherwise stated, amounts are expressed in RMB'000)

Item	Notes	Amount in the current year	Amount in the previous year (Restated)
I. Total operating revenue		126,012,591	141,502,221
Including: Operating revenue	V. 46	126,012,591	141,502,221
II. Total operating cost		118,921,235	137,354,891
Including: Operating cost	V. 46	111,601,546	129,724,690
Taxes and surcharges	V. 47	1,812,473	1,519,667
Selling expenses		2,230	2,969
Administrative expenses	V. 48	2,231,398	2,310,517
R&D expenses	V. 49	111,559	16,092
Finance costs	V. 50	3,162,029	3,780,956
Add: Other income		654,888	951,824
Investment income (loss to be listed with "-")	V. 52	3,153,477	3,620,931
Including: Income from investment in associates and joint ventures		3,148,444	3,373,577
Income from changes in fair value (loss to be listed with "-")	V. 51	-20,400	38,262
Credit impairment loss (loss to be listed with "-")	V. 53	-16,744	15,608
Asset impairment loss (loss to be listed with "-")	V. 54	-749,656	-122,325
Gain on disposal of assets (loss to be listed with "-")	V. 55	50,154	468,360
III. Operating profit (loss to be listed with "-")		10,163,075	9,119,990
Add: Non-operating revenue	V. 56	747,401	962,028
Less: Non-operating expenses	V. 57	262,695	316,234
IV. Total profit (total loss to be listed with "-")		10,647,781	9,765,784
Less: Income tax expenses	V. 58	2,431,191	2,255,982
V. Net profit (net loss to be listed with "-")		8,216,590	7,509,802
(I) Classified according to operating continuity		8,216,590	7,509,802
1. Net profit from going concern (net loss to be listed with "-")		8,216,590	7,509,802
2. Net profit from discontinued operations (net loss to be listed with "-")			
(II) Classified according to attribution of the ownership		8,216,590	7,509,802
1. Net profit attributable to owners of the parent company (net losses to be listed with "-")		6,070,315	5,987,228
2. Minority interest income (net loss to be listed with "-")		2,146,275	1,522,574
VI. Net of tax of other comprehensive income		-64,014	3,705
Net of tax of other comprehensive income attributable to the owner of the parent company		-65,148	3,452
(I) Other comprehensive income that cannot be reclassified into profit or loss		-77,504	18,782
1. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		-92,437	15,881
2. Changes in fair value of other equity instrument investments		14,933	2,901
(II) Other comprehensive income reclassified into profit or loss		12,356	-15,330
1. Other comprehensive income that can be transferred into profits or losses under the equity method		12,356	-15,330
Net of tax of other comprehensive income attributable to minority shareholders		1,134	253
VII. Total comprehensive income		8,152,576	7,513,507
Total comprehensive income attributable to shareholders of the parent company		6,005,167	5,990,680
Total comprehensive income attributable to minority shareholders		2,147,409	1,522,827
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.49	0.46
(II) Diluted earnings per share (RMB/share)		N/A	N/A

In case of a business combination involving entities under common control in the current period, the net profit realised by the combined party before the combination is RMB358,649 thousand and the net profit realised by the combined party in the previous period is RMB682,325 thousand.

PARENT COMPANY STATEMENT OF PROFIT AND LOSS

For the Year 2025
(Unless otherwise stated, amounts are expressed in RMB'000)

Item	Notes	Amount in the current year	Amount in the previous year
I. Operating revenue	XVII. 4	14,184,635	15,425,860
Less: Operating cost	XVII. 4	12,498,823	14,554,566
Taxes and surcharges		300,292	218,046
Administrative expenses		420,440	434,739
R&D expenses		27,787	
Finance costs		1,068,147	993,009
Add: Other income		42,749	105,402
Investment income (loss to be listed with "-")	XVII. 5	5,285,770	4,771,222
Including: Income from investment in associates and joint ventures		2,603,095	3,148,647
Credit impairment loss (loss to be listed with "-")		-151,802	-34,702
Asset impairment loss (loss to be listed with "-")		-35,888	-28,823
Gain on disposal of assets (loss to be listed with "-")		91	21
II. Operating profit (loss to be listed with "-")		5,010,066	4,038,620
Add: Non-operating revenue		68,676	118,097
Less: Non-operating expenses		72,470	62,951
III. Total profit (total loss to be listed with "-")		5,006,272	4,093,766
Less: Income tax expenses		-129	-2,390
IV. Net profit (net loss to be listed with "-")		5,006,401	4,096,156
(I) Net profit from going concern (net loss to be listed with "-")		5,006,401	4,096,156
(II) Net profit from discontinued operations (net loss to be listed with "-")			
V. Net of tax of other comprehensive income		-72,104	-2,433
(I) Other comprehensive income that cannot be reclassified into profit or loss		-84,460	12,897
1. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		-84,460	12,897
(II) Other comprehensive income reclassified into profit or loss		12,356	-15,330
1. Other comprehensive income that can be transferred into profits or losses under the equity method		12,356	-15,330
VI. Total comprehensive income		4,934,297	4,093,723
VII. Earnings per share			
(I) Basic earnings per share (RMB/share)		N/A	N/A
(II) Diluted earnings per share (RMB/share)		N/A	N/A

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year 2025

(Unless otherwise stated, amounts are expressed in RMB'000)

Item	Notes	Amount in the current year	Amount in the previous year (Restated)
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		145,310,847	160,638,442
Refunds of taxes and surcharges received		154,122	194,556
Other cash received relating to operating activities	V. 60	8,856,518	4,406,144
Subtotal of cash inflows from operating activities		154,321,487	165,239,142
Cash paid for goods and services		97,373,552	120,998,335
Cash paid to and for employees		11,365,183	10,650,637
Taxes and surcharges paid		8,343,113	7,921,813
Other cash paid relating to operating activities	V. 60	10,019,076	6,211,240
Subtotal of cash outflows from operating activities		127,100,924	145,782,025
Net cash flows from operating activities		27,220,563	19,457,117
II. Cash flows from investing activities:			
Cash received from investment recovery		58,408	270,498
Cash received from acquirement of investment income		682,140	1,259,917
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		178,808	239,764
Net cash received from disposal of subsidiaries and other business entities		260,222	145,927
Other cash received relating to investing activities	V. 60	231,686	261,955
Subtotal of cash inflows from investing activities		1,411,264	2,178,061
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		15,062,722	11,986,402
Cash paid for investment		481,515	395,950
Net cash paid for the acquisition of subsidiaries and other business entities			
Other cash paid relating to investing activities	V. 60	128,664	130,240
Subtotal of cash outflows from investing activities		15,672,901	12,512,592
Net cash flows from investing activities		-14,261,637	-10,334,531
III. Cash flows from financing activities:			
Cash received from absorbing investment		22,518,726	7,990,923
Including: Cash received by subsidiaries from minority shareholders' investments		4,606,795	5,301,073
Cash received from borrowings		182,306,250	171,788,336
Other cash received relating to financing activities	V. 60		
Subtotal of cash inflows from financing activities		204,824,976	179,779,259
Cash paid for debt repayment		204,287,290	177,314,110
Cash paid for distributing dividends and profits or paying interests		8,186,634	8,311,830
Including: Dividends and profits paid by subsidiaries to minority shareholders		1,130,642	2,050,008
Other cash paid relating to financing activities	V. 60	5,144,273	3,016,920
Subtotal of cash outflows from financing activities		217,618,197	188,642,860
Net cash flows from financing activities		-12,793,221	-8,863,601
IV. Effects from change of exchange rate on cash and cash equivalents			
V. Net increase in cash and cash equivalents		165,705	258,985
Add: Beginning balance of cash and cash equivalents		6,630,660	6,371,675
VI. Ending balance of cash and cash equivalents		6,796,365	6,630,660

PARENT COMPANY STATEMENT OF CASH FLOWS

For the Year 2025
(Unless otherwise stated, amounts are expressed in RMB'000)

Item	Notes	Amount in the current year	Amount in the previous year
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		16,147,733	17,569,488
Refunds of taxes and surcharges received		15	4,372
Other cash received relating to operating activities		297,130	361,238
Subtotal of cash inflows from operating activities		16,444,878	17,935,098
Cash paid for goods and services		11,152,164	12,790,246
Cash paid to and for employees		2,103,295	1,936,461
Taxes and surcharges paid		722,796	700,421
Other cash paid relating to operating activities		629,268	592,560
Subtotal of cash outflows from operating activities		14,607,523	16,019,688
Net cash flows from operating activities		1,837,355	1,915,410
II. Cash flows from investing activities:			
Cash received from investment recovery		9,889,596	7,828,326
Cash received from acquirement of investment income		2,740,729	3,273,836
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		33,784	4,972
Other cash received relating to investing activities		28,741	22,326
Subtotal of cash inflows from investing activities		12,692,850	11,129,460
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		873,593	699,273
Cash paid for investment		13,185,216	4,716,520
Net cash paid for the acquisition of subsidiaries and other business entities			
Other cash paid relating to investing activities		4,655	578
Subtotal of cash outflows from investing activities		14,063,464	5,416,371
Net cash flows from investing activities		-1,370,614	5,713,089
III. Cash flows from financing activities:			
Cash received from absorbing investment		16,912,231	2,000,000
Cash received from borrowings		60,711,805	43,375,657
Other cash received relating to financing activities			
Subtotal of cash inflows from financing activities		77,624,036	45,375,657
Cash paid for debt repayment		72,752,132	47,549,618
Cash paid for distributing dividends and profits or paying interests		4,591,078	4,875,577
Other cash paid relating to financing activities		394,973	102,664
Subtotal of cash outflows from financing activities		77,738,183	52,527,859
Net cash flows from financing activities		-114,147	-7,152,202
IV. Effects from change of exchange rate on cash and cash equivalents			
V. Net increase in cash and cash equivalents		352,594	476,297
Add: Beginning balance of cash and cash equivalents		836,515	360,218
VI. Ending balance of cash and cash equivalents		1,189,109	836,515

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year 2025

(Unless otherwise stated, amounts are expressed in RMB'000)

Item	Amount in the current year											Total shareholders' equity			
	Shareholders' equity attributable to the parent company										Non-controlling interests				
	Share capital	Preferred stock	Perpetual bond	Others	Capital reserve	Treasury stocks	Less: Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve			Undistributed profits	Others	Subtotal
I. Ending balance of the previous year	10,227,561		25,019,956		21,369,822		169,459	133,668	5,922,322		8,156,429		70,999,217	28,385,658	99,384,675
Add: Changes in accounting policies															
Corrections of early errors															
Business combination involving entities under common control															
Others															
II. Beginning balance of the current year	10,227,561		25,019,956		21,369,822		169,459	133,668	5,922,322		8,156,429		70,999,217	28,385,658	99,384,675
III. Increase or decrease in the current year (decrease to be listed with "-")	1,384,213		-4,019,956		-2,866,900		-65,148	33,697	132,875		3,564,204		-1,837,015	4,540,670	2,705,655
(I) Total comprehensive income			560,282				-65,148				5,510,033		6,005,167	2,147,409	8,152,576
(II) Capital invested and decreased by shareholders	1,384,213		-4,000,000		-1,731,445				-8,069		288,207		-4,067,094	3,912,060	-155,034
1. Ordinary shares contributed by owners															
2. Capital contributed by holders of other equity instruments	1,384,213		-4,000,000		2,722,650								4,106,863	4,612,042	8,718,905
3. Amount of share-based payment included in shareholders' equity													-4,000,000	56,257	-3,943,743
4. Others															
(III) Profit distribution			-580,238		-4,454,095				-8,069		288,207		-4,173,957	-756,239	-4,930,196
1. Appropriation to surplus reserve															
2. Appropriation to general risk reserve									500,640		-2,963,535		-3,043,133	-1,552,883	-4,576,016
3. Distribution to shareholders									500,640		-500,640				
4. Distribution to holders of other equity instruments															
(IV) Internal carry-over in shareholders' equity			-580,238		-403,056				-359,696		762,752		-2,462,895	-1,397,303	-3,860,398
1. Capital reserve transferred to share capital															
2. Surplus reserve transferred to share capital															
3. Surplus reserve to recover losses															
4. Retained earnings carried forward from changes in defined benefit plan															
5. Retained earnings carried forward from other comprehensive income															
6. Others															
(V) Specific reserve								33,697			403,056		33,697	8,845	42,542
1. Appropriation in the current year								917,113					917,113	345,847	1,262,960
2. Use in the current year								883,416					883,416	337,002	1,220,418
(VI) Others															
1. Use in the current year															
2. Use in the current year															
Others															
IV. Ending balance of the current year	11,611,774		21,000,000		18,502,922		104,311	167,365	6,055,197		11,720,633		69,162,202	32,926,128	102,088,330

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the Year 2025
(Unless otherwise stated, amounts are expressed in RMB'000)

Item	Amount in the previous year (Restated)														
	Shareholders' equity attributable to the parent company					Other equity instruments									
	Share capital	Preferred stock	Perpetual bond	Others	Capital reserve	Less: Treasury stocks	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Undistributed profits	Others	Subtotal	Non-controlling interests	Total shareholders' equity
I. Ending balance of the previous year	10,227,561		30,656,009		14,357,934		175,028	112,758	5,040,910		9,186,042		69,756,242	23,259,312	93,015,554
Add: Changes in accounting policies															
Corrections of early errors															
Business combination involving entities under common control															
Others															
II. Beginning balance of the current year	10,227,561		30,656,009		20,331,918		166,007	121,759	5,462,276		5,734,306		72,699,836	23,259,312	95,959,148
III. Increase or decrease in the current year (decrease to be listed with "-")															
(I) Total comprehensive income															
(II) Capital invested and decreased by shareholders															
1. Ordinary shares contributed by owners															
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payment included in shareholders' equity															
4. Others															
(III) Profit distribution															
1. Appropriation to surplus reserve															
2. Appropriation to general risk reserve															
3. Distribution to shareholders															
4. Distribution to holders of other equity instruments															
(IV) Internal carry-over in shareholders' equity															
1. Capital reserve transferred to share capital															
2. Surplus reserve transferred to share capital															
3. Surplus reserve to recover losses															
4. Retained earnings carried forward from changes in defined benefit plan															
5. Retained earnings carried forward from other comprehensive income															
6. Others															
(V) Specific reserve															
1. Appropriation in the current year															
2. Use in the current year															
(VI) Others															
IV. Ending balance of the current year	10,227,561		25,019,936		21,369,822		169,459	133,668	5,922,322		8,156,429		70,999,217	28,385,358	99,384,675

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For the Year 2025

(Unless otherwise stated, amounts are expressed in RMB'000)

Item	Amount in the current year										Total shareholders' equity		
	Share capital	Preferred stock	Perpetual bond	Others	Capital reserve	Treasury stocks	Less: comprehensive income	Other income	Specific reserve	Surplus reserve		Undistributed profits	Others
I. Ending balance of the previous year	10,227,561		25,019,956		15,613,289		165,860	165,860	15,565	5,485,291	11,924,323		68,451,845
Add: Changes in accounting policies													
Corrections of early errors													
Others													
II. Beginning balance of the current year	10,227,561		25,019,956		15,613,289		165,860	165,860	15,565	5,485,291	11,924,323		68,451,845
III. Increase or decrease in the current year (decrease to be listed with "-")	1,384,213		-4,019,956		1,222,451		-72,104	-72,104	2,070	500,640	1,590,977		608,291
(I) Total comprehensive income			560,282								4,446,119		4,934,297
(II) Capital invested and decreased by shareholders			-4,000,000		1,961,696								-654,091
1. Ordinary shares contributed by owners					2,722,650								4,106,863
2. Capital contributed by holders of other equity instruments													-4,000,000
3. Amount of share-based payment included in shareholders' equity													
4. Others					-760,954								-760,954
(III) Profit distribution													
1. Appropriation to surplus reserve										500,640	-2,963,535		-3,043,133
2. Distribution to shareholders										500,640	-500,640		
3. Distribution to holders of other equity instruments											-2,462,895		-2,462,895
(IV) Internal carry-over in shareholders' equity													
1. Capital reserve transferred to share capital													
2. Surplus reserve transferred to share capital													
3. Surplus reserve to recover losses													
4. Retained earnings carried forward from changes in defined benefit plan													
5. Retained earnings carried forward from other comprehensive income													
6. Others													
(V) Specific reserve									2,070				2,070
1. Appropriation in the current year									138,629				138,629
2. Use in the current year									136,559				136,559
(VI) Others											108,393		-630,852
IV. Ending balance of the current year	11,611,774		21,000,000		16,835,740		93,756	93,756	17,635	5,985,931	13,515,300		69,060,136

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the Year 2025
(Unless otherwise stated, amounts are expressed in RMB'000)

Item	Amount in the previous year										Total shareholders' equity	
	Share capital	Preferred stock	Perpetual bond	Others	Capital reserve	Less: Treasury stocks	Other comprehensive income	Specific reserve	Surplus reserve	Undistributed profits		Others
I. Ending balance of the previous year	10,227,561		30,656,009		15,380,487		168,293	30,963	5,075,675	11,561,958		73,100,946
Add: Changes in accounting policies												
Corrections of early errors												
Others												
II. Beginning balance of the current year	10,227,561		30,656,009		15,380,487		168,293	30,963	5,075,675	11,561,958		73,100,946
III. Increase or decrease in the current year (decrease to be listed with "-")												
(I) Total comprehensive income			-5,636,053		232,802		-2,433	-15,398	409,616	362,365		-4,649,101
(II) Capital invested and decreased by shareholders			971,836				-2,433			3,124,320		4,093,723
1. Ordinary shares contributed by owners			-5,500,000		-1,698							-5,501,698
2. Capital contributed by holders of other equity instruments			-5,500,000									-5,500,000
3. Amount of share-based payment included in shareholders' equity												
4. Others												
(III) Profit distribution			-1,107,889		-1,698				409,616	-2,761,955		-1,698
1. Appropriation to surplus reserve									409,616			-3,460,228
2. Distribution to shareholders									409,616	-409,616		
3. Distribution to holders of other equity instruments										-2,352,339		-2,352,339
(IV) Internal carry-over in shareholders' equity			-1,107,889									-1,107,889
1. Capital reserve transferred to share capital												
2. Surplus reserve transferred to share capital												
3. Surplus reserve to recover losses												
4. Retained earnings carried forward from changes in defined benefit plan												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Specific reserve												
1. Appropriation in the current year												
2. Use in the current year												
(VI) Others					234,500							234,500
IV. Ending balance of the current year	10,227,561		25,019,956		15,613,289		165,860	15,565	5,485,291	11,924,323		68,451,845

NOTES TO THE FINANCIAL STATEMENTS

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

I. COMPANY PROFILE

Huadian Power International Corporation Limited (the “**Company**”) was incorporated in Jinan, Shandong Province, the People’s Republic of China (the “**PRC**”) on 28 June 1994. The Company was listed on The Stock Exchange of Hong Kong Limited in June 1999 and on the Shanghai Stock Exchange in February 2005.

The unified social credit code of the Company is 913700002671702282. As of 31 December 2025, the total cumulative issued capital stock of the Company was 11,611,774,184.

Registered address: No. 14800 Jingshi Road, Lixia District, Jinan City, Shandong Province.

Headquarters address: No. 2 Xuanwumennei Street, Xicheng District, Beijing.

The parent and ultimate holding company of the Company is China Huadian Corporation Ltd. (“**China Huadian**”).

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the generation and sale of electricity, heat and coal and other related businesses, as well as technical services and information consultancy related to power operations. The majority of electricity generated is supplied to the local power grid companies in places where power plants are located.

The financial statements are approved for release by the Board of Directors of the Company on 26 March 2026.

II. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

1. Basis for preparation

The Financial Statements of the Group are prepared as per the actually incurred transaction and events, the *Accounting Standards for Business Enterprises* issued by the Ministry of Finance and its application guidelines, interpretations and other relevant provisions thereof (hereinafter collectively referred to as “**ASBEs**”), disclosure requirements in *Preparation Rules for Information Disclosures by Companies Offering Shares to the Public No. 15 – General Provisions on Financial Reports* (revised in 2023) issued by China Securities Regulatory Commission (CSRC), and disclosure requirements in the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance*.

The Group has prepared its financial statements in accordance with the International Financial Reporting Standards (IFRS) since its listing. To enhance operational efficiency, the Group has decided to uniformly adopt the China Accounting Standards for Business Enterprises (CAS) in preparing financial reports and disclosing relevant financial information, starting with the 2025 semi-annual financial report. This resolution was approved at the 2024 Annual General Meeting. For specific details, please refer to the Announcement of Huadian Power International Corporation Limited on the Uniform Adoption of China Accounting Standards for Business Enterprises in Preparing Financial Reports and Termination of Re-appointment of Overseas Financial Report Auditors posted on the website of the Shanghai Stock Exchange and published in designated newspapers on 28 March 2025.

2. Going concern

The Group has evaluated the going concern ability within 12 months since 31 December 2025 and has not found any event and condition causing substantial doubt about the going concern ability. Therefore, the Financial Statements are prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates note: The specific accounting policies and accounting estimates formulated by the Group based on the actual production and operation characteristics include provision for expected credit loss of accounts receivable, depreciation and amortisation of fixed assets and intangible assets, intangible assets with uncertain useful life, deferred tax assets, long-term asset impairment, provisions, etc.

1. Statement of compliance with ASBE

The Financial Statements conform to the requirements of ASBE and truly and completely reflect the financial position of the Company and the Group as of 31 December 2025, as well as the operating results and the cash flows for the year then ended.

2. Accounting period

The accounting period of the Group is from 1 January to 31 December of each calendar year.

3. Operating cycle

The operating cycle of the Group is 12 months.

4. Functional currency

The Company uses Renminbi (“RMB”) as its functional currency.

5. Method and basis for determination of materiality

The Group follows the principle of materiality in preparing and disclosing financial statements. Disclosures in the Notes to the Financial Statements involving the determination of materiality and the method and basis for determination of materiality are as follows:

Disclosures involving the determination of materiality	Location of the disclosure in Notes to the Financial Statements	Method and basis for determination of materiality
Accounts receivable with significant single amount and provision for bad debts made on single item	V. 3	(1) All accounts receivable for the sale of electricity; (2) Accounts receivable for the sale of heat and machinery and equipment related receivables with ending balances exceeding RMB10 million; (3) Accounts receivable for the sale of coal with ending balances exceeding RMB20 million.
Significant debt investments at the end of the year	V. 10	Book value of debt investments exceeding 1% of total assets
Significant construction in progress	V. 16	(1) Infrastructure projects with a transfer to fixed assets exceeding RMB100 million in the current year; (2) Construction-in-progress infrastructure projects with ending balances exceeding RMB150 million.
Significant provisions	V. 37	Book value of provisions exceeding 1% of total liabilities
Significant investing activities	V. 60	Single investing activity with cash inflows or outflows exceeding 10% of the total cash inflows or outflows from investing activities
Significant investing and financing activities not involving cash	V. 60	Single investing activity or financing activity exceeding 10% of changes in net assets
Significant capitalised R&D projects	VI	Ending balance of a single capitalised R&D project exceeding 10% of that of the development expenditures and exceeding RMB100 million
Significant non-wholly-owned subsidiaries	VIII. 1	Net assets of a non-wholly owned subsidiary exceeding RMB3.5 billion or exceeding 5% of the Group's net assets
Significant associates	VIII. 2	Carrying amount of a single long-term equity investment exceeding 5% of that of the total long-term equity investments

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

6. Accounting method for business combination involving entities under and not under common control

(1) Business combination involving entities under common control

If all enterprises involved in a combination are under the ultimate control of one or several same parties before and after the combination, and such control is not temporary, it is a business combination involving entities under common control.

The assets and liabilities acquired by the Group, as the combining party, from the business combination involving entities under common control should be measured based on the carrying amount in the ultimate controlling party's consolidated statements of the combined party on the combination date. The difference between the carrying amount of the net assets acquired and that of the paid combination consideration shall be used to adjust the capital reserve. Where the capital reserve is insufficient for offsetting, retained earnings shall be adjusted.

(2) Business combination involving entities not under common control

If all parties involved in a combination are not under the ultimate control of one or several same parties before and after the combination, the combination is a business combination involving entities not under common control.

The identifiable assets, liabilities, and contingent liabilities acquired from the acquiree by the Group as the acquirer in the business combination involving entities not under common control are measured at fair value on the acquisition date. Positive balance between the combination cost and the fair value of the identifiable net assets of the acquiree obtained by the Group on the acquisition date shall be recognised as goodwill; if the combination cost is less than the fair value of the identifiable net assets of the acquiree obtained, the fair value of various identifiable assets, liabilities, and contingent liabilities obtained in the business combination and the combination cost shall be re-checked first. If the rechecked combination cost is still less than the fair value of identifiable net assets of the acquiree obtained, the balance shall be included in current non-operating revenue.

7. Determination of control and preparation methods of consolidated financial statements

The consolidation scope of the consolidated financial statements of the Group is determined on the basis of control, including the Company and all subsidiaries controlled by the Company. The Group's criterion for identifying control is that the Group has the power over the investee, and can enjoy variable returns through participating in related activities of the investee and is able to influence its amount of return with the power over the investee.

The effect of internal transactions between the Company and its subsidiaries and between different subsidiaries on the consolidated financial statements is eliminated in consolidation. Shares in owners' equity of subsidiaries but not attributable to the parent company, net profit or loss for the current period, other comprehensive income, and shares attributable to non-controlling interests in total comprehensive income shall be listed in consolidated financial statements as "Non-controlling interests, Minority interest income, Other comprehensive income attributable to minority shareholders, and Total comprehensive income attributable to minority shareholders" respectively.

For the subsidiaries acquired in the business combination involving entities under common control, their operating results and cash flows are included in the consolidated financial statements from the beginning of the current period of the combination. During the preparation of comparative consolidated financial statements, relevant items of the financial statements of the previous period shall be adjusted. It shall be deemed that the reporting entity formed after the combination has existed since the beginning of control by the ultimate controlling party.

As for subsidiaries acquired by business combination involving entities not under common control, operating results and cash flows shall be incorporated into consolidated financial statements from the date when the Group takes control. In preparing the consolidated financial statements, the financial statements of the subsidiary are adjusted based on the fair value of all identifiable assets, liabilities, and contingent liabilities recognised on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

8. Cash and cash equivalents

Cash shown in the statement of cash flows of the Group refers to both cash on hand and the deposit held in bank available for payment at any time. Cash equivalent in the statement of cash flows refers to the investment with a term of not more than 3 months and high liquidity, and easily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

9. Foreign currency transactions and translation of foreign currency financial statements

When a foreign currency transaction is initially recognised, the amount in foreign currency is converted by the Group into the amount in the functional currency at the spot rate on the transaction date. The foreign currency monetary items in the balance sheet date are translated into the functional currency at the spot rate on the balance sheet date; the translation difference is directly recognised as the current profits or losses, except the disposal of translation difference that is formed by foreign currency specific borrowings for establishing or producing assets eligible for capitalisation as per capitalisation principle.

10. Financial instruments

(1) Recognition and derecognition of financial instruments

A financial instrument is recognised as a financial asset or liability when the Group becomes a party thereto.

The financial assets are derecognised, i.e., transferred previously recognised financial assets from the balance sheet when 1) the right to receive the cash flow of the financial assets expired; or 2) the right to receive the cash flow of the financial assets has been transferred, or an obligation to pay the collected cash flow to a third party in full and on time has been undertaken under the "passing agreement," in each case almost all risks and rewards related to the ownership of financial assets are substantially transferred, or although almost all risks and rewards related to the ownership are neither transferred nor retained in substance, the control over such financial assets is waived.

If the financial liabilities have been fulfilled, cancelled, or expired, the financial liabilities will be derecognised. If the existing financial liability is replaced by another one with almost completely different terms by the same creditor, or almost all the terms of the existing liability are substantially modified, such replacement or modification shall be treated as derecognition of the original liability and recognition of a new liability, and the difference shall be included in the current profits and losses.

Financial assets sold and purchased conventionally are subject to recognition and derecognition according to accounting on the transaction date. The transaction date refers to the date on which the Group commits to buy or sell a financial asset.

(2) Classification and measurement of financial assets

At initial recognition, according to the Group's business mode of financial assets management and the contractual cash flow characteristics of financial assets, the Group classifies financial assets into financial assets measured at amortised cost, financial assets at FVTOCI, and financial assets at FVTPL. The Group reclassifies all affected financial assets only when changing the business mode of financial assets management.

When judging the business mode, the Group considers the way the company evaluates and reports to key management personnel the performance of financial assets, the risks affecting the performance of these financial assets and their management methods, as well as the way relevant business management personnel are paid. In evaluating whether its objective is to collect contractual cash flows, the Group analyses and judges the reasons, time, frequency, and value of selling financial assets before the maturity date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

10. Financial instruments *(Continued)*

(2) Classification and measurement of financial assets *(Continued)*

When judging the characteristics of contractual cash flows, the Group judges whether the contractual cash flows are only payments of the principal and the interest of the outstanding principal. This includes whether there is a significant difference from the base cash flows in cases of correction of the time value of money and whether the fair value of the early repayment characteristics is reasonably small for financial assets with early repayment characteristics.

At the time of initial recognition, financial assets are measured at fair value. However, if the accounts receivable or bills receivable arising from selling goods or providing services do not contain a material financing component or do not consider the financing component of not more than one year, such financial assets are initially measured at transaction price.

For financial assets at FVTPL, related transaction expenses shall be directly included in the current profit and loss; the related transaction expenses of other financial assets shall be included in the initially recognised amount.

Subsequent measurement of financial assets depends on their classification:

1) *Financial assets measured at amortised cost*

Financial assets that meet the following conditions simultaneously are classified as the financial assets measured at amortised cost: ① the business mode of the financial assets management takes the collection of contractual cash flow as the objective. ② The contract terms of the financial assets stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount. The Group's financial assets under this classification include cash and cash equivalents, accounts receivable, bills receivable, other receivables, and debt investments.

2) *Debt instrument investments at FVTOCI*

Financial assets that meet the following conditions simultaneously are classified as the financial assets at FVTOCI: ① The business mode of the financial assets management by the Group takes the collection of contractual cash flow and selling the financial assets as the objectives. ② The contract terms of the financial assets stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount. The interest income of the financial assets is recognised using the effective interest method. Changes in fair value are included in other comprehensive income, except for interest income, impairment losses, and exchange differences, which are included in current profit or loss. When the financial assets are derecognised, the accumulative gain or loss previously included in other comprehensive income shall be transferred from other comprehensive income, and included in the current profits and losses. The Group's financial assets under this classification include financing accounts receivable.

3) *Equity instrument investments at FVTOCI*

The Group irrevocably designates some non-trading equity instrument investments as financial assets at FVTOCI. The Group only includes relevant dividend income (except for those recovered as part of investment cost) in current profits and losses. Subsequent changes in fair value are included in other comprehensive income, and no impairment provision is required. When the financial assets are derecognised, the accumulative gain or loss previously included in other comprehensive income shall be transferred from other comprehensive income, and included in retained earnings. The Group's financial assets under this classification include other equity instrument investments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

10. Financial instruments *(Continued)*

(2) Classification and measurement of financial assets *(Continued)*

4) *Financial assets at FVTPL*

The Group classifies the financial assets other than the above financial assets measured at amortised cost and the financial assets at FVTOCI into the financial assets at FVTPL. These financial assets are subsequently measured at the fair value and the changes in fair value are included in the current profit or loss except for those related to hedge accounting. The Group's financial assets under this classification include other non-current financial assets.

(3) Classification, recognition basis and measurement method of financial liabilities

The financial liabilities of the Group are all classified as financial liabilities measured at amortised cost. The related transaction expenses are included in the initially recognised amount.

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

(4) Impairment of financial instruments

On the basis of expected credit loss, the Group impairs the financial assets at amortised cost and recognises provision for losses.

1) *Measurement of expected credit loss*

Expected credit loss refers to the weighted average of credit losses of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable according to the contract and discounted according to the original effective interest rate and all expected cash flows receivable, that is, the present value of all cash shortages of the Group.

Lifetime expected credit loss refers to the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit loss refers to the portion of the lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months (or, the expected life, if the expected life of the financial instrument is less than 12 months) after the balance sheet date.

For the accounts receivable, bills receivable, financing accounts receivable, other receivables, and contract assets that do not contain material financing components formed from daily business activities such as selling goods and providing labour services, the Group applies the simplified approach to measuring the loss provision according to the amount of the lifetime expected credit loss.

The Group adopts the general method (three-stage method) to accrue expected credit losses for financial assets other than those measured by the above simplified measurement method (such as debt investments and other receivables). The Group evaluates whether the credit risks have increased significantly since the initial recognition on each balance sheet date. If not, it is in Stage 1, and the Group shall measure the loss provisions according to the amount equivalent to the 12-month expected credit loss, and calculate the interest income according to the book value and the actual interest rate; If the credit risks have increased significantly since the initial recognition but no credit impairment has occurred, it is in Stage 2, and the Group shall measure the loss provision according to the lifetime expected credit loss, and calculate the interest income according to the book value and the actual interest rate; If credit impairment occurs after initial recognition, it is in Stage 3, and the Group shall measure the loss provisions according to the amount equivalent to the lifetime expected credit loss, and calculate the interest income according to the amortised cost and the actual interest rate.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

10. Financial instruments *(Continued)*

(4) Impairment of financial instruments *(Continued)*

2) *Category of portfolios with impairment provision accrued by portfolio of credit risk characteristics*

The Group evaluates the expected credit loss of financial instruments on an individual basis.

3) *Criteria for determining impairment provisions of bad debts accrued on an individual basis*

If the credit risk characteristics of a customer are significantly different from those of other customers in the portfolio, or there is a significant change in the credit risk characteristics of that customer, such as severe financial difficulties, and the expected credit loss rate for the receivables from the customer is significantly higher than that for its corresponding ageing and overdue period, the Group will individually make provision for losses on the receivables from the customer.

4) *Write-off of impairment provision*

When the Group no longer reasonably expects that the contractual cash flows of financial assets can be recovered in whole or in part, the Group directly reverses the book value of the financial assets. Financial assets that have been written down and subsequently recovered, reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(5) Recognition basis and measurement for transfer of financial assets

For transactions of transfer of financial assets, if the Group has transferred almost all risks and rewards in the ownership of the financial assets to the transferee, such financial assets shall be derecognised; If almost all risks and rewards in the ownership of financial assets are retained, such financial assets shall not be derecognised; Where all risks and rewards in the ownership of financial assets are neither transferred nor retained and the control over the financial asset is waived, the financial assets shall be derecognised and the assets and liabilities incurred shall be recognised; If the control over the financial asset is not waived, relevant financial assets shall be recognised to the extent of further involvement in the transferred financial assets, and relevant liabilities shall be recognised correspondingly.

If the entire transfer of the financial assets meets derecognition conditions, the difference between the carrying amount of transferred financial asset on the date of derecognition and the sum of consideration received from the transfer and the amount originally included in other comprehensive income directly and that the accumulative amount of change in fair value corresponds to the derecognised part shall be included in the current profit or loss.

If the partial transfer of the financial assets meets derecognition conditions, the entire carrying amount of the transferred financial assets shall be amortised at their own relative fair values between the derecognised part and the underecognised part, and the difference between the sum of consideration received from the transfer and the amount which should be amortised to the derecognised part, originally included in other comprehensive income and that the accumulative amount of change in fair value corresponds to the derecognised part and the entire carrying amount of the aforesaid financial assets amortised shall be included in the current profit or loss.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

10. Financial instruments *(Continued)*

(6) Difference between financial liability and equity instrument and related treatment method

The Group distinguishes financial liabilities and equity instruments according to the following principles: (1) If the Group fails to unconditionally perform one contractual obligation by delivering cash or other financial assets, the contractual obligation satisfies the definition of financial liabilities. While some financial instruments do not expressly include the terms and conditions for the obligation to deliver cash or other financial assets, it is possible to form contract obligations indirectly through other terms and conditions. (2) If one financial instrument must or may be settled by the Group's own equity instrument, the Group's own equity instrument used for settling such instrument shall be considered as a substitute for cash or other financial assets, or as residual equity in the issuer's assets that the instrument holder enjoys after deducting all the liabilities. If it belongs to the former one, this instrument is the financial liability of the Issuer. If it belongs to the latter, the instrument is the equity instrument of the Issuer. Under certain circumstances, a financial instrument contract requires that the Group must or may settle the financial instrument with its own equity instruments, where the amount of contract rights or contract obligations is equal to the number of own equity instruments available or to be delivered multiplied by the fair value upon its settlement. In this case, regardless of whether the amount of the contract right or obligation is a fixed value or changes based in whole or in part on changes in variables other than the market price of the Group's own equity instrument (such as interest rates, the price of a good or the price of a financial instrument), the contract is classified as financial liabilities.

When classifying a financial instrument in the consolidated financial statements, the Group takes into consideration all the terms and conditions agreed between members of the Group and holders of financial instruments. If the Group as a whole has assumed the obligation to deliver cash, other financial assets or settle it by other means of rendering the instrument a financial liability, the instrument should be classified as a financial liability.

The Group classifies these financial instruments or their components into financial assets, financial liabilities, or equity instruments upon initial recognition based on the contract terms of the perpetual bonds and the economic substance reflected, combined with the definitions of financial assets, financial liabilities, and equity instruments.

If the financial instruments or their components belong to financial liabilities, the relevant interests, dividends (or stock dividends), gains or losses, as well as gains or losses arising from redemption or refinancing shall be recognised in current profits and losses by the Group.

If the financial instruments or their components belong to equity instruments, as to the issuance (including re-financing), re-purchasing, sale, or cancellation of such instruments, the Group will take these situations as changes of equity and will not recognise any change of fair value of the equity instruments.

11. Inventories

Inventories comprise coal, fuel oil, stalk, materials, components and spare parts.

Inventories are initially measured at cost. The cost of inventories consists of purchase costs, conversion costs, and other costs. The perpetual inventory system is adopted for inventories. When receiving or issuing inventory, the weighted average method is used to determine its actual cost.

On the balance sheet date, inventories are carried at the lower of cost and net realisable values. If the inventory cost is higher than the net realisable value, the provision for decline in the value of inventories shall be accrued and the cost shall be included in the current profit and loss. The net realisable value refers to the amount that is obtained by deducting the estimated cost incurred till completion, estimated selling expenses, and relevant taxes from the estimated selling price of inventories in daily activities.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

11. Inventories *(Continued)*

For the Group's coal, fuel oil, stalk, materials, components and spare parts, provision for decline in the value of inventories is made on a single inventory item basis. In determining net realisable value, inventories of goods directly for sale are determined by the amount of their estimated selling price less estimated selling expenses and related taxes. Inventories held for production are determined by the amount of the estimated selling price of the finished goods produced or processed less the estimated cost to be incurred by the time of completion, the estimated selling expenses, and related taxes.

12. Contract assets and contract liabilities

(1) Contract assets

Contract assets refer to the Group's right to receive consideration for the goods it has transferred to customers, and the right depends on other factors excluding the passage of time. For details of the determination method and accounting treatment methods for expected credit loss of contract assets, please refer to the relevant contents of the said Note III. 10 Impairment of financial assets.

(2) Contract liabilities

The contract liabilities reflect the Group's obligations to transfer goods to the customer due to customer consideration received or receivable.

The Group presents contract assets and contract liabilities on a net basis for the same contract.

13. Long-term equity investments

The long-term equity investment of the Group includes investments in subsidiaries and associates.

(1) Judgement of significant influence

The Group's equity investment that has a significant influence on the investee is the investment in associates. Significant influence means the power of the Group to participate in making decisions on the financial and operating policies of an investee, but the Group cannot control or jointly control with other parties over the formulation of these policies. When the Company directly or indirectly holds voting rights in an investee ranging from above 20% to less than 50%, it is generally considered to have significant influence over the investee, unless there is clear evidence that the Group cannot participate in the investee's operating and financial decisions or exercise control over the investee.

(2) Accounting treatment method

The Group initially measures the acquired long-term equity investments at the initial investment amount.

For long-term equity investments acquired through business combination involving entities under common control, the initial investment amount is determined based on the Group's share of carrying amount of net assets of the combined party in the consolidated financial statements of the ultimate controlling party as of the combination date. If the net assets of the combined party have a negative carrying amount on the combination date, the initial investment amount is determined as zero.

For long-term equity investments acquired via business combination involving entities not under common control, the combination cost is taken as the initial investment amount.

Except for those acquired through business combination, as to long-term equity investments acquired by cash payment, the actual purchase price and expenses, taxes and other necessary expenditures directly related to the acquisition of long-term equity investments are regarded as initial investment amount; For long-term equity investments acquired by issuing equity securities, the fair value of issued equity securities is taken as the investment amount.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

13. Long-term equity investments *(Continued)*

(2) Accounting treatment method *(Continued)*

The Company's investments in subsidiaries are accounted for using the cost method in individual financial statements. When the cost method is adopted, the long-term equity investments are measured at initial investment amount. When more investments are added, the carrying amount of the long-term equity investments cost is increased based on the fair value of costs paid for added investments and related transaction expenses. Cash dividend or profit declared by the investee is recognised as current investment income according to the amount to enjoy.

The investments of the Group in associates are accounted for using the equity method. For long-term equity investments measured by the equity method, where their initial investment amounts exceed their share of the fair value of the investee's identifiable net assets at the time of the investment, the carrying amount of the long-term equity investments is not adjusted. Where the initial investment amounts of long-term equity investments are less than the share of the fair value of the investee's identifiable net assets acquired through the investment, the difference shall be adjusted to the carrying amount of the long-term equity investments and included in the current profits and losses of acquired investments.

For long-term equity investments subsequently measured by the equity method, during the holding period of investment, the carrying amount of the long-term equity investments shall be accordingly increased or decreased as the change in owners' equity of the investee. When recognising the shares of the net profit or loss of the investee the Group shall enjoy, the Group calculates the share attributable to the Group based on the fair value of identifiable assets in the investee at the acquisition date under the accounting policies and accounting period of the Group according to the proportion they are entitled to by offsetting profits and losses of unrealised internal transactions incurred between the associates and joint venture not constituting businesses (however, loss of internal transactions attributed to asset impairment loss shall be fully recognised), and then recognises the net profits of the investee after adjustment. The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investments together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except for those investments that the Group has the obligation to undertake extra losses.

Upon the disposal of long-term equity investments, the difference between the carrying amount and the price actually obtained shall be included in the current investment income.

For long-term equity investments calculated by the equity method, in case of full disposal of, the related other comprehensive income previously calculated by the equity method should be accounted for on the same basis as the direct disposal of the related assets or liabilities by the investee upon the termination of the equity method. The owners' equity recognised as a result of changes in the owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution should be transferred in full to current investment income upon the termination of the equity method.

14. Investment properties

The investment properties of the Group are buildings that have been leased out, which are calculated at cost. Depreciation is made using policies consistent with those applicable to the Group's fixed assets.

15. Fixed assets

Fixed assets of the Group refer to tangible assets with a useful life of more than one year held for producing goods, rendering labour services, renting, or operating management.

No fixed asset may be recognised unless it simultaneously meets the conditions as follows: The economic benefits pertinent to the fixed asset are likely to flow into the Group, and the cost of the fixed asset can be measured reliably. Fixed assets of the Group include premises and buildings, and power generation equipment.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

15. Fixed assets *(Continued)*

Except for the fully depreciated fixed assets that are still in use and the land that is separately valued and recorded, all the fixed assets of the Group shall be depreciated. Straight line method shall be adopted for calculating depreciation. The category, depreciation life, estimated net residual rate and depreciation rate of the fixed assets of the Group are as follows:

No.	Category	Depreciation life (year)	Estimated residual rate (%)	Annual depreciation rate (%)
1	Premises and buildings	20-45	3-5	2.1-4.9
2	Generating units	5-20	3-5	4.8-19.4
3	Others	5-40	0-5	2.4-20.0

At the end of each year, the Group reviews the estimated useful life, estimated net residual value and depreciation methods of fixed assets. If a change occurs, it shall be treated as a change in accounting estimates.

16. Construction in progress

The cost of construction in progress will be recognised according to the actual construction expenditures, including various necessary construction expenditures during construction, capitalised borrowing costs before the projects are ready for their intended use and other relevant expenses.

Construction in progress ready for intended use shall be transferred to fixed assets based on the estimated value according to construction budget, project cost or actual project cost. The depreciation shall be drawn from the next month. After going through procedures of completion settlement, the difference of the original value of the fixed assets shall be adjusted.

17. Borrowing costs

The Group capitalises the borrowing costs directly attributable to the acquisition or production of assets eligible for capitalisation and includes them in relevant asset costs, while other borrowing costs are included in current profits and losses. The assets meeting the capitalising conditions determined by the Group include fixed assets that require more than one year of acquisition or construction to be ready for intended use or selling. Capitalisation shall be conducted when the expenditures of the assets and the borrowing costs incurred and acquisition or construction activities necessary for making the assets ready for intended use or selling begin. When the assets meeting the capitalisation requirements acquired or constructed are ready for use or selling, the capitalisation shall be ceased, and the borrowing costs incurred subsequently shall be included in current profits and losses. If assets eligible for capitalisation are suddenly suspended in acquisition or construction or production for more than three months continuously, the capitalisation of borrowing costs shall be suspended until the restart of acquisition or construction and production activities of the assets.

During the capitalisation period, the Group recognises the capitalised amount of borrowing costs using the following methods for each accounting period: For special borrowings, the capitalised amount is determined by the actual interest expenses incurred during the period minus any interest income earned on unused borrowing funds deposited in banks or investment income generated from temporary investments during the period; For general borrowings used, the capitalised amount is determined by multiplying the weighted average of accumulated asset expenditures exceeding the special borrowing portion by the capitalisation rate attributable to the general borrowings. The capitalisation rate is calculated based on the weighted average interest rate of the general borrowings.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

18. Intangible assets

The intangible assets of the Group include land use rights, sea use rights, mining rights, prospecting rights, concession rights, and development rights of hydropower, which shall be measured at actual cost when being obtained; wherein, for the intangible assets purchased, price actually paid and related other expenditure shall be deemed as actual cost; for the intangible assets invested by the investor, value agreed in accordance with investment contract or agreement is recognised as actual cost, except value agreed in the contract or agreement is unfair, in such case, the actual cost shall be recognised at fair value.

(1) Useful life and its determination basis, estimates, amortisation method or review procedures are as follows:

Land use rights shall be averagely amortised according to the transfer period from the start date of transfer.

The sea use rights of the Group include those for the Yantai Laizhou Port General Berth Project obtained from the People's Government of Shandong Province and the State Oceanic Administration, as well as for the Guangdong Huadian Fengsheng Shantou Power Plant "Replacing Small Units with Larger Units" New Construction Project obtained from the Oceanic Administration of Guangdong Province. The period for sea use rights is calculated and amortised from the date of their registration.

Concession rights are intangible assets recognised by the Group based on concession agreements signed with concession grantors. The concession rights are measured at actual cost incurred, which includes project payments made during the concession construction phase considering contractual stipulations, as well as borrowing costs that meet the criteria for capitalisation incurred before the concession rights are ready for their intended use. The concession rights are amortised over the remaining concession period upon being ready for their intended use.

Development rights of hydropower are rights acquired by the Company through the acquisition of subsidiaries to develop hydropower resources. The relevant preliminary hydropower stations associated with the development rights of hydropower have received approvals for watershed development and preliminary work from the local Development and Reform Commissions. Amortisation of the development rights of hydropower commences when the relevant preliminary hydropower station assets are ready for their intended use.

Mining rights are the rights to exploit mineral resources and obtain exploited mineral products within the scope prescribed in the legally obtained mining license. Prospecting rights are rights to prospect mineral resources within the scope prescribed in the legally obtained prospecting license. Upon completion of a detailed exploration report for the prospecting right and its filing with the Department of Land and Resources, an application may be made to convert the prospecting right into a mining right. After the prospecting right is converted into a mining right, it is recognised on the balance sheet at cost less accumulated amortisation and impairment provisions, with amortisation calculated using the units-of-production method based on recoverable reserves.

The amortised amounts of all intangible assets shall be included in current profits or losses and relevant asset costs according to beneficiaries. The estimated useful life and the amortisation method of intangible assets with limited useful life shall be reviewed at the end of each year. If a change occurs, it shall be treated as a change in accounting estimates.

Useful life estimation for intangible assets with limited useful life:

Item	Estimated useful life (year)
Land use rights	10-70
Sea use rights	50
Concession rights	25
Development right of hydropower	45
Others	5-36

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

18. Intangible assets *(Continued)*

(1) Useful life and its determination basis, estimates, amortisation method or review procedures are as follows: *(Continued)*

The Group regards intangible assets with an unforeseeable future economic benefit period as intangible assets with an uncertain useful life, and does not amortise such intangible assets. In each accounting period, the Group rechecks the useful life of intangible assets with uncertain useful life. If there is evidence that the useful life of an intangible asset is limited, its useful life shall be estimated, and the asset shall be accounted for in the same method as intangible assets with limited useful lives described above.

(2) Collection scope of R&D expenses and relevant accounting treatment methods

The collection scope of R&D expenses of the Group includes R&D employee benefits, direct investment expenses, depreciation and unamortised expenses, design expenses, equipment commissioning expenses, entrusted external R&D expenses, and other expenses.

The Group classifies internal R&D project expenditures into research-stage expenditures and development-stage expenditures based on the nature of the expenditures and whether there is a high degree of uncertainty that the R&D activities will ultimately result in intangible assets. Research-stage expenditures shall be included in current profits and losses when incurred. Development-stage expenditures shall be capitalised when meeting the following conditions: the Group assesses that it is technically feasible to finish the development of the intangible assets for use or sale; the Group has the intention to finish the development of the intangible assets for use or sale; the intangible assets are expected to generate economic benefits for the Group; the Group has sufficient technical, financial and other resources to support the development of the intangible assets and has the ability to use or sell the assets; and the expenditure attributable to the development stage of the intangible assets can be reliably measured. Development-stage expenditures that do not meet the conditions for capitalisation shall be included in current profits and losses when incurred.

19. Impairment of long-term assets

On each balance sheet date, the Group shall check the long-term equity investments, investment properties measured by cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with a limited useful life, and other items. In case of any indication of impairment, the Group shall carry out an impairment test. Impairment test shall be conducted on goodwill, intangible assets with uncertain useful life and development expenditures not yet available at the end of each year no matter whether there is any indication of impairment.

(1) Impairment of non-current assets except for financial assets (other than goodwill)

In conducting impairment tests, the Group determines the recoverable amount of an asset based on the higher of the following: the net amount obtained by deducting disposal costs from the fair value of the asset, and the present value of expected future cash flows from the asset. If the impairment test shows that the carrying amount of the asset is higher than its recoverable amount, the difference shall be recognised as an impairment loss.

The Group estimates the recoverable amount on the individual asset item basis; where it is hard to estimate the recoverable amount on the individual asset item basis, the Group determines the recoverable amount based on the asset group that the assets belong to. The assets group is determined by whether the main cash flow generated by the assets group is independent from those generated by other assets or assets groups.

The net balance of the fair value less the disposal cost is the price contained in sales agreement for similar assets in the orderly transaction on the measurement date or the market price observed less the incremental costs attributable to the disposal of the asset. When estimating the present value of future cash flow, the management selects an appropriate discount rate to determine the present value of future cash flow based on the expected future cash flow generated from the continuous use and final disposal of the asset.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

19. Impairment of long-term assets (Continued)

(2) Impairment of goodwill

For goodwill formed by a business combination, the Group amortises its carrying amount to a related asset group using a reasonable method at the acquisition date, and for those that are difficult to be amortised to related asset groups, they are amortised to related portfolio of asset groups. During impairment tests for the related asset group or portfolio of asset groups that contain(s) goodwill, if there are indications of impairment, the Group first tests the asset group or portfolio of asset groups that do(es) not contain goodwill and calculate the recoverable amount, and compare it with the related carrying amount to confirm the corresponding impairment loss; Then, the Group conducts impairment tests on the relevant asset group or portfolio of asset groups, comparing the carrying amount with the recoverable amount. If the recoverable amount is less than the carrying amount, the amount of impairment loss is first deducted from the carrying amount of goodwill allocated to the asset group or portfolio of asset groups, and then from the carrying amount of other assets based on their proportion within the asset group or portfolio of asset groups, excluding goodwill.

See Note V. 19 for the methods, parameters and assumptions of goodwill impairment test.

Once recognised, the above impairment losses on assets will not be reversed in subsequent periods.

20. Long-term deferred expenses

Long-term deferred expenses of the Group mainly include earthwork stripping costs amortised based on the stripping ratio, compensation for land acquisition for coal mining, and other expenditures with an amortisation period exceeding one year that have been paid by the Group but are to be amortised over the current and future periods. Such expenses shall be equally amortised in the benefit period. If the long-term deferred expenses item will not benefit the future accounting period, the amortised value of unamortised items shall be all transferred to current profits or losses. The amortisation methods of the Group's long-term deferred expenses are shown in the table below:

Item	Amortisation method
Earthwork stripping cost	Units-of-production method
Compensation for land acquisition	Units-of-production method
Others	Straight-line method

21. Employee benefits payable

Employee benefits payable of the Group includes short-term compensation, retirement benefits, and termination benefits.

The short-term compensation mainly includes staff salaries, bonuses, social insurance premiums, housing provident funds, labour union expenditures, staff education funds, employee benefits, and non-monetary welfare. The actually incurred short-term compensation shall be recognised as a liability in the accounting period when the staff are rendering their services and be included in the current profits and losses or relevant asset costs according to the beneficiaries.

Retirement benefits mainly include basic pension insurance premium, unemployment insurance premium, and enterprise annuity, all of which are defined contribution plans. Contribution paid to an individual subject for the services provided by the employees in the accounting period on the balance sheet date as per the defined contribution plan shall be recognised as liabilities, and included in the current profits or losses or relevant asset costs according to the beneficiaries.

When the Group provides termination benefits to employees, the employee benefits payable liabilities arising from the termination benefits are recognised earlier when the Group cannot unilaterally recall the termination benefits provided due to labour relation severing plan or layoff suggestions, and the Group recognises the costs or expenses related to the restructuring of termination benefits payment; and included then in current profits and losses.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

22. Provisions

When pending legal proceedings or arbitration, warranty quality assurance or other contingent matters meet the following requirements at the same time, the Group shall recognise such obligations as liabilities: the assumed obligations are current obligations; the fulfilment of such obligations will likely cause the outflow of economic benefits from the Group; the amount of such obligations can be measured reliably.

Provisions are initially measured at the best estimate of expenditures required to perform relevant current obligations, and the risks, uncertainties, and time value of money related to contingencies are taken into comprehensive consideration. On the balance sheet date, the Group reviews the current best estimate and adjusts the carrying amount of provisions.

The provisions expected to be paid within one year from the balance sheet date are presented as current liabilities.

23. Other financial instruments including preferred stocks and perpetual bonds

For the perpetual debts categorised as equity instruments, owners' equity is increased by deducting transaction costs from the consideration received at the issuance. Treatments on the interest expenses or dividend distribution of these instruments are made according to profit distribution. The gains or losses generated from the repurchase or cancellation of these instruments are treated as changes in equity.

24. Revenue recognition principles and measurement methods

(1) General principles

The Group has fulfilled its performance obligations of the contract, meaning it recognises the revenue when the customer has obtained the control rights of the relevant goods or services. The acquisition of control over the relevant goods or services means to be able to dominate the use of the relevant goods or services and obtain almost all the economic benefits.

Performance obligation refers to the Group's promise in a contract to transfer distinguishable products to a customer. In case one of the following conditions is met, the Group will perform the performance obligations within a period of time. Otherwise, it will perform the performance obligations at a time point: ① The customer obtains and consumes the economic benefits brought by the Group while performing the contract; ② The customer can control the goods under construction during the Group's performance; ③ The goods generated during the performance of the Group are irreplaceable, and the Group is entitled to collect the amount for the performance accumulatively completed so far throughout the term of the Contract.

For the performance obligations performed within a certain period of time, the Group shall recognise the revenue within that period according to the performance progress. If the performance progress cannot be reasonably confirmed, and the costs incurred by the Group can be expected to be compensated, the revenue shall be recognised according to the amount of costs incurred until the performance progress can be reasonably confirmed.

For performance obligations performed at a certain time point, the Group shall recognise the revenue at the time point when the customer gains control rights of the relevant goods. In determining whether a customer has obtained control of the goods, the Group shall take the following indications into comprehensive consideration: ① The Group enjoys the current collection right in regard to such goods, i.e. The customers have the obligation to pay immediately with respect to the goods; ② The Group has transferred the legal ownership of the goods to the customer, i.e. The customer owns the legal ownership of the goods; ③ The Group has transferred the goods to the customer in kind, i.e. The customer has possessed the goods; ④ The Group has transferred the major risks and rewards on the ownership of the goods to the customer, i.e. The customer has obtained the major risks and rewards on the ownership of the goods; ⑤ The customer has accepted such goods; ⑥ Other indications that the customer has obtained control of the goods.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

24. Revenue recognition principles and measurement methods *(Continued)*

(1) General principles *(Continued)*

If the contract contains two or more performance obligations, the Group shall, at the beginning of the contract, apportion the transaction price to each performance obligation according to the relative proportion of the individual selling price of the goods or services promised by each performance obligation, and measure the revenue according to the transaction price apportioned to each performance obligation.

The transaction price is the amount of consideration that the Group is expected to be entitled to receive for the transfer of goods or services to the customer, but excluding payments received on behalf of third parties and payments expected to be refunded to customers. When determining the transaction price, the Group considers the effects of variable consideration, contracts containing significant financing components, and other relevant factors.

Where there is a variable consideration in the contract, the Group determines the best estimate of the variable consideration based on the expected value or the most probable amount. The transaction price of the variable consideration is included, which shall not exceed the amount of accumulated recognised income that will most likely not be great reverse when the relevant uncertainty is removed. On each balance sheet date, the Group shall re-estimate the amount of variable consideration included in the transaction price.

For contracts that contain significant financing components, the Group determines the transaction price by assuming that the customer pays the payable amount in cash upon obtaining control of the goods. The nominal amount of the contract consideration is discounted to the current selling price of the goods using a discount rate. The difference between the determined transaction price and the contracted promised consideration is amortised over the contract period using the effective interest rate method. At the commencement time of the contract, if the Group expects that the interval between the customer's acquisition of control over goods or services and the payment of the price by the customer will not exceed one year, the material financing component existing in the contract would not be considered.

The Group determines whether it is the principal responsible person or agent during transactions based on whether it has control over the goods before transferring the goods to customers. If the Group has control over the goods before transferring them to customers, the Group is the principal responsible person and recognises the revenue according to the total consideration received or receivable; otherwise, the Group acts as an agent, and recognises the revenue according to the amount of commission or handling charge expected to be entitled. The amount shall be determined based on the net amount of the total consideration received or receivable less amounts payable to other related parties, or based on predetermined commission amounts or rates.

(2) Specific principles

The operating revenue of the Group mainly includes electricity revenue, heat revenue, coal sales revenue, and revenue from upfront installation fees for heating networks.

1) *Electricity revenue*

Electricity revenue is recognised when electricity is supplied to grid companies in places where power plants are located.

2) *Heat revenue*

Heat revenue is recognised when heat is supplied to customers.

3) *Coal sales revenue*

Revenue related to coal sales is recognised when control of the goods is transferred to purchasers.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

24. Revenue recognition principles and measurement methods *(Continued)*

(2) Specific principles *(Continued)*

4) *Revenue from upfront installation fees for heating networks*

Revenue from upfront installation fees for heating networks is installation fees charged for connecting customers' properties to the Group's heating network. This revenue is deferred and recognised on a straight-line basis over the service period upon completion of installation works.

25. Government grants

The government grants shall be recognised when all the attached conditions can be satisfied and the government grants can be received by the Group. Where the government grants are monetary assets, they shall be measured at the amount actually received; for grants provided as per the fixed quota standard, when there is unambiguous evidence showing that related conditions as stipulated in the financial supporting policies are met and it is expected that the financial supporting assets can be obtained, such grants shall be measured as per the amount receivable; where the government grants are non-monetary assets, they shall be measured at the fair value; if the fair value cannot be obtained reliably, then they shall be measured at the nominal amount (RMB1).

The government grants of the Group include compensation for demolition, project construction subsidies, environmental protection subsidies, power generation subsidies, heating subsidies, heating network ancillary revenue, and coal subsidies. The asset-related government grants refer to those obtained by the Group and used for the acquisition or construction of long-term assets or obtainment of such assets in other forms. The revenue-related government grants refer to those other than the asset-related government grants. If no assistance object is specified in the government documents, the Group shall determine it based on the above identifying principles. For those hard to be identified, classify them totally in the revenue-related government grants.

Asset-related government grants shall be recognised as deferred income or offset carrying amount of relevant assets, if it is recognised as deferred income, it will be included in the current profit or loss according to a reasonable and systematic method within the useful life of the relevant asset. When the related assets are sold, assigned, transferred or damaged before the end of useful life, all the undistributed deferred income shall be transferred to the current profits and losses of assets disposal.

The revenue-related government grants used to compensate for related costs or losses during future periods shall be recognised as deferred income, and shall be recognised as current profits and losses or offset relevant costs at the period when it is recognised. Those used to compensate for the incurred related costs or losses shall be directly included in current profits and losses, or offset the related costs. The government grants related to daily activities shall be included in other income or offset relevant costs based on the substance of business transactions. The government grants not related to daily activities shall be included in the non-operating revenues and expenses.

The Group adopts the gross method.

When the Group obtains discounted interest subsidies on preferential policy loans, the Group distinguishes between two situations, i.e. the situation in which public finance departments appropriate the discount interest funds to the loan banks and the situation in which public finance departments directly appropriate the discount interest funds to the Group, and carries out the accounting treatment separately according to the following principles: (1) In the situation where public finance departments appropriate the discount interest funds to the loan banks, if the loan banks provide loans to the Group at a policy preferential interest rate, the Group takes the actually received loan amount as the entry value of the loans and calculates the relevant borrowing costs according to the loan principal and the policy preferential interest rate. (2) In the situation where public finance departments directly appropriate the discount interest funds to the Group, the Group shall write off the corresponding discount interest subsidies against the related borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

26. Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities of the Group are calculated and recognised based on the temporary differences arising from the differences between the tax bases and the carrying amounts of assets and liabilities, as well as the differences between the tax bases and the carrying amounts of items that are not recognised as assets or liabilities but for which the tax bases can be determined according to tax regulations.

The deductible temporary differences shall be recognised as deferred tax assets, within the limit of taxable income which is likely to be obtained for offsetting the deductible temporary differences in future periods. As for any deductible loss and tax deduction which can be carried forward to the next year, the corresponding deferred tax assets are recognised to the extent the taxable income which is likely to be obtained for offsetting the deductible loss and tax deduction.

The taxable temporary differences, except for special conditions, are recognised as deferred tax liabilities.

Special circumstances that do not recognise deferred tax assets or deferred tax liabilities include:

- Initial recognition of goodwill;
- Transactions or events that are neither a business combination, nor will affect accounting profits and taxable income (or deductible losses) when they occur.

However, for single transactions that are neither a business combination nor will affect accounting profits and taxable income (or deductible losses) when they occur and give rise to equal amounts of taxable temporary differences and deductible temporary differences upon initial recognition of assets and liabilities, including lease transactions where lessees initially recognise lease liabilities and includes them in right-of-use assets at the commencement date of the lease term and transactions where provisions are recognised and included in relevant asset costs due to the existence of asset retirement obligations for fixed assets, the exemption from initial recognition of deferred tax liabilities and deferred tax assets is not applicable. For the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in such transactions, corresponding deferred tax liabilities and deferred tax assets shall be recognised at the transaction date.

Deferred tax liabilities are recognised for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, unless the Group is able to control the time to reverse the temporary difference and it is probable that the temporary difference is unlikely to be reversed in the foreseeable future. For any deductible temporary differences related to investments in subsidiaries, associates, and joint ventures, the deferred tax assets are recognised when the temporary difference is likely to be reversed in the foreseeable future, and it is likely to acquire the taxable income that is used to deduct the deductible temporary difference in the future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised on the balance sheet date.

The Group will list the net amount of deferred tax assets and deferred tax liabilities after offset if the following conditions can be met: The Group has a legal right to settle the net amount of the current tax assets and current deferred tax liabilities; Deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax collection and management department on the same taxpayer or different taxpayers, but in the period when each important deferred tax asset and deferred tax liability are reversed in the future, the taxpayers involved intend to settle the current tax assets and current tax liabilities with a net amount or obtain assets and pay off debts at the same time.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

27. Lease

(1) Identification of lease

On the commencement date of a contract, the Group evaluates whether the contract is a lease or includes a lease. If one party to the contract abalienates the right to control the use of one or more identified assets within a certain period of time in exchange for consideration, the contract is a lease or includes a lease.

If the contract contains multiple separate leases at the same time, the Group will split the contract and carry out accounting treatment for each separate lease. If the contract includes both lease and non-lease parts, the Group will split the lease and non-lease parts and then carry out accounting treatment. The lease part shall be accounted for in accordance with the lease standards, while the non-lease part shall be accounted for in accordance with other applicable accounting standards for business enterprises.

When assessing whether it is reasonably certain that the renewal option will be exercised, the Group comprehensively assesses all pertinent facts and circumstances associated with the economic advantages of exercising the option. This includes anticipated changes in facts and circumstances from the commencement date of the lease term to the time the option is exercised. During the contract period, the Group has made or expects to make significant improvements to the leased assets. The leased assets are critical to the Group's operations, with no readily available suitable alternatives, and the Group can reasonably determine that it will exercise renewal options. Therefore, the lease term includes periods covered by renewal options. After the commencement date of the lease term, should significant events or changes within the Group's control occur, affecting its reasonable decision on whether to exercise the renewal option, the Group will reassess its position and adjust the lease term accordingly based on the outcomes of this reassessment.

(2) The Group as a lessee

1) Recognition of lease

In addition to short-term leases and low-value asset leases, at the commencement date of the lease term, the Group recognises the right-of-use asset and lease liabilities for the lease.

The right-of-use asset refers to the right of the Group as the lessee to use the leased asset during the lease term and is initially measured at cost. The cost includes: ① initial measurement amount of lease liabilities; ② lease payment paid on or before the commencement date of the lease term less the amount related to the enjoyed lease incentive; ③ initial direct cost incurred; and ④ costs expected to be incurred for dismantling and removing the leased asset, restoring the site where the leased asset is located or restoring the leased asset to the state agreed in the leasing terms (except those incurred for the production of inventory). If the Group remeasures the lease liabilities in accordance with the relevant provisions of the leasing standards, the carrying amount of the right-of-use asset shall be adjusted accordingly.

The Group depreciates the right-of-use asset by the straight-line method based on the expected consumption mode of economic benefits related to the right-of-use asset. If the ownership of the leased asset can be reasonably confirmed to be acquired at the expiration of the lease term, the depreciation shall be carried out within the remaining useful life of the leased asset; otherwise, the depreciation shall be carried out within the remaining lease term or the useful life of the leased asset, whichever is shorter. The depreciation amount for provision is included in the cost of underlying assets or the current profits and losses according to the use of the right-of-use asset.

The Group initially measures the lease liabilities according to the present value of the lease payment which is not made at the commencement date of the lease term. The lease payment includes: ① fixed payment and substantial fixed payment, deducting the amount related to lease incentives; ② variable lease payment depending on index or ratio; ③ exercise price of purchase option when the Group reasonably determines to exercise purchase option; ④ payment made for exercising the option to terminate the lease when the lease term reflects that the Group exercises such option; ⑤ amount expected to be paid according to the guaranteed residual value provided by this Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

27. Lease *(Continued)*

(2) The Group as a lessee *(Continued)*

1) *Recognition of lease (Continued)*

In the calculation of the present value of the lease payment, the Group adopts the interest rate implicit in lease as the discount rate. If the Group is unable to determine the interest rate implicit in lease, the incremental borrowing rate will be taken as the discount rate. The interest expenses of the lease liabilities within each lease term shall be calculated by the Group according to the fixed periodic rate, and included in the current profit or loss, except for those that should be capitalised.

When the Group recognises the interest on the lease liabilities after the commencement date of the lease term, it will increase the carrying amount of the lease liabilities; When making the lease payment, it will reduce the carrying amount of the lease liabilities. If there is any change in the substantially fixed payment, the expected amount payable of the guaranteed residual value, the index or ratio for determination of the lease payment, the evaluation result of the purchase option, renewal option or termination option, or the actual exercise of the options, the Group will re-measure the lease liabilities according to the present value of the lease payment after the change.

2) *Short-term lease and low-value asset lease*

For the short-term lease with a lease term of not more than 12 months and low-value asset lease with a lower value (less than RMB40,000) when a single leased asset is brand new, the Group chooses not to recognise the right-of-use asset and lease liabilities. The Group will include the lease payment for short-term lease and low-value asset lease into the relevant asset cost or current profit or loss by the straight-line method or other systematic and reasonable methods during each lease term.

3) *Sale and leaseback*

As the seller and lessee in a sale and leaseback transaction, the Group assesses whether the transfer of the underlying asset constitutes a sale. When the Group concludes the transfer does not constitute a sale, it continues to recognise the transferred asset and recognises a financial liability equal to the transfer income. When the transfer constitutes a sale, the Group measures the right-of-use asset arising from the sale and leaseback at the proportion of the original carrying amount relating to the right of use retained, and recognises gains or losses only on the rights transferred to the lessor. In subsequent measurement of the lease liability arising from the sale and leaseback, the manner of determining lease payments or modified lease payments does not result in the Group recognising gains or losses related to the right of use retained (except where lease modifications reduce the lease scope or shorten the lease term).

(3) The Group as a lessor

As the lessor, if a lease substantially transfers almost all risks and rewards related to the ownership of the leased asset, the Group shall classify the lease as a finance lease, and other leases other than the finance lease as operating leases.

1) *Operating lease*

In each lease term, the Group will recognise the lease amount of the operating lease as the rental income by the straight-line method.

The initial direct expense incurred by the Group relating to the operating lease shall be capitalised to the cost of the underlying asset of the lease and shall be included in the current profits or losses in stages during the lease term according to the same recognition basis as rental income. The Group's variable lease payment, which is related to operating leases and not included in lease receipts, is included in the current profits or losses when it actually occurs.

If there is a change in the operating lease, the Group will take it as a new lease from the effective date of change, and the lease receipts received in advance or receivable related to the lease before the change will be regarded as the receipts for the new lease.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

28. Fair value measurement

The Group measures the equity instrument investment at fair value on each balance sheet date. Fair value refers to the price to be received for the sale of an asset or to be paid for the transfer of liability by the market participants in the orderly transaction on the measurement date.

If the assets and liabilities are measured or disclosed at fair value in financial statements, the level to which the fair value belongs shall be determined according to the lowest level inputs, which is of significance to the integral measurement of fair value: the inputs for Level 1 are the unadjusted quotation of identical assets or liabilities in the active market which can be obtained on the measurement date; the inputs for Level 2 are the inputs directly or indirectly observable for relevant assets or liabilities other than those for Level 1; the inputs for Level 3 are the inputs that are unobservable for relevant assets or liabilities.

On each balance sheet date, the Group reassesses the assets and liabilities recognised in the financial statements that are continuously measured at fair value to determine whether conversion occurs between levels of fair value measurements.

The fair value of financial instruments traded in an active market is determined at the quoted market price, and the fair value of those not traded in an active market is determined by the Group using a valuation technique. The valuation model used is mainly the discounted cash flow model. The input of the valuation technique mainly includes: the risk-free interest rate, credit premium, and liquidity premium for debt; valuation multiplier and liquidity discount for equity.

Level 3 fair value is determined based on the Group's evaluation model, such as the discounted cash flow model. The Group also considers the initial transaction price, recent transactions with identical or similar financial instruments or fully third-party transactions with comparable financial instruments.

The Group adopts the market method to determine the fair value of unlisted equity investments. This requires the Group to identify comparable listed companies, select market multipliers, and estimate liquidity discounts, which involves uncertainty.

On each balance sheet date, the Group reassesses the assets and liabilities recognised in the financial statements that are continuously measured at fair value to determine whether conversion occurs between levels of fair value measurements.

29. Other significant accounting policies and accounting estimates

(1) Related parties

Where one party controls or jointly controls another party or exerts significant influence over the other party, or where two or more parties are controlled or jointly controlled by the same party, they constitute related parties. Affiliates can be individuals or enterprises. An enterprise that is merely controlled by the state but has no other related party relationships does not constitute a related party of the Group. The Group and the Company's related parties include, but are not limited to:

- 1) The parent company of the Company;
- 2) Subsidiaries of the Company;
- 3) Other enterprises controlled by the same parent company as the Company;
- 4) Investors who exercise joint control or significant influence over the Group;
- 5) Enterprises controlled or jointly controlled by the same party as the Group;
- 6) The Group's joint ventures and associates, including subsidiaries of the joint ventures and associates;

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

29. Other significant accounting policies and accounting estimates *(Continued)*

(1) Related parties *(Continued)*

- 7) Joint ventures and associates of China Huadian and its member units (including parent company and subsidiaries), including subsidiaries of joint ventures and associates;
- 8) Other joint ventures or associates of the Group's joint ventures;
- 9) Main investors of the Group and their close family members;
- 10) Key executives of the Group and their close family members;
- 11) Key executives of the Company's parent company;
- 12) Family members who have a close relationship with the key executives of the Company's parent company;
- 13) Other enterprises controlled or jointly controlled by the Group's major investors, key executives or their close family members.

In addition to being determined as a related party of the Group or the Company in accordance with the relevant requirements of ASBEs, according to the requirements of the Measures for the Administration of Information Disclosure by Listed Companies issued by the China Securities Regulatory Commission, the following enterprises or individuals include, but are not limited to, related parties of the Group or the Company:

- 14) Enterprises or persons acting in concert holding more than 5% of the Company's shares;
- 15) Individuals who directly or indirectly hold more than 5% of the Company's shares and their close family members, supervisors of listed companies and their close family members;
- 16) Enterprises that have any of the above situations 1), 3), and 14) in the past 12 months or the upcoming 12 months according to relevant agreements;
- 17) Individuals who have any of the above situations 10), 11), and 15) in the past 12 months or the upcoming 12 months according to relevant agreements;
- 18) Enterprises that are directly or indirectly controlled by persons described in 10), 11), 15), and 17), or who serve as directors or senior executives, other than the Company and its controlled subsidiaries.

(2) Segment reporting

The Group determines its operating segments based on its internal organisational structure, management requirements, and internal reporting system, and the reporting segments are based on operating segments. Operating segment refers to the component within the Group that meets all of the following conditions:

- 1) The component can generate income and incur expenses in daily activities;
- 2) The Management of the Group can regularly evaluate the operating results of the component to determine its resource allocation and evaluate its performance;
- 3) The Group can obtain accounting information about the component, such as financial conditions, operating results, and cash flow.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

29. Other significant accounting policies and accounting estimates *(Continued)*

(2) Segment reporting *(Continued)*

If two or more operating segments have similar economic characteristics and are identical or similar in the following aspects, they can be combined into one operating segment:

- 1) Nature of each individual product or service;
- 2) Nature of the production process;
- 3) Type of customer for the product or service;
- 4) Way of selling products or providing services;
- 5) Production of products and provision of services are affected by laws and administrative regulations.

When the Group prepares segment reports, inter-segment transaction revenue is measured based on the actual transaction price. The accounting policies adopted in the preparation of segment reports are consistent with those adopted in the preparation of the Group's financial statements.

(3) Maintenance and production safety funds

Following the regulations of relevant government agencies, the Group's power generation and supply enterprises adopt an excess regressive method to accrue production safety expenses based on the operating revenue of the previous year, which are used for production safety expenses related to power production and supply. Coal production enterprises accrue maintenance fees and production safety expenses based on coal output, which are used to maintain mining area production, equipment renovation expenditures, coal production, safety expenditures of coal mining structures construction facilities, and other related expenditures. The Group accrues the above expenses in current profits or losses as required, and separately reflects them in specific reserves in owners' equity. When specific reserves are used for expense expenditures within the prescribed scope, the specific reserves shall be offset according to the actual expenditure. When specific reserves are used to form fixed assets within the specified scope, the specific reserves shall be offset according to the cost of forming fixed assets, and the same amount of accumulated depreciation is recognised. Depreciation will not be accrued for related assets in subsequent periods.

(4) Judgement of significant accounting estimates

In preparing the financial statements, the Group's management needs to apply estimates and assumptions that have an impact on the application of accounting policies and the amounts of assets, liabilities, revenue, and expenses. The actual situation may differ from these estimates. The Group's management continuously assesses the judgement of the key assumptions and uncertainties involved in the estimates. The impact of changes in accounting estimates is recognised in the current period of change and future periods.

In addition to the assumptions and risk factors described in Note III "10. Financial instruments" and Note III "19. Long-term asset impairment", other major uncertainties of estimated amounts are as follows:

1) Long-term asset impairment

The Group assesses impairment on fixed assets, construction in progress, intangible assets, long-term equity investment, and other long-term assets from the balance sheet date, to determine whether the recoverable amount of the asset has fallen below its carrying amount. If circumstances indicate that the carrying amount of the long-term asset may not be fully recoverable, the asset is considered to have impairment, and impairment losses will be recognised accordingly.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

29. Other significant accounting policies and accounting estimates *(Continued)*

(4) Judgement of significant accounting estimates *(Continued)*

1) *Long-term asset impairment (Continued)*

The recoverable amount is the net amount of the fair value of the assets (or asset groups) after deducting the disposal expenses or the present value of the expected future cash flow of the assets (or asset groups), whichever is higher. Since the Group cannot reliably obtain the open market price of assets (or asset groups), it is impossible to reliably and accurately estimate the fair value of assets. When estimating the present value of future cash flows, it is necessary to make significant judgements on the output, selling price, related operating costs, and discount rate used in calculating the present value of the products produced by the asset (or asset group).

2) *Provision for expected credit loss of accounts receivable*

The Group shall review the accounts receivable measured at amortised cost on the balance sheet date to assess whether there is a credit loss risk, and evaluate the specific amount of credit loss risk when credit loss risk occurs. The Group makes estimates based on the ageing of accounts receivable, the credit status of the debtor, and previous write-off experience. If the debtor's credit status deteriorates, the actual bad debt may be higher than estimated amount.

3) *Depreciation and amortisation of fixed assets and intangible assets*

The Group accrues depreciation and amortises over the useful life of assets such as fixed assets and intangible assets with a certain useful life after considering their residual value. The Group regularly reviews the useful life of the relevant assets to determine the amount of depreciation and amortisation expenses to be included in each reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account upgrading and improvement work performed, and anticipated technological changes. If there have been significant changes in the factors used to determine the depreciation or amortisation, the rate of depreciation or amortisation is revised prospectively.

4) *Deferred tax assets*

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. The Group uses all readily available information which includes reasonable and supportable assumptions and projections of generated energy/heat, selling prices and relevant operating costs to estimate whether there will be sufficient available future taxable profits to utilise deductible temporary differences. Any significant change in estimates would result in adjustment in the amount of deferred tax assets and income tax in future years.

5) *Intangible assets with uncertain useful life*

The Group regards intangible assets with an unforeseeable future economic benefit period as intangible assets with an uncertain useful life. Intangible assets with uncertain useful life of the Group are mainly administratively allocated land rights of use without a service life. The Group regularly reviews the useful life of intangible assets with uncertain useful life. If there is evidence that the useful life of intangible assets is limited and previous estimates have changed significantly, the amortisation expenses will be adjusted in future periods.

6) *Provisions*

The Group estimates the expected obligations for mine abandonment costs and environmental cleanup costs based on the amount and timing of future cash outflows. Estimated expenses are adjusted for inflation and discounted using a discount rate that reflects the current market value of the time value of money and the specific risks to liabilities, so that the amount of provision reflects the present value of the expected debt obligations. The Group considers factors such as the mineable area, future production and development plans, and the mineable reserves of minerals to determine the scope, expenditure amount, and time period of related work. Due to the nature of the above considerations being based on the Group's judgements and estimates, the actual expenses incurred may differ from the provisions.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

30. Changes in material accounting policies and accounting estimates

(1) Changes in material accounting policies

The Group has no changes in material accounting policies in the current year.

(2) Changes in material accounting estimates

The Group has no changes in material accounting estimates in the current year.

IV. TAXES

1. Main taxes and tax rates

Tax type	Taxation basis	Tax rate
Value-added tax (VAT)	Taxable value-added amount is the difference	13%, 9%, 6%
– Electricity and coal sales	of VAT output calculated based on the income	
– Heating	from sales of goods according to tax laws less	
– Others	deductible VAT input of the current period	
Educational surcharges	Levied based on VAT actually paid	5%, 3%
Urban maintenance and construction tax	Levied based on VAT actually paid	7%, 5%, 1%
Corporate income tax	Levied based on taxable income	25%, 20%, 15%

Taxpayer's description for the tax rates of different corporate income taxes:

Name of taxpayer	Preferential tax rate (%)	Income tax rate
Sichuan Huadian Zagunao Hydroelectric Development Company Limited	15	China Western Development preferential tax rate (Note)
Sichuan Huadian Luding Hydropower Company Limited	15	China Western Development preferential tax rate (Note)
Sichuan Liangshan Shuiluohu Hydropower Development Co., Ltd.	15	China Western Development preferential tax rate (Note)
CHD Guigang Electric Power Co., Ltd.	15	China Western Development preferential tax rate (Note)

Note: The Announcement of the State Taxation Administration on Enterprise Income Tax Policies Issues Concerning the Further Implementation of the Western China Development Strategy (No. 12 [2012] of the State Taxation Administration) stipulates that from 1 January 2011 to 31 December 2020, enterprises that are based in the western region and engage in industry projects specified in the Catalogue of Encouraged Industries in the Western Region as their main business, and for which the main business revenue accounts for more than 70% of the total revenue in the current year, can pay corporate income tax at a reduced rate of 15%.

The Announcement on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China (No. 23 [2020] of the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission) stipulates that from 1 January 2021 to 31 December 2030, enterprises that are based in the western region and engage in industry projects specified in the Catalogue of Encouraged Industries in the Western Region as their main business, and for which the main business revenue accounts for more than 60% of the total revenue, pay corporate income tax at a reduced rate of 15%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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IV. TAXES (Continued)

2. Tax preference

- (1) According to the MOF's Notice of the Ministry of Finance and the State Taxation Administration on Continuing the Preferential Value-Added Tax, House Property Tax and Urban Land Use Tax Policies for Heat Supply Enterprises (No. 38 [2019] of the Ministry of Finance and the State Taxation Administration), heating enterprises in the "Three North" regions are exempt from value-added tax on the heating fee income obtained from providing heating services to residents from 1 January 2019, until the end of the 2020 heating period. From 1 January 2019 to 31 December 2020, heating enterprises that charge heating fees to residents are exempt from property tax and urban land use tax for the buildings and land used to provide heating services to residents. However, property tax and urban land use tax should be collected according to the regulations for other buildings and land owned by the heating enterprises. According to the preferential tax policies stipulated in the Announcement of the Ministry of Finance and the State Taxation Administration of Continuing the Implementation of Relevant Tax Policies for Heat Supply Enterprises (Announcement No. 56 [2023] of the Ministry of Finance State Taxation Administration), the policy implementation period is extended to the end of the heating period in 2027. The heating enterprises of the Group in the "Three North" regions are entitled to this tax exemption.
- (2) According to the Announcement of Ministry of Finance and State Taxation Administration on Improving Value-added Tax Policies for Comprehensive Utilisation of Resources (Announcement No. 40 [2021] of the Ministry of Finance and the State Taxation Administration), general VAT taxpayers selling self-produced comprehensive resource utilisation products and providing resource utilisation services are eligible for the VAT refund-upon-collection policy. The Group's electricity generation enterprises that meet the requirements in the "II. Waste Residues, Wastewater (Liquids), and Waste Gases – 2.22 Residual Heat and Pressure Generated in Industrial Production," enjoy a 100% VAT refund-upon-collection.
- (3) According to the *Announcement on Further Implementing Preferential Income Tax Policies for Small and Micro Enterprises* (Announcement No. 13 [2022] of the Ministry of Finance and State Taxation Administration), from 1 January 2022 to 31 December 2024, for enterprises engaged in non-restricted and non-prohibited industries that meet three conditions – annual taxable income not exceeding RMB3 million, no more than 300 employees, and total assets not exceeding RMB50 million, the part of annual taxable income of these enterprises over RMB1 million but under RMB3 million shall be calculated at 25% as taxable income, and subject to corporate income tax at a rate of 20%. According to the *Announcement on Preferential Tax Policies for Small and Micro Enterprises and Individual Businesses* (Announcement No. 6 [2023] of the Ministry of Finance and State Taxation Administration), for low-profit small enterprises, the portion of their annual taxable income that does not exceed RMB1 million will be calculated as 25 percent of the original amount from 1 January 2023 to 31 December 2024, and the corporate income tax payable is calculated at a rate of 20%. According to the preferential tax policies stipulated in the *Announcement on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses* (Announcement No. 12 [2023] of the Ministry of Finance and State Taxation Administration), the policy implementation period will be extended till 31 December 2027. The Group's enterprises meet the relevant requirements and benefit from these small low-profit enterprise tax preferences.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Unless specially noted, among the following disclosed data in the financial statements, “beginning” refers to 1 January 2025; “ending” refers to 31 December 2025; “current year” refers to from 1 January 2025 to 31 December 2025; “previous year” refers to from 1 January 2024 to 31 December 2024; and the monetary unit is RMB'000.

1. Cash and cash equivalents

Item	Ending balance	Beginning balance (Restated)
Cash on hand	39	39
Cash at bank	306,453	48,700
Other cash funds	42,340	17,441
Deposits in financial companies	6,634,086	6,794,372
Total	6,982,918	6,860,552

2. Bills receivable

(1) Classified presentation of bills receivable

Item	Ending balance	Beginning balance (Restated)
Commercial acceptance bills	330,951	32,021
Total	330,951	32,021

Note: The Group's bills receivable at the end of the reporting period were all aged within 90 days.

(2) Bills receivable endorsed or discounted but not yet expired on the balance sheet date at the end of the year

Item	Derecognition amount at the end of the year	Non-derecognition amount at the end of the year
Commercial acceptance bills		290,000
Total		290,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Accounts receivable

(1) Accounts receivable presented by ageing

Age	Ending book value	Beginning book value (Restated)
Within 1 year (including 1 year)	11,056,898	14,693,342
1-2 years (including 2 years)	233,603	153,285
2-3 years (including 3 years)	105,798	168,289
After 3 years	504,476	405,364
Subtotal	11,900,775	15,420,280
Less: provision for bad debts	370,534	346,400
Total	11,530,241	15,073,880

(2) Classified presentation of accounts receivable according to bad debt accrual method

Category	Ending balance					Beginning balance (Restated)				
	Book value		Provision for bad debts			Book value		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision proportion (%)	Carrying amount	Amount	Proportion (%)	Amount	Provision proportion (%)	Carrying amount
Provision for bad debt accrued individually	11,900,775	100.00	370,534	3.11	11,530,241	15,420,280	100.00	346,400	2.25	15,073,880
Including: Accounts receivable with significant single amounts and provision for bad debt accrued individually	11,345,142	95.33	295,785	2.61	11,049,357	14,464,180	93.80	283,084	1.96	14,181,096
Accounts receivable with insignificant single amount but provision for bad debts made on single item	555,633	4.67	74,749	13.45	480,884	956,100	6.20	63,316	6.62	892,784
Total	11,900,775	100.00	370,534	-	11,530,241	15,420,280	100.00	346,400	-	15,073,880

(3) Provisions of bad debt accrued, recovered, or reversed for accounts receivable in the current year

Category	Beginning balance (Restated)	Change of amount in the current year				Ending balance
		Accrual	Recovery or reversal	Charge or write-off	Others	
Amount with provision for bad debt accrued on an individual basis	346,400	28,044	2,968	942		370,534
Total	346,400	28,044	2,968	942		370,534

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Accounts receivable (Continued)

(4) Top five ending balances of accounts receivable and contract assets allocated according to the borrowers

Company name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contract assets (%)	Ending balance of the provision for bad debts for accounts receivable and contract assets
State Grid Shandong Electric Power Company	2,724,890		2,724,890	22.88	
State Grid Jiangsu Electric Power Co., Ltd.	1,950,406		1,950,406	16.38	
Guangdong Power Grid Co., Ltd.	1,065,490		1,065,490	8.95	
State Grid Hunan Electric Power Co., Ltd.	625,713		625,713	5.25	
State Grid Hubei Electric Power Co., Ltd.	613,836		613,836	5.15	
Total	6,980,335		6,980,335	58.61	

(5) Breakdown of accounts receivable by nature

Category	Ending balance	Beginning balance (Restated)
1. Accounts receivable for the sale of electricity	10,305,651	13,577,145
2. Accounts receivable for the sale of heat	1,137,522	1,305,004
3. Accounts receivable for the sale of coal	232,792	328,537
4. Machinery and equipment related receivables	224,810	209,594
Subtotal	11,900,775	15,420,280
Less: provision for bad debts	370,534	346,400
Total	11,530,241	15,073,880

4. Financing accounts receivable

(1) Classified presentation of financing accounts receivable

Item	Ending balance	Beginning balance (Restated)
Bills receivable	281,149	144,088
Total	281,149	144,088

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Financing accounts receivable (Continued)

(2) Financing accounts receivable endorsed or discounted but not yet expired on the balance sheet date at the end of the year

Item	Derecognition amount at the end of the year	Non-derecognition amount at the end of the year
Bills receivable	1,331,865	
Total	1,331,865	

5. Other receivables

Item	Ending balance	Beginning balance (Restated)
Dividends receivable	384,748	146,105
Other receivables	1,393,329	902,056
Total	1,778,077	1,048,161

(1) Other receivables classified by nature

Nature	Ending book value	Beginning book value (Restated)
Land transfer payments receivable	613,221	630,694
Deposit receivable	89,368	44,334
Government grants receivable	130,577	86,370
Others	560,163	140,658
Total	1,393,329	902,056

(2) Bad debt provision accrued, recovered, or reversed for other receivables

Category	Beginning balance (Restated)	Change of amount in the current year				Ending balance
		Accrual	Recovery or reversal	Charge or write-off	Others	
Amount with provision for bad debt accrued on an individual basis	267,155	3,312	11,644	2,400		256,423
Total	267,155	3,312	11,644	2,400		256,423

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Other receivables (Continued)

(3) Other receivables by bad debt provision method

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (no credit impairment occurs)	Lifetime expected credit loss (credit impairment has occurred)	
Balance as of 1 January 2025 (Restated)			267,155	267,155
Balance as of 1 January 2025 in the current year	-	-	-	-
- Be transferred to Stage 2				
- Be transferred to Stage 3				
- Be transferred back to Stage 2				
- Be transferred back to Stage 1				
Provision in the current year			3,312	3,312
Reversal in the current year			11,644	11,644
Write-off in the current year				
Verification in the current year			2,400	2,400
Other changes				
Balance as of 31 December 2025			256,423	256,423

(4) Other receivables actually written off in the current year

Item	Amount written off
Other receivables actually written off	2,400

(5) Top five ending balances of other receivables allocated according to the borrowers

Company name	Nature	Ending balance	Age	Proportion in total ending balance of other receivables (%)	Ending balance of provision for bad debts
Hangzhou Qiantang District Urban Organic Renewal and Development Service Centre	Land transfer payments receivable	331,118	1-2 years	23.76	
Hubei Huabin Real Estate Co., Ltd.	Land transfer payments receivable	185,607	After 5 years	13.32	
Tengzhou Municipal Finance Bureau	Government grants receivable	86,912	Within 1 year, 1-2 years	6.24	
Lianjiang Kemen Branch of Fujian Huadian Furui Energy Development Co., Ltd.	Other receivables	81,119	Within 1 year	5.82	
Tianjin Junliangcheng Power Generation Company Limited	Deposit receivable and others	63,140	Within 1 year	4.53	
Total	-	747,896	-	53.67	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Prepayments

(1) Ageing of prepayments

Item	Ending balance		Beginning balance (Restated)	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	4,027,059	98.44	4,561,737	99.37
1-2 years	62,448	1.53	8,395	0.18
2-3 years	867	0.02	2,791	0.06
After 3 years	436	0.01	17,981	0.39
Total	4,090,810	100.00	4,590,904	100.00

Note: At the end of the current year, the Group has no significant prepayments with an ageing of more than one year. The ageing will be calculated from the date of recognition in the financial report.

(2) Breakdown of advances to suppliers

Item	Ending balance	Beginning balance (Restated)
Prepaid fuel expenses	3,638,034	4,231,574
Prepaid materials, etc.	452,776	359,330
Total	4,090,810	4,590,904

(3) Top five ending balances of prepayments allocated according to the suppliers

Company name	Ending balance	Age	Proportion in total ending balance of prepayments (%)
China Huadian Corporation Ltd. Fuel Branch	583,214	Within 1 year	14.26
PetroChina Company Limited	474,429	Within 1 year, 1-2 years, 2-3 years	11.60
Jinneng Holding Group Co., Ltd. Coal Sales Company	374,134	Within 1 year	9.15
CNOOC Gas & Power Group Co., Ltd.	349,772	Within 1 year	8.55
Shan Xi Hua Yang Group New Energy Co., Ltd.	256,592	Within 1 year	6.27
Total	2,038,141	–	49.83

7. Inventories

(1) Inventory classification

Item	Ending balance			Beginning balance (Restated)		
	Book value	Provision for decline in the value of inventories	Carrying amount	Book value	Provision for decline in the value of inventories	Carrying amount
Coal, stalk and gas	4,765,860	13,995	4,751,865	5,077,207		5,077,207
Fuel oil	58,832		58,832	54,423		54,423
Materials, components and spare parts	646,174	17,442	628,732	680,511	10,794	669,717
Total	5,470,866	31,437	5,439,429	5,812,141	10,794	5,801,347

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Inventories (Continued)

(2) Provision for decline in the value of inventories

Item	Beginning balance (Restated)	Increase in the current year		Decrease in the current year		Ending balance
		Accrual	Others	Reversal or write-off	Others	
Coal, stalk and gas		13,995				13,995
Materials, components, spare parts and fuel oil	10,794	7,950		1,302		17,442
Total	10,794	21,945		1,302		31,437

8. Non-current assets due within one year

Item	Ending balance	Beginning balance (Restated)
Debt investments due within one year	96,552	58,493
Total	96,552	58,493

Debt investments due within one year:

Name of portfolio	Ending balance			Beginning balance (Restated)		
	Book value	Impairment of assets	Carrying amount	Book value	Impairment of assets	Carrying amount
CNNP CHD Hebei Nuclear Power Co., Ltd.	96,552		96,552	58,493		58,493
Total	96,552		96,552	58,493		58,493

9. Other current assets

Item	Ending balance	Beginning balance (Restated)
Deductible value-added tax and prepaid other taxes, etc.	1,911,853	1,656,036
Prepaid income tax	240,342	91,230
Carbon emission rights	864	18,446
Others	20,384	
Total	2,173,443	1,765,712

10. Debt investments

Item	Ending balance			Beginning balance (Restated)		
	Book value	Impairment of assets	Carrying amount	Book value	Impairment of assets	Carrying amount
Entrusted loans receivable	231,362		231,362	269,452		269,452
Total	231,362		231,362	269,452		269,452

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Long-term equity investments

Investee	Beginning balance (carrying amount) (Restated)	Beginning balance of impairment provision	Additional investment	Increase/decrease in the current year					Ending balance (carrying amount)	Ending balance of impairment provision	
				Negative investment	Profit or loss on investments recognised under the equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends or profits declared to pay			Accrual of provision for impairment
I. Associates											
Huadian New Energy Group Corporation Limited	32,076,659				2,078,560	16,735	-778,943			33,393,011	
Huadian Coal Industry Group Company Limited	2,853,551		1,613		347,032	-99,505	124,786	378,137		2,849,340	
China Huadian Finance Corporation Limited	1,929,683				171,634					2,101,317	
Ningxia Yinxing Coal Company Limited	1,901,777				141,380		23,517	172,898		1,893,776	
Otog Front Banner Changcheng No.3 Mining Company Limited	1,603,595				16,347		9,720	44,868		1,584,794	
Huadian Jinsha River Upstream Hydropower Development Company Limited	1,252,250		230,952		40,051		327	37,277		1,486,303	
Otog Front Banner Changcheng No.5 Mining Company Limited	1,114,309				-15,659		16,250	173,383		941,517	
Otog Front Banner Changcheng Mine Company Limited	1,285,624				-161,048		-11,624			1,112,952	
Jiangyin Sulong Thermal Power Co., Ltd.	867,404				135,720		788			1,003,912	
Sichuan Huayingshan Longtan Coal and Electricity Co., Ltd.	668,294				51,850		-9,515	6,000		704,629	
Hebei Xibaipo Second Power Generation Co., Ltd.	476,634				143,993		231	44,682		576,176	
Ningxia Western Venture Industrial Co., Ltd.	299,639				15,532		532	3,554		312,149	
Huadian Property Company Limited	304,730		23,927		7,324	-7				335,974	
Hebei Construction & Investment Yuzhou Wind Energy Co., Ltd.	196,080				15,526					211,606	
CNNP CHD Hebei Nuclear Power Co., Ltd.	213,541		16,614							230,155	
Guodian Inner Mongolia Dongsheng Co-Generation Power Co., Ltd.	183,785				35,921		106	387		219,425	
Yanchang Petroleum (Hubei) Power Generation Co., Ltd.	50,000		150,000							200,000	
Hengshui Hengxing Power Generation Co., Ltd.	132,098				40,908		199			173,205	
Sichuan Balanghe Hydropower Development Company Limited	112,690				2,162			8,360		106,492	
Guoneng Hualan Thermal Power Co., Ltd.	80,924				-18,864					62,060	
Sichuan Luzhou Chuannan Power Generation Co., Ltd.		99,290									99,290
Xingtai Guotai Power Generation Company Limited	79,313				20,136					99,449	
Wuxi Xinlian Heating Co., Ltd.	77,925				20,406		52	24,850		73,533	
Suzhou Dongwu Cogeneration Plant Co., Ltd.	51,349				2,714					54,063	
Yangzhou Huasheng Energy Co., Ltd.	40,240				1,940					42,180	
Yangzhou Port Sludge Power Generation Co., Ltd.	31,947				4,196		-10			36,133	
Huadian Huazhong Clean Energy Company Limited	23,546				-1,384					22,162	
Nanjing China Resources Thermal Power Company Limited	23,177				2,853	97				26,127	
Yangzhou Hanjiang PetroChina Kunlun Gas Co., Ltd.	14,594				1,475			1,101		14,968	
Others	165,656		35,000		47,739		13,173	6,447		255,121	
Total	48,111,014	99,290	458,106		3,148,444	-82,680	-610,411	901,944		50,122,529	99,290

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Other equity instrument investments

Item	Beginning balance (carrying amount) (Restated)	Increase/decrease in the current year				Ending balance	Dividend income recognised in the current year	Gains accumulated into other comprehensive income at the end of the current year	Losses accumulated into other comprehensive income at the end of the current year	Reasons for being designated at FVTOCI
		Additional investment	Negative investment	Gains included in other comprehensive income	Loss included in other comprehensive income					
Shanghai Huabin Investment Co., Ltd.	41,473				363	41,110			1,390	
Huayuan Star Shipping Co., Ltd.	79,707			19,023		98,730	3,000	38,730		
Jiangsu Electric Power Trading Center Co., Ltd.	7,466			6		7,472		80		
Yangtze River United Economy Development (Group) Co., Ltd.	1,532					1,532		1,081		
Nanjing Changjiang Development Co., Ltd.	1,947					1,947		1,218		
Total	132,125			19,029	363	150,791	3,000	41,109	1,390	

13. Other non-current financial assets

Item	Ending balance	Beginning balance (Restated)
Designated financial assets at FVTPL	195,569	250,969
Including: Equity instrument investment	195,569	250,969
Total	195,569	250,969

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Investment properties

(1) Investment properties measured at cost

Item	Premises and buildings	Total
I. Book value		
1. Beginning balance (Restated)	110,958	110,958
2. Amount increase in the current year		
3. Amount decrease in the current year	757	757
(1) Other decreases	757	757
4. Ending balance	110,201	110,201
II. Accumulated depreciation and accumulated amortisation		
1. Beginning balance (Restated)	37,378	37,378
2. Amount increase in the current year	2,843	2,843
(1) Accrual or amortisation	2,843	2,843
3. Amount decrease in the current year	621	621
(1) Other decreases	621	621
4. Ending balance	39,600	39,600
III. Impairment of assets		
1. Beginning balance (Restated)		
2. Amount increase in the current year		
(1) Accrual		
3. Amount decrease in the current year		
(1) Disposals		
4. Ending balance		
IV. Carrying amount		
1. Carrying amount at the end of the year	70,601	70,601
2. Carrying amount at the beginning of the year (Restated)	73,580	73,580

(2) Investment properties with certificates of title not settled

At the end of the current year, the certificates of title for the Group's some investment properties are being processed. The Board of Directors of the Company believes that the Group has the right to legally and effectively occupy or use the above investment properties.

15. Fixed assets

Item	Ending balance	Beginning balance (Restated)
Fixed assets	155,437,949	158,448,240
Disposal of fixed assets	2,647	1,599
Total	155,440,596	158,449,839

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Fixed assets (Continued)

(1) Details of fixed assets

Item	Premises and buildings	Generating units	Others	Total
I. Book value				
1. Beginning balance (Restated)	91,379,309	225,835,376	10,565,224	327,779,909
2. Amount increase in the current year	1,379,788	8,518,584	1,150,189	11,048,561
(1) Purchase	7,110	30,510	50,234	87,854
(2) Transfer from construction in progress	1,371,921	8,413,859	1,052,459	10,838,239
(3) Transfer from investment properties	757			757
(4) Others		74,215	47,496	121,711
3. Amount decrease in the current year	437,994	2,311,314	289,832	3,039,140
(1) Disposal or retirement	91,605	1,579,672	232,173	1,903,450
(2) Disposal of subsidiaries	197,228	731,642	57,659	986,529
(3) Others	149,161			149,161
4. Ending balance	92,321,103	232,042,646	11,425,581	335,789,330
II. Accumulated depreciation				
1. Beginning balance (Restated)	36,410,262	123,992,948	7,116,796	167,520,006
2. Amount increase in the current year	2,758,600	9,326,432	833,409	12,918,441
(1) Accrual	2,725,762	9,326,432	833,409	12,885,603
(2) Transfer from investment properties	621			621
(3) Others	32,217			32,217
3. Amount decrease in the current year	171,670	1,691,127	262,825	2,125,622
(1) Disposal or retirement	80,125	1,255,821	218,533	1,554,479
(2) Disposal of subsidiaries	91,545	367,555	39,008	498,108
(3) Others		67,751	5,284	73,035
4. Ending balance	38,997,192	131,628,253	7,687,380	178,312,825
III. Impairment of assets				
1. Beginning balance (Restated)	127,776	1,559,296	124,591	1,811,663
2. Amount increase in the current year	134,190	317,334	29,999	481,523
(1) Accrual	134,190	317,334	29,999	481,523
3. Amount decrease in the current year	90	240,274	14,266	254,630
(1) Disposal or retirement	90	176,840	6,268	183,198
(2) Disposal of subsidiaries		63,434	7,998	71,432
4. Ending balance	261,876	1,636,356	140,324	2,038,556
IV. Carrying amount				
1. Carrying amount at the end of the year	53,062,035	98,778,037	3,597,877	155,437,949
2. Carrying amount at the beginning of the year (Restated)	54,841,271	100,283,132	3,323,837	158,448,240

(2) Fixed assets with certificates of title not settled

At the end of the current year, the certificates of title of some fixed assets of the Group are still being processed. The Board of Directors of the Company believes that the Group has the right to legally and effectively occupy or use the above-mentioned fixed assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Fixed assets (Continued)

(3) Impairment test of significant fixed assets

The recoverable amount is determined as the net amount of fair value less disposal cost:

Item	Carrying amount	Recoverable amount	Amount of impairment	Determination method of fair value and disposal cost	Key parameters	Determination basis of key parameters
Huadian Longkou Power Generation Company Limited	408,984	147,706	261,278	Fair value is determined using the market approach; disposal cost includes related taxes and asset transaction fees incurred during the disposal process.	Fair value and disposal cost	Considering the active transaction market for coal-fired power generating units in China, with numerous completed transactions disclosed by various equity exchanges in the recent four years, the conditions for adopting the market approach are satisfied. The fair value of the units is determined by collecting public information from equity exchanges, gathering completed coal-fired unit transaction cases in China over the past four years, and applying relevant coefficient corrections.
Huadian Zhangjiu Power Generation Company Limited	203,748	48,642	155,106			
Total	612,732	196,348	416,384	—	—	—

The recoverable amount is determined as the present value of the expected future cash flow:

Item	Carrying amount	Recoverable amount	Amount of impairment	Forecast period	Key parameters for the forecast period	Determination basis of key parameters
Huadian Zibo Thermal Power Company Limited	228,437	216,000	12,437	2 years and 8 months	Equipment utilisation hours, expected electricity sales price, power generation costs, discount rate, forecast period	<ul style="list-style-type: none"> ① Equipment utilisation hours: Determined based on the past operating performance of each asset group and expectations for future market developments; ② Expected electricity sales price: Determined based on the past operating performance of each asset group and expectations for future market developments; ③ Power generation costs: Determined based on the past operating performance of each asset group and expectations for future market developments; ④ Discount rate: Determined at the weighted average cost of capital; ⑤ Forecast period: Estimated decommissioning time based on relevant approvals.
Total	228,437	216,000	12,437	—	—	—

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Construction in progress

Item	Ending balance	Beginning balance (Restated)
Construction in progress	10,287,437	7,818,921
Construction materials	537,133	487,208
Construction and construction material prepayments	2,594,987	1,644,771
Total	13,419,557	9,950,900

16.1 Construction in progress

(1) Construction in progress

Item	Ending balance			Beginning balance (Restated)		
	Book value	Impairment of assets	Carrying amount	Book value	Impairment of assets	Carrying amount
Power plant construction project	9,717,605	1,452,177	8,265,428	7,308,033	1,221,916	6,086,117
Coal construction project	161,820	42,118	119,702	136,398	42,118	94,280
Others	1,905,383	3,076	1,902,307	1,643,101	4,577	1,638,524
Total	11,784,808	1,497,371	10,287,437	9,087,532	1,268,611	7,818,921

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Construction in progress (Continued)

16.1 Construction in progress (Continued)

(2) Changes of significant construction in progress in the current year

Project name	Beginning balance (Restated)	Increase in the current year	Decrease in the current year		Ending balance
			Transferred to fixed assets	Other decreases	
Anhui Huadian Wuhu Xixingchong 1.2 GW Pumped Storage Power Station Project	129,087	713,631	1,419		841,299
Guangdong Huadian Huizhou Dongjiang Gas Turbine Thermal Power Project	1,576,802	456,139	1,913,972	10,464	108,505
Henan Huadian Lingbao Narrow Mouth 1.2 GW Pumped Storage Power Station Project	89,639	483,307	1,378		571,568
Chongqing Huadian Tongnan Phase I 2*500MW Gas Power Project	422,108	311,027	3,310	11,476	718,349
Jilin Huadian Jingyu Jingshantun 1,800MW Pumped Storage Power Station Project	122,383	584,604	2,120		704,867
Zhejiang Huadian Quzhou Wuxi River 298MW Hybrid Pumped Storage Power Station Project	123,669	288,430	810		411,289
Second Unit of Huadian Longkou Phase IV 2×660,000-Kilowatt Cogeneration Project	233,764	1,584,277	1,817,891	150	355,956
Huadian Yongchang Pumped Storage Project	187,539	168,417			1,593,654
Jiangsu Huadian Ganyu LNG Receiving Station Project	946,096	649,896	628	1,710	320,499
Jiangsu Huadian Wangting Power Plant 2×660MW Coal-Fired Power Expansion Project	122	320,377			374,577
Yizheng Thermal Power 120MW/240MWh Shared Energy Storage Project	1,378	199,126	200,504		502,417
Guangdong Shantou Phase I Project	241,420	133,157			1,495,409
Huadian Shantou Power Plant 2×1 GW Coal-Fired Power Generation Expansion Project	49,114	453,634	331		400,876
Wangting Phase II F-Class Gas Steam Combined Cycle Power Generation Project	400,876	1,094,533	1,495,409		4,523,997
Total	4,523,997	7,440,555	5,437,772	23,800	6,502,980

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Construction in progress (Continued)

16.1 Construction in progress (Continued)

(2) Changes of significant construction in progress in the current year (Continued)

Project name	Budget	Ratio of accumulative project investment to budget (%)	Project progress (%)	Accumulated amount of capitalisation of interest	Including: Amount of capitalised interest in the current year	Capitalisation rate of interest in the current year (%)	Source of funds
Anhui Huadian Wuhu Xixingchong 1.2 GW Pumped Storage Power Station Project	7,005,000	12.00	12.00	2,480	2,480	2.24	Capital funds and loans from financial institutions
Guangdong Huadian Huizhou Dongjiang Gas Turbine Thermal Power Project	3,170,410	88.00	99.00	54,803	15,239	2.41	Capital funds and loans from financial institutions
Henan Huadian Lingbao Narrow Mouth 1.2 GW Pumped Storage Power Station Project	7,713,000	7.45	7.45	5,452	5,441	2.27	Capital funds and loans from financial institutions
Chongqing Huadian Tongnan Phase I 2*500MW Gas Power Project	2,381,230	56.13	56.13	12,407	11,393	2.22	Capital funds and loans from financial institutions
Jilin Huadian Jingyu Jingshantun 1,800MW Pumped Storage Power Station Project	11,689,000	5.97	5.97	3,846	3,846	2.34	Capital funds and loans from financial institutions
Zhejiang Huadian Quzhou Wuxi River 298MW Hybrid Pumped Storage Power Station Project	2,180,000	18.91	18.91	4,743	3,833	2.13	Capital funds and loans from financial institutions
Second Unit of Huadian Longkou Phase IV 2×660,000-Kilowatt Cogeneration Project	2,461,000	73.87	73.87	5,533	3,192	2.04	Capital funds and loans from financial institutions
Huadian Yongchang Pumped Storage Project	9,602,363	3.71	3.71	2,777	2,777	2.24	Capital funds and loans from financial institutions
Jiangsu Huadian Ganyu LNG Receiving Station Project	6,395,140	26.09	35.46	20,007	16,291	2.59	Capital funds and loans from financial institutions
Jiangsu Huadian Wangting Power Plant 2×660MW Coal-Fired Power Expansion Project	5,989,350	5.35	6.00	8,862	8,802	2.31	Capital funds and loans from financial institutions
Yizheng Thermal Power 120MW/240MWh Shared Energy Storage Project	299,070	70.00	100.00	222	222	2.15	Capital funds and loans from financial institutions
Guangdong Shantou Phase I Project	6,726,880	92.00	98.00	321,943			Capital funds and loans from financial institutions
Huadian Shantou Power Plant 2×1 GW Coal-Fired Power Generation Expansion Project	8,441,490	5.95	10.00	12,460	12,460	2.60	Capital funds and loans from financial institutions
Wangting Phase II F-Class Gas Steam Combined Cycle Power Generation Project	1,836,490	90.00	95.00	24,424	11,782	2.25	Capital funds and loans from financial institutions
Total	75,890,423	—	—	479,959	97,758	—	—

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Construction in progress (Continued)

16.1 Construction in progress (Continued)

(3) Provision for impairment of construction in progress in the current year

Category	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance	Reason for withdrawal
Chongqing Huadian Jiangjin Degan Gas Distributed Project	28,801	117,607		146,408	Due to significant changes in project boundary conditions, including obstacles encountered in the distributed microgrid demonstration project and the cancellation of the national-level gas turbine innovation demonstration project, the expected rate of return failed to meet projections. The company has developed a plan to revitalize its assets and has sought potential partners from various sources to advance the overall disposal process, but has not made any substantial progress. An impairment test was conducted, and an impairment was recognised in accordance with relevant regulations.
Guangdong Zhanjiang Phase I Coal-Fired Power Project	495,608	113,651		609,259	Due to the policy changes, Guangdong Zhanjiang Phase I Coal-Fired Power Project has not been included in Guangdong Province's planning and is not worth further development.
Guangdong Huadian Taishan Heshan Gas Turbine Thermal Power Project		5,829		5,829	Due to the factors such as the project not being included in the government's energy development plan, the relocation of heat-consuming enterprises within the planned industrial park, and a shortfall in nitrogen oxide emission quotas, the project cannot proceed further.
Shandong Huadian Zibo Economic Development Zone Distributed Gas Energy Project		3,685		3,685	Due to a decrease in thermal load demand in the Economic and Technological Development Zone, the expected return on investment is not meeting projections, and the project does not meet the conditions for further advancement.
Energy efficiency improvement of No. 1 and 2 units at CHD Guigang		1,132		1,132	Project has not been approved, expected not to be carried out.
Yuhua Thermal Power Coal-Fired Coupled Sludge Power Generation Technology Transformation Project		1,070		1,070	Due to issues with the partner, the project is unable to secure a stable supply of sludge, expected not to be carried out.
Shandong Huadian Laizhou Electric Vehicle Charging Station Project		630		630	The project's estimated yield is not meeting expectations, expected not to be carried out.
Shandong Huadian Weifang Energy Storage Peak-Shaving Power Station Project		549		549	As the project was not included in the list of Shandong Province Energy Storage Demonstration Projects, it became ineligible for relevant subsidy policies, expected not to be carried out.
Shandong Longkou Heating Network Project		499		499	The project's estimated yield is not meeting expectations, expected not to be carried out.
Qudong Power Generation Unit 1 Flexibility Retrofit Project		396		396	Due to a significant increase in industrial steam consumption, changes in the types of coal co-fired in boilers, the implementation of projects such as turbine condenser and extraction modifications and the expansion of industrial steam supply, and changes in boundary conditions, there is no need to proceed with the project.
Xinxiang Power Generation Unit 2 Flexibility Retrofit Project		354		354	Since the project has independently carried out in-depth peak-shaving optimization and achieved its flexibility operation objectives, there is no need to proceed with the project.
Shandong Laiwu Laicheng Xueye Wind Power Project		40		40	Due to the inability to use forest land for the construction of a wind farm, the project is expected not to be carried out.
Shandong Laiwu Gangcheng Jiulongshan Wind Power Project		11		11	Due to the inability to use forest land for the construction of a wind farm, the project is expected not to be carried out.
Total	524,409	245,453		769,862	

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Construction in progress (Continued)

16.1 Construction in progress (Continued)

(4) Impairment test of significant construction in progress

The recoverable amount is determined as the net amount of fair value less disposal cost.

Item	Carrying amount	Recoverable amount	Amount of impairment	Determination method of fair value and disposal cost	Key parameters	Determination basis of key parameters
Chongqing Huadian Jiangjin Degan Gas Distributed Project	136,483	18,876	117,607	Fair value is determined using the market approach; disposal cost is determined based on transaction expenses and taxes associated with the asset disposal and direct costs incurred to make the asset ready for selling.	Fair value and disposal cost	For equipment above ground from the terminated construction in progress but available for relocation and use, the valuation is performed based on the fair value less disposal cost. For non-reusable, retired assets such as buried pipelines, the fair value is directly determined based on scrap recovery value. Various taxes included in the disposal cost are calculated based on national statutory tax rates; asset transaction fees are determined by reference to industry fee standards.
Guangdong Zhanjiang Phase I Coal-Fired Power Project	113,651		113,651	The fair value is calculated by the multi-period excess earnings method. The disposal cost primarily consists of service fees for equity transfers, taxes, and intermediary service fees incurred for the equity transfer.	Fair value and disposal cost	The fair value of capacity indicators is determined by summing the discounted contribution amounts from the capacity indicators. Various taxes included in the disposal cost are calculated based on national statutory tax rates; asset transaction fees are determined by reference to industry fee standards.
Total	250,134	18,876	231,258	—	—	—

16.2 Construction materials

Item	Ending balance			Beginning balance (Restated)		
	Book value	Impairment of assets	Carrying amount	Book value	Impairment of assets	Carrying amount
Construction materials	537,868	735	537,133	487,208		487,208
Total	537,868	735	537,133	487,208		487,208

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Right-of-use assets

Item	Premises and buildings	Generating units	Land use rights and sea use rights	Total
I. Book value				
1. Beginning balance (Restated)	261,469	93,258	153,509	508,236
2. Amount increase in the current year	40,316	2,945	8,856	52,117
(1) New leases	40,316	2,945	7,469	50,730
(2) Category adjustment			1,387	1,387
3. Amount decrease in the current year	127,450	39	5,061	132,550
(1) Expiration of lease	104,340		1,996	106,336
(2) Disposal of subsidiaries	21,723		3,065	24,788
(3) Category adjustment	1,387			1,387
(4) Others		39		39
4. Ending balance	174,335	96,164	157,304	427,803
II. Accumulated depreciation				
1. Beginning balance (Restated)	136,143	53,126	50,143	239,412
2. Amount increase in the current year	72,235	14,385	40,684	127,304
(1) Accrual	72,235	14,385	40,453	127,073
(2) Category adjustment			231	231
3. Amount decrease in the current year	108,739		1,172	109,911
(1) Expiration of lease	103,884		1,073	104,957
(2) Disposal of subsidiaries	4,624		99	4,723
(3) Category adjustment	231			231
4. Ending balance	99,639	67,511	89,655	256,805
III. Impairment of assets				
1. Beginning balance (Restated)				
2. Amount increase in the current year				
(1) Accrual				
3. Amount decrease in the current year				
(1) Disposals				
4. Ending balance				
IV. Carrying amount				
1. Carrying amount at the end of the year	74,696	28,653	67,649	170,998
2. Carrying amount at the beginning of the year (Restated)	125,326	40,132	103,366	268,824

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Intangible assets

(1) Breakdown

Item	Land use rights and sea use rights	Mining rights and prospecting rights	Concession rights	Development right of hydropower	Others	Total
I. Book value						
1. Beginning balance (Restated)	7,421,956	2,375,783	182,675	1,382,954	1,291,814	12,655,182
2. Amount increase in the current year	16,335				164,196	180,531
(1) Purchase	8,550				16,293	24,843
(2) Transferred from construction in progress	7,781				143,533	151,314
(3) Others	4				4,370	4,374
3. Amount decrease in the current year	73,419				4,580	77,999
(1) Disposal or retirement	17,739				2,321	20,060
(2) Disposal of subsidiaries	20,159				596	20,755
(3) Others	35,521				1,663	37,184
4. Ending balance	7,364,872	2,375,783	182,675	1,382,954	1,451,430	12,757,714
II. Accumulated amortisation						
1. Beginning balance (Restated)	1,707,840	124,286	120,976	91,114	696,537	2,740,753
2. Amount increase in the current year	137,835	53,293	3,304	19,888	111,653	325,973
(1) Accrual	137,709	53,293	3,304	19,888	111,463	325,657
(2) Others	126				190	316
3. Amount decrease in the current year	8,062				2,269	10,331
(1) Disposal or retirement	3,896				1,576	5,472
(2) Disposal of subsidiaries	4,166				432	4,598
(3) Others					261	261
4. Ending balance	1,837,613	177,579	124,280	111,002	805,921	3,056,395
III. Impairment of assets						
1. Beginning balance (Restated)		1,073,203		14,698		1,087,901
2. Amount increase in the current year						
(1) Accrual						
3. Amount decrease in the current year						
(1) Disposal						
4. Ending balance		1,073,203		14,698		1,087,901
IV. Carrying amount						
1. Carrying amount at the end of the year	5,527,259	1,125,001	58,395	1,257,254	645,509	8,613,418
2. Carrying amount at the beginning of the year (Restated)	5,714,116	1,178,294	61,699	1,277,142	595,277	8,826,528

(2) Land rights of use for which certificates of title have not been settled

As of the end of the current year, the certificates of title of some intangible assets of the Group are still being processed.

(3) Impairment test of intangible assets

For intangible assets with finite useful lives, the Group conducted self-assessments or engaged third-party valuation agencies to evaluate long-term asset groups that show indications of impairment at the end of the year. No impairment was identified.

Intangible assets with uncertain useful life of the Group are mainly administratively allocated land rights of use without a service life, with a total ending balance of RMB469,685 thousand (previous-year ending balance: RMB469,685 thousand). The Group performed impairment tests on intangible assets with uncertain useful life during the year. Based on the test results, the Group determined that no impairment provision was necessary for these intangible assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Goodwill

(1) Original book value of goodwill

Name of investee	Beginning balance (Restated)	Increase in the current year		Decrease in the current year		Ending balance
		Arising from business combination	Accrual	Disposals	Others	
Huadian Power International Corporation Limited Laicheng Plant	12,111					12,111
Huadian Weifang Power Company Limited	20,845					20,845
Sichuan Huadian Zagunao Hydroelectric Development Company Limited	16,011					16,011
Hebei Huarui Energy Group Corporation Limited	38,491					38,491
Huadian Longkou Power Generation Company Limited	327,420					327,420
Guangdong Huadian Pingshi Power Generation Company Limited	340,376					340,376
Lixian Star River Hydropower Company Limited	89,184					89,184
Hubei Huadian Xiangyang Power Generation Company Limited	225,420					225,420
Pingshan Gangnan Hydropower Co., Ltd.	22					22
Total	1,069,880					1,069,880

(2) Provision for impairment of goodwill

Name of investee	Beginning balance	Increase in the current year		Decrease in the current year		Ending balance
		Accrual	Others	Disposals	Others	
Sichuan Huadian Zagunao Hydroelectric Development Company Limited	16,011					16,011
Guangdong Huadian Pingshi Power Generation Company Limited	340,376					340,376
Huadian Power International Corporation Limited Laicheng Plant	12,111					12,111
Pingshan Gangnan Hydropower Co., Ltd.	22					22
Huadian Longkou Power Generation Company Limited	327,420					327,420
Total	695,940					695,940

Note 1: When conducting the goodwill impairment test, the Group allocates the carrying amount of goodwill to the asset groups that benefit from the synergies of the business combination. These asset groups are consistent with those identified at the acquisition date and in previous years' goodwill impairment tests.

Note 2: The recoverable amount of the asset group or portfolio of asset groups to which goodwill belongs is determined based on the higher of the present value of the expected future cash flow and the fair value less disposal cost. The Group estimates the present value of future cash flows of the asset groups based on the service lives of the generating units at different power plants and pre-tax discount rates ranging from 6.91% to 9.61%. Other significant assumptions used in the impairment test include expected electricity sales price, as well as the electricity demand, production capacity, and fuel costs in the specific regions where the power generation business operates. The Management determines these significant assumptions based on the past operating performance of each asset group and expectations for future market developments.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Long-term deferred expenses

Item	Beginning balance (Restated)	Increase in the current year	Amortisation in the current year	Other decreases in the current year	Ending balance
Earthwork stripping	291,751	24,672	15,384		301,039
Compensation for land acquisition	256,329		12,197		244,132
Others	91,604	26,765	11,653		106,716
Total	639,684	51,437	39,234		651,887

21. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets not offset

Item	Ending balance		Beginning balance (Restated)	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Assets impairment provision	802,594	199,872	627,963	155,994
Unpaid employee benefits payable	16,097	4,024	23,767	5,942
Tax losses	4,503,773	1,001,662	8,245,458	1,961,892
Depreciation of fixed assets	409,206	76,401	171,709	42,927
Fair value adjustment	71,702	17,925	81,750	20,437
Deferred government grants	651,579	162,702	647,961	161,671
Lease liabilities	125,806	30,012	88,050	21,711
Accrued expenses and others	250,697	61,964	309,158	76,821
Total	6,831,454	1,554,562	10,195,816	2,447,395

(2) Deferred tax liabilities not offset

Item	Ending balance		Beginning balance (Restated)	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Assets evaluation appreciation in the business combination involving entities not under common control	1,859,252	464,813	2,111,843	527,961
Depreciation of fixed assets	3,960,312	986,879	4,558,854	1,043,085
Changes in fair value			9,310	2,328
Right-of-use assets	131,624	31,454	89,645	22,111
Total	5,951,188	1,483,146	6,769,652	1,595,485

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Deferred tax assets and deferred tax liabilities (Continued)

(3) Deferred tax assets or liabilities by net amount after being offset

Item	Ending balance		Beginning balance (Restated)	
	Mutual offset amount between deferred tax assets and liabilities	Balance of deferred tax assets or liabilities after offset	Mutual offset amount between deferred tax assets and liabilities	Balance of deferred tax assets or liabilities after offset
Deferred tax assets	325,908	1,228,654	556,786	1,890,609
Deferred tax liabilities	325,908	1,157,238	556,786	1,038,699

(4) Breakdown of unrecognised deferred tax assets

Item	Ending balance	Beginning balance (Restated)
Deductible temporary difference	6,571,625	5,740,894
Deductible loss	20,361,611	19,753,373
Total	26,933,236	25,494,267

(5) Deductible loss of unrecognised deferred tax assets will become mature and due in the following years

Year	Ending balance	Beginning balance (Restated)	Notes
2025		32,838	
2026	8,527,101	8,823,457	
2027	5,151,621	5,112,551	
2028	2,932,594	3,003,451	
2029	2,630,186	2,781,076	
2030	1,120,109		
Total	20,361,611	19,753,373	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Other non-current assets

Item	Ending balance			Beginning balance (Restated)		
	Book value	Impairment of assets	Carrying amount	Book value	Impairment of assets	Carrying amount
Deductible value-added tax and prepaid other taxes	768,045		768,045	744,485		744,485
Others	44,673		44,673	41,231		41,231
Total	812,718		812,718	785,716		785,716

23. Assets with ownership or right of use restricted

Item	Ending				Beginning (Restated)			
	Book value	Carrying amount	Restricted type	Restricted conditions	Book value	Carrying amount	Restricted type	Restricted conditions
Cash and cash equivalents	186,553	186,553	Freezing, others	Performance bonds, guarantee deposits, environmental governance funds, and frozen funds	229,892	229,892	Freezing, others	Performance bonds, guarantee deposits, environmental governance funds, and frozen funds
Construction in progress					58,914	58,914	Mortgage	As collateral for loans
Fixed assets	4,259,440	1,905,360	Mortgage	As collateral for loans	4,578,651	2,296,341	Mortgage	As collateral for loans
Intangible assets	5,638	4,623	Mortgage	As collateral for loans	5,638	4,736	Mortgage	As collateral for loans
Total	4,451,631	2,096,536	—	—	4,873,095	2,589,883	—	—

Note: On 31 December 2025, the Group pledged the future electricity and heat charging rights of some subsidiaries to secure short-term and long-term loans (including long-term loans due within one year) amounting to RMB 8,327,827 thousand.

24. Short-term loans

Type of loans	Ending balance	Beginning balance (Restated)
Secure loans	785,482	470,306
Unsecure loans	37,761,219	33,393,445
Total	38,546,701	33,863,751

Note 1: At the end of the current year, the Group had no short-term loans that had matured but remained unpaid.

Note 2: For the pledge status of secure loans at the end of the current year, please refer to Note V. 23.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Bills payable

Type of bills	Ending balance	Beginning balance (Restated)
Bank acceptance bills	3,603,207	2,182,198
Total	3,603,207	2,182,198

Note 1: There are no bills payable due but unpaid at the end of the current year.

Note 2: As of the end of the year, the ageing of the Group's bills payable mentioned above does not exceed 365 days.

26. Accounts payable

(1) Presentation of accounts payable

Item	Ending balance	Beginning balance (Restated)
Fuel payable	3,549,349	3,641,534
Project, equipment and materials payable	5,943,715	6,450,394
Repair costs payable	355,275	359,123
Others	873,660	934,729
Total	10,721,999	11,385,780

Note: At the end of the current year, the Group had accounts payable with a significant single amount and ageing over one year, primarily consisting of payables for projects, equipment, and materials that have not yet reached the settlement date.

(2) Accounts payable presented by ageing

Age	Ending balance	Beginning balance (Restated)
Within 1 year (including 1 year)	9,107,890	9,117,029
1-2 years	719,506	1,295,091
2-3 years	337,997	361,173
After 3 years	556,606	612,487
Total	10,721,999	11,385,780

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Other payables

Item	Ending balance	Beginning balance (Restated)
Interests payable		
Dividends payable	581,228	1,066,821
Other payables	2,109,738	2,161,451
Total	2,690,966	3,228,272

Other payables presented by nature

Nature	Ending balance	Beginning balance (Restated)
Construction quality guarantee deposits payable	1,111,880	1,398,795
Consideration payables on acquisitions		455,513
Others	997,858	307,143
Total	2,109,738	2,161,451

Note: At the end of the current year, the Group had other payables with a significant single amount and ageing over one year, primarily consisting of construction quality guarantee deposits payable that have not yet reached the settlement date.

28. Contract liabilities

Item	Ending balance	Beginning balance (Restated)
Advances from heat sales funds	2,348,221	2,169,108
Advances from coal sales	43	149,625
Others	143,748	89,234
Total	2,492,012	2,407,967

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Employee benefits payable

(1) Classification of employee benefits payable

Item	Beginning balance (Restated)	Increase in the current year	Decrease in the current year	Ending balance
Short-term compensation	175,827	9,434,713	9,456,809	153,731
Retirement benefits - defined contribution plan	17,623	2,201,379	2,197,975	21,027
Termination benefits	1,492	388	1,880	
Total	194,942	11,636,480	11,656,664	174,758

(2) Short-term compensation

Item	Beginning balance (Restated)	Increase in the current year	Decrease in the current year	Ending balance
Salary, bonus, allowance and subsidy		5,769,429	5,769,429	
Employee welfare	259	566,701	566,960	
Social insurance premium	85,595	971,989	976,947	80,637
Including: Medical insurance premium	84,876	925,680	930,221	80,335
Industrial injury insurance premium	719	46,309	46,726	302
Housing provident fund	2,175	1,524,856	1,524,894	2,137
Labour union expenditure & staff education funds	87,213	275,651	291,907	70,957
Others	585	326,087	326,672	
Total	175,827	9,434,713	9,456,809	153,731

(3) Defined contribution plan

Item	Beginning balance (Restated)	Increase in the current year	Decrease in the current year	Ending balance
Basic pension insurance premium	5,376	1,457,005	1,457,427	4,954
Unemployment insurance premium	355	60,653	60,650	358
Enterprise annuity	11,892	683,721	679,898	15,715
Total	17,623	2,201,379	2,197,975	21,027

Description of defined contribution plan: The Group participates in the enterprise annuity plan and the social insurance plan established by government agencies according to regulations. As per the plan, the Group will contribute to the plan in accordance with the enterprise annuity plan and the relevant regulations of the local government. Besides the contribution above, the Group will not assume any obligations for payment. Corresponding expenditures shall be included in the current profit and loss or relevant asset costs when incurred.

The Group's contributions payable to the defined contribution plan for the year amounted to RMB 2,201,379 thousand (2024: RMB 2,053,432 thousand). As at 31 December 2025, the Group had outstanding contributions payable of RMB 21,027 thousand (31 December 2024: RMB 17,623 thousand) to be paid after the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30. Taxes payable

Item	Ending balance	Beginning balance (Restated)
Value-added tax (VAT)	232,883	159,818
Corporate income tax	388,334	348,961
Individual income tax	98,210	77,069
Urban maintenance and construction tax	11,614	15,805
House property tax	60,541	54,488
Land use tax	46,332	36,382
Educational surcharges	9,039	12,435
Resources tax	62,318	40,452
Environmental protection tax	131,382	44,842
Others	54,760	78,822
Total	1,095,413	869,074

31. Non-current liabilities due within one year

Item	Ending balance	Beginning balance (Restated)
Long-term loans due within one year	17,954,786	15,904,777
Bonds payable due within one year	5,631,313	5,758,343
Lease liabilities due within one year	76,599	113,064
Long-term payables due within one year	151	10,151
Other long-term liabilities due within one year	11,816	203
Total	23,674,665	21,786,538

Breakdown of long-term loans due within one year:

Item	Ending balance	Beginning balance (Restated)
Unsecure loans	16,525,191	14,614,367
Secure loans	1,100,646	1,034,338
Mortgaged loans	326,956	254,251
Guaranteed loans	1,993	1,821
Total	17,954,786	15,904,777

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32. Other current liabilities

(1) Classification of other current liabilities

Age	Ending balance	Beginning balance (Restated)
Short-term bonds payable	3,006,280	3,806,591
Output VAT to be carried forward	513,504	508,140
Total	3,519,784	4,314,731

(2) Short-term bonds payable

Debenture name	Par value	Coupon rate	Date of issuance	Debenture term	Amount issued	Beginning balance (Restated)	Current issuance	Interest accrued at par value	Amortisation of premiums and discounts	Repayment in the current period	Ending balance	Breach or not
3rd short-term debenture of 2024	RMB 100	1.93%	25 November 2024	90 days	1,000,000	1,001,884		2,861	14	1,004,759		No
4th short-term debenture of 2024	RMB 100	1.65%	31 December 2024	84 days	2,000,000		1,999,956	7,595	44	2,007,595		No
1st short-term debenture of 2025	RMB 100	1.86%	25 March 2025	90 days	2,000,000		1,999,953	9,173	47	2,009,173		No
2nd short-term debenture of 2025	RMB 100	1.68%	16 April 2025	100 days	1,500,000		1,499,961	6,904	39	1,506,904		No
3rd short-term debenture of 2025	RMB 100	1.64%	2 July 2025	85 days	2,000,000		1,999,955	7,638	45	2,007,638		No
4th short-term debenture of 2025	RMB 100	1.60%	10 September 2025	100 days	1,500,000		1,499,961	6,575	39	1,506,575		No
5th short-term debenture of 2025	RMB 100	1.63%	22 September 2025	66 days	1,500,000		1,499,974	4,421	26	1,504,421		No
21st short-term debenture of 2024 (Jiangsu Energy)	RMB 100	1.99%	4 November 2024	65 days	400,000	401,243		174	1	401,418		No
22nd short-term debenture of 2024 (Jiangsu Energy)	RMB 100	1.95%	11 November 2024	60 days	400,000	401,067		213	2	401,282		No
23rd short-term debenture of 2024 (Jiangsu Energy)	RMB 100	1.88%	4 December 2024	77 days	800,000	801,101		2,061	11	803,173		No
24th short-term debenture of 2024 (Jiangsu Energy)	RMB 100	1.84%	9 December 2024	77 days	800,000	800,875		2,218	12	803,105		No
25th short-term debenture of 2024 (Jiangsu Energy)	RMB 100	1.80%	18 December 2024	82 days	400,000	400,421		1,362	9	401,792		No
1st short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.70%	3 January 2025	33 days	300,000		299,997	461	3	300,461		No
2nd short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.73%	6 January 2025	32 days	200,000		199,990	303	10	200,303		No
3rd short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.74%	8 January 2025	35 days	300,000		299,997	501	3	300,501		No
4th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.74%	8 January 2025	35 days	200,000		199,990	334	10	200,334		No
5th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.90%	10 February 2025	31 days	400,000		399,990	645	10	400,645		No
6th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.90%	10 February 2025	31 days	400,000		399,997	645	3	400,645		No
7th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.89%	17 February 2025	60 days	600,000		599,990	1,864	10	601,864		No
8th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	2.02%	18 February 2025	34 days	300,000		299,997	564	3	300,564		No
9th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.67%	9 April 2025	90 days	500,000		499,988	2,058	13	502,059		No

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32. Other current liabilities (Continued)

(2) Short-term bonds payable (Continued)

Debenture name	Par value	Coupon rate	Date of issuance	Debenture term	Amount issued	Beginning balance (Restated)	Current issuance	Interest accrued at par value	Amortisation and Repayment		Ending balance	Breach or not
									of premiums and discounts	in the current period		
10th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.68%	11 April 2025	88 days	400,000	399,980	1,620	20	401,620		No	
11th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.68%	11 April 2025	88 days	400,000	399,971	1,620	29	401,620		No	
12th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.84%	23 April 2025	60 days	300,000	299,995	907	5	300,907		No	
13th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.60%	13 May 2025	30 days	600,000	599,980	789	20	600,789		No	
14th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.58%	16 May 2025	30 days	400,000	399,980	519	20	400,519		No	
15th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.69%	10 June 2025	30 days	800,000	799,980	1,111	20	801,111		No	
16th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.65%	13 June 2025	30 days	400,000	399,980	542	20	400,542		No	
17th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.67%	17 June 2025	42 days	600,000	599,980	1,153	20	601,153		No	
18th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.57%	7 July 2025	100 days	1,000,000	999,972	4,301	28	1,004,301		No	
19th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.54%	11 July 2025	104 days	1,000,000	999,971	4,388	29	1,004,388		No	
20th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.51%	15 July 2025	60 days	600,000	599,980	1,489	20	601,489		No	
21st short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.58%	10 October 2025	42 days	500,000	500,000	909		500,909		No	
22nd short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.58%	10 October 2025	42 days	300,000	299,980	545	20	300,545		No	
23rd short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.58%	10 October 2025	42 days	200,000	200,000	364		200,364		No	
24th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.51%	21 October 2025	56 days	300,000	299,980	695	20	300,695		No	
25th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.58%	6 November 2025	132 days	500,000	499,980	1,212	9		501,201	No	
26th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.58%	6 November 2025	132 days	500,000	499,980	1,212	9		501,201	No	
27th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.59%	17 November 2025	153 days	1,300,000	1,299,935	2,548	19		1,302,502	No	
28th short-term debenture of 2025 (Jiangsu Energy)	RMB 100	1.65%	18 November 2025	127 days	700,000	699,975	1,392	9		701,376	No	
Total	—	—	—	—	—	3,806,591	24,499,295	85,886	671	25,386,163	3,006,280	—

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33. Long-term loans

(1) Classification of long-term loans

Type of loans	Ending balance	Beginning balance (Restated)
Unsecure loans	53,940,823	66,614,831
Secure loans	7,542,345	8,135,780
Mortgaged loans	1,558,849	1,793,358
Loans guaranteed by non-related party enterprises	45,807	43,680
Subtotal	63,087,824	76,587,649
Less: Long-term loans due within one year	17,954,786	15,904,777
Total	45,133,038	60,682,872

Note 1: The annual interest rate of the above loans ranges from 0.75% to 3.65% (previous FY: 0.75% to 5.00%).

Note 2: Refer to Note V. 23 for the pledge and mortgage of pledged loans and mortgage loans at the end of the current year.

(2) Analysis on maturity dates of long-term loans

Due	Ending balance	Beginning balance (Restated)
1-2 years	15,023,573	19,545,631
2-5 years	12,934,306	22,760,816
After 5 years	17,175,159	18,376,425
Total	45,133,038	60,682,872

34. Bonds payable

(1) Classification of bonds payable

Item	Ending balance	Beginning balance (Restated)
Bonds payable	25,492,416	19,891,555
Total	25,492,416	19,891,555

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

34. Bonds payable (Continued)

(2) Changes of increase or decrease in bonds payable

Debenture name	Par value	Coupon rate	Date of issuance	Debenture term	Amount issued	Beginning balance (Restated)	Current issuance	Interest accrued at par value	Amortisation of premiums and discounts	Repayment in the current year	Ending balance	Breach or not
4th tranche of medium-term notes for the year of 2021	RMB 100	3.57%	24 September 2021	From 28 September 2021 to 28 September 2026	1,800,000	1,815,499		64,260	678	64,260	1,816,177	No
1st tranche of medium-term notes for the year of 2022 (Revolutionary Base Area Bond)	RMB 100	2.90%	13 January 2022	From 17 January 2022 to 17 January 2025	2,000,000	2,055,431		2,536	33	2,058,000		No
2nd tranche of medium-term notes for the year of 2022 (Type 1)	RMB 100	2.95%	18 April 2022	From 20 April 2022 to 20 April 2025	1,000,000	1,020,549		8,866	85	1,029,500		No
2nd tranche of medium-term notes for the year of 2022 (Type 2)	RMB 100	3.39%	18 April 2022	From 20 April 2022 to 20 April 2027	1,000,000	1,023,061		33,965	283	33,900	1,023,409	No
2022 Corporate Bonds (Tranche 2)	RMB 100	2.58%	14 September 2022	From 16 September 2022 to 16 September 2025	1,500,000	1,510,865		27,386	449	1,538,700		No
2nd tranche of medium-term notes for the year of 2024	RMB 100	2.13%	14 June 2024	From 18 June 2024 to 18 June 2027	1,500,000	1,516,848		31,997	143	31,950	1,517,038	No
3rd tranche of medium-term notes for the year of 2024	RMB 100	2.17%	9 July 2024	From 11 July 2024 to 11 July 2027	2,500,000	2,525,198		54,321	233	54,250	2,525,502	No
4th tranche of medium-term notes for the year of 2024 (Type 1)	RMB 100	2.05%	8 August 2024	From 12 August 2024 to 12 August 2027	1,000,000	1,007,708		20,500	93	20,500	1,007,801	No
4th tranche of medium-term notes for the year of 2024 (Type 2)	RMB 100	2.17%	8 August 2024	From 12 August 2024 to 12 August 2029	1,000,000	1,007,984		21,700	94	21,700	1,008,078	No
5th tranche of medium-term notes for the year of 2024	RMB 100	2.07%	13 August 2024	From 15 August 2024 to 15 August 2027	1,300,000	1,309,577		26,910	245	26,910	1,309,822	No
6th tranche of medium-term notes for the year of 2024 (Type 1)	RMB 100	2.10%	5 September 2024	From 6 September 2024 to 6 September 2027	1,000,000	1,006,207		21,000	189	21,000	1,006,396	No
6th tranche of medium-term notes for the year of 2024 (Type 2)	RMB 100	2.20%	5 September 2024	From 6 September 2024 to 6 September 2029	1,000,000	1,006,150		22,000	189	22,000	1,006,339	No
7th tranche of medium-term notes for the year of 2024	RMB 100	2.09%	10 September 2024	From 11 September 2024 to 11 September 2026	1,600,000	1,609,722		33,440	302	33,440	1,610,024	No
8th tranche of medium-term notes for the year of 2024	RMB 100	2.12%	14 November 2024	From 18 November 2024 to 18 November 2026	2,000,000	2,004,387		42,400	378	42,400	2,004,765	No
9th tranche of medium-term notes for the year of 2024	RMB 100	1.83%	19 December 2024	From 23 December 2024 to 23 December 2027	2,200,000	2,199,755		40,260	415	40,260	2,200,170	No
5th tranche of medium-term notes for the year of 2025	RMB 100	1.94%	17 April 2025	From 21 April 2025 to 21 April 2028	2,000,000		1,999,434	27,107	132		2,026,673	No
6th tranche of medium-term notes for the year of 2025	RMB 100	1.79%	14 May 2025	From 16 May 2025 to 16 May 2028	2,000,000		1,999,434	22,559	119		2,022,112	No
11th tranche of medium-term notes for the year of 2025	RMB 100	1.95%	26 November 2025	From 27 November 2025 to 27 November 2028	2,000,000		1,999,434	3,740	18		2,003,192	No

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

34. Bonds payable (Continued)

(2) Changes of increase or decrease in bonds payable (Continued)

Debenture name	Par value	Coupon rate	Date of issuance	Debenture term	Amount issued	Beginning balance (Restated)	Current issuance	Interest accrued at par value	Amortisation of premiums and discounts	Repayment in the current year	Ending balance	Breach or not
2025 Corporate Bonds (Tranche 1)	RMB 100	1.87%	18 December 2025	From 22 December 2025 to 22 December 2028	1,500,000		1,499,151	768	8		1,499,927	No
2025 Corporate Bonds (Tranche 2)	RMB 100	1.77%	23 December 2025	From 25 December 2025 to 25 December 2027	1,500,000		1,499,151	509	8		1,499,668	No
1st tranche of medium-term notes for the year of 2022 (Jiangsu Energy)	RMB 100	2.70%	8 August 2022	From 10 August 2022 to 10 August 2025	1,000,000	1,010,124		16,274	602	1,027,000		No
2nd tranche of medium-term notes for the year of 2024 (Jiangsu Energy)	RMB 100	2.18%	4 July 2024	From 8 July 2024 to 8 July 2027	1,000,000	1,010,320		21,800	100	21,800	1,010,420	No
3rd tranche of medium-term notes for the year of 2024 (Jiangsu Energy)	RMB 100	2.22%	4 July 2024	From 8 July 2024 to 8 July 2027	1,000,000	1,010,513		22,200	101	22,200	1,010,614	No
1st tranche of green medium-term notes for the year of 2025 (Jiangsu Energy)	RMB 100	1.80%	21 July 2025	From 22 July 2025 to 22 July 2028	200,000		199,940	1,608	9		201,557	No
2nd tranche of medium-term notes for the year of 2025 (Jiangsu Energy)	RMB 100	1.89%	21 July 2025	From 23 July 2025 to 23 July 2028	800,000		799,760	6,711	36		806,507	No
3rd tranche of medium-term notes for the year of 2025 (Jiangsu Energy)	RMB 100	1.91%	1 August 2025	From 5 August 2025 to 5 August 2028	1,000,000		999,700	7,797	41		1,007,538	No
Subtotal	—	—	—	—	36,400,000	25,649,898	10,996,004	582,614	4,983	6,109,770	31,123,729	
Less: Bonds payable due within one year	—	—	—	—		5,758,343					5,631,313	
Total	—	—	—	—	36,400,000	19,891,555	10,996,004	582,614	4,983	6,109,770	25,492,416	

Note: The actual annual interest rate range of the above long-term bonds after considering the issuance costs is 1.80% to 3.61% (2024: 1.85% to 3.61%).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

35. Lease liabilities

(1) Presentation of lease liabilities

Item	Ending balance	Beginning balance (Restated)
Lease payment	156,699	248,189
Unrecognised financing charges	16,104	21,535
Lease liabilities	140,595	226,654
Less: Lease liabilities due within one year	76,599	113,064
Total	63,996	113,590

(2) Analysis on maturity dates of lease liabilities

Due	Ending balance	Beginning balance (Restated)
1-2 years	24,710	71,237
2-5 years	24,233	24,187
After 5 years	15,053	18,166
Total	63,996	113,590

36. Long-term payables

Item	Ending balance	Beginning balance (Restated)
Long-term payables	4,934	14,802
Special payables	10,520	14,532
Total	15,454	29,334

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

37. Provisions

Item	Ending balance	Beginning balance (Restated)	Cause
Expenditures for pit abandonment and environmental cleanup, etc.	128,492	153,236	Abandonment obligations arising from coal mining
Others	857	857	Warranty fees
Total	129,349	154,093	–

38. Deferred income

Item	Beginning balance (Restated)	Increase in the current year	Decrease in the current year	Ending balance
Deferred income of government grants (Note IX)	1,214,475	57,205	112,421	1,159,259
Upfront installation fees for heating networks	2,582,222	78,463	254,053	2,406,632
Total	3,796,697	135,668	366,474	3,565,891

39. Share capital

Item	Beginning balance (Restated)	Increase (+)/decrease (-) in the current year					Ending balance
		New shares issued	Bonus issue	Shares converted from reserves	Others	Subtotal	
Total shares	10,227,561	1,384,213				1,384,213	11,611,774

Note: In June 2025, the Company issued shares to acquire assets, adding 678,863,257 shares, resulting in a total number of shares of 10,906,424,390. In August 2025, the Company issued shares to raise subscription funds, adding 705,349,794 shares, resulting in a total number of shares of 11,611,774,184.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40. Other equity instruments

(1) Basic information of other financial instruments as preferred stocks and perpetual bonds externally issued at the end of the year

Name of financial instrument	Issuance date	Accounting classification	Dividend rate or interest rate	Issue price	Quantity (Pcs.)	Par value	Expiration date or renewal status
7th tranche of medium-term note for the year of 2023	2023-7-5	Other equity instruments	2.92%/3.10%	RMB 100/piece	10,000,000	1,000,000	2+N/3+N
8th tranche of medium-term note for the year of 2023	2023-7-7	Other equity instruments	2.90%/3.10%	RMB 100/piece	10,000,000	1,000,000	2+N/3+N
9th tranche of medium-term note for the year of 2023	2023-8-7	Other equity instruments	3.06%	RMB 100/piece	15,000,000	1,500,000	3+N
10th tranche of medium-term note for the year of 2023	2023-9-11	Other equity instruments	3.32%	RMB 100/piece	20,000,000	2,000,000	3+N
1st tranche of medium-term note for the year of 2024	2024-3-25	Other equity instruments	2.80%	RMB 100/piece	20,000,000	2,000,000	3+N
1st tranche of medium-term note for the year of 2025	2025-2-13	Other equity instruments	2.05%	RMB 100/piece	15,000,000	1,500,000	3+N
2nd tranche of medium-term note for the year of 2025	2025-2-17	Other equity instruments	2.10%	RMB 100/piece	15,000,000	1,500,000	2+N
3rd tranche of medium-term note for the year of 2025	2025-3-17	Other equity instruments	2.40%	RMB 100/piece	20,000,000	2,000,000	3+N
4th tranche of medium-term note for the year of 2025	2025-4-15	Other equity instruments	2.09%	RMB 100/piece	20,000,000	2,000,000	3+N
7th tranche of medium-term note for the year of 2025	2025-6-13	Other equity instruments	1.95%	RMB 100/piece	20,000,000	2,000,000	3+N
8th tranche of medium-term note for the year of 2025	2025-6-26	Other equity instruments	1.95%	RMB 100/piece	10,000,000	1,000,000	3+N
9th tranche of medium-term note for the year of 2025	2025-7-4	Other equity instruments	1.89%	RMB 100/piece	20,000,000	2,000,000	3+N
10th tranche of medium-term note for the year of 2025	2025-7-21	Other equity instruments	1.94%	RMB 100/piece	15,000,000	1,500,000	3+N
Total	—	—	—	—	210,000,000	21,000,000	—

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40. Other equity instruments (Continued)

(2) Changes in other financial instruments as preferred stocks and perpetual bonds externally issued at the end of the year

Outstanding financial instruments	Beginning (Restated)		Increase in the current year		Decrease in the current year		Ending	
	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount
1st tranche of medium-term note for the year of 2020	5,000,000	500,000			5,000,000	500,000		
2nd tranche of medium-term note for the year of 2020	5,000,000	500,000			5,000,000	500,000		
2022 Renewable Corporate Bonds (Tranche 1)	25,000,000	2,500,000			25,000,000	2,500,000		
1st tranche of medium-term note for the year of 2023	20,000,000	2,000,000			20,000,000	2,000,000		
2nd tranche of medium-term note for the year of 2023	25,000,000	2,500,000			25,000,000	2,500,000		
3rd tranche of medium-term note for the year of 2023	25,000,000	2,500,000			25,000,000	2,500,000		
4th tranche of medium-term note for the year of 2023	15,000,000	1,500,000			15,000,000	1,500,000		
5th tranche of medium-term note for the year of 2023	20,000,000	2,000,000			20,000,000	2,000,000		
6th tranche of medium-term note for the year of 2023	10,000,000	1,000,000			10,000,000	1,000,000		
7th tranche of medium-term note for the year of 2023	25,000,000	2,500,000		7,304	15,000,000	1,507,304	10,000,000	1,000,000
8th tranche of medium-term note for the year of 2023	20,000,000	2,000,000		6,964	10,000,000	1,006,964	10,000,000	1,000,000
9th tranche of medium-term note for the year of 2023	15,000,000	1,500,000		5,659		5,659	15,000,000	1,500,000
10th tranche of medium-term note for the year of 2023	20,000,000	2,019,956		36,202		56,158	20,000,000	2,000,000
1st tranche of medium-term note for the year of 2024	20,000,000	2,000,000		14,729		14,729	20,000,000	2,000,000
1st tranche of medium-term note for the year of 2025			15,000,000	1,511,289		11,289	15,000,000	1,500,000
2nd tranche of medium-term note for the year of 2025			15,000,000	1,511,392		11,392	15,000,000	1,500,000
3rd tranche of medium-term note for the year of 2025			20,000,000	2,013,808		13,808	20,000,000	2,000,000
4th tranche of medium-term note for the year of 2025			20,000,000	2,008,704		8,704	20,000,000	2,000,000
7th tranche of medium-term note for the year of 2025			20,000,000	2,001,496		1,496	20,000,000	2,000,000
8th tranche of medium-term note for the year of 2025			10,000,000	1,000,214		214	10,000,000	1,000,000
9th tranche of medium-term note for the year of 2025			20,000,000	2,008,803		8,803	20,000,000	2,000,000
10th tranche of medium-term note for the year of 2025			15,000,000	1,505,661		5,661	15,000,000	1,500,000
Total	250,000,000	25,019,956	135,000,000	13,632,225	175,000,000	17,652,181	210,000,000	21,000,000

Note: The aforementioned financial instruments do not have a specified maturity date and can remain outstanding for an extended period before the Company exercises its redemption rights. The Company holds the right to defer both the principal and interest payments. Therefore, following relevant regulations, the Company classifies these financial instruments as other equity instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Capital reserve

Item	Beginning balance (Restated)	Increase in the current year	Decrease in the current year	Ending balance
Share premium	18,112,500	3,247,946	5,382,447	15,977,999
Other capital reserves	3,257,322		732,399	2,524,923
Total	21,369,822	3,247,946	6,114,846	18,502,922

Note 1: The increase in share premium in the current period is the share premium formed by the share subscription funds, issuance of REITs and public REITs;

Note 2: The decrease in share premium in the current period is mainly due to the impact of business combination involving entities under common control, as well as the utilisation of subsidiaries' capital reserves to cover losses, among other factors;

Note 3: The decrease in other capital reserves during the current period is primarily attributable to changes in other equity of associates.

42. Other comprehensive income

Item	Beginning balance (Restated)	Amount incurred in the current year					Ending balance	
		Amount incurred before income tax	Less: Amount included in other comprehensive income in the previous period and transferred to current profits or losses	Less: Amount included in other comprehensive income in the previous period and transferred to retained earnings in the current period	Less: Income tax expenses	After-tax amount attributable to shareholder of the parent company		After-tax amount attributed to minority shareholders
I. Other comprehensive income that cannot be reclassified into profit or loss	106,204	-76,370				-77,504	1,134	28,700
Including: 1. Other comprehensive incomes that cannot be reclassified into profits or losses under the equity method	71,812	-95,036				-92,437	-2,599	-20,625
2. Changes in fair value of other equity instrument investments	34,392	18,666				14,933	3,733	49,325
II. Other comprehensive income reclassified into profit or loss	63,255	12,356				12,356		75,611
Including: Other comprehensive income that can be transferred into profits or losses under the equity method	63,255	12,356				12,356		75,611
Total other comprehensive income	169,459	-64,014				-65,148	1,134	104,311

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43. Specific reserve

Item	Beginning balance (Restated)	Increase in the current year	Decrease in the current year	Ending balance
Maintenance and production safety funds	133,668	917,113	883,416	167,365
Total	133,668	917,113	883,416	167,365

44. Surplus reserve

Item	Beginning balance (Restated)	Increase in the current year	Decrease in the current year	Ending balance
Statutory surplus reserves	5,787,428	500,640	301,785	5,986,283
Discretionary surplus reserves	134,894		65,980	68,914
Total	5,922,322	500,640	367,765	6,055,197

Note: The decrease in surplus reserves is attributable to the merger of Jiangsu Huadian Energy Co., Ltd. under common control during the current period, which mainly resulted in a reduction in surplus reserves prior to the merger date due to the use of surplus reserves to offset losses.

45. Undistributed profits

Item	Amount in the current year	Amount in the previous year (Restated)
Undistributed profits at the end of the previous year before adjustment	8,156,429	9,186,042
Total number of undistributed profits at beginning of adjustment (increase +, decrease -)		
Including: Changes in consolidation scope under common control		-3,451,736
Undistributed profits at the beginning of the year after adjustment	8,156,429	5,734,306
Add: Net profit attributable to owners of parent company in the current year	6,070,315	5,987,228
Less: Appropriation to statutory surplus reserves	500,640	409,616
Dividends payable on ordinary shares	2,462,895	2,352,339
Interest on other equity instruments	560,282	971,836
Others	-1,017,706	-168,686
Ending balance of the current year	11,720,633	8,156,429

Note 1: In accordance with the Proposal on the 2024 Profit Distribution Plan of the Company passed at the general meeting of shareholders held on 17 June 2025, the Company declared a cash dividend of RMB0.13 per ordinary share, amounting to RMB1,417,835 thousand; in accordance with the Proposal on the 2025 Interim Cash Dividend Plan of the Company passed at the general meeting of shareholders held on 25 September 2025, the Company declared a cash dividend of RMB0.09 per ordinary share, amounting to RMB1,045,060 thousand. (Previous year: RMB0.23 per share, totalling RMB2,352,339 thousand).

Note 2: According to the Articles of Association, the statutory surplus reserves are withdrawn at 10% of net profit.

Note 3: Interest on other equity instruments included in undistributed profits in the current period is interest on perpetual bonds issued.

Note 4: Others primarily represent the impact of the disposal of Huadian Nanning and Chuangyi Tiandi by CHD Guigang, as well as the impact of the utilisation of capital reserve and surplus reserve to cover losses by Huadian Jiangsu.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46. Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	Amount in the current year		Amount in the previous year (Restated)	
	Revenue	Cost	Revenue	Cost
Main business	125,222,744	110,882,090	140,600,867	128,997,243
Other businesses	789,847	719,456	901,354	727,447
Total	126,012,591	111,601,546	141,502,221	129,724,690

(2) Classification of main business costs by nature

Item	Amount in the current year	Amount in the previous year (Restated)
Fuel costs	79,205,170	94,204,556
Depreciation and amortisation	13,141,821	13,199,433
Employee compensation	11,250,366	10,607,627
Maintenance, service and inspection costs	4,306,107	4,345,415
Costs of coal sales	82,197	3,516,009
Other production costs	2,896,429	3,124,203
Total	110,882,090	128,997,243

47. Taxes and surcharges

Item	Amount in the current year	Amount in the previous year (Restated)
Urban maintenance and construction tax	257,435	266,134
Educational surcharges	205,658	204,883
House property tax	276,852	251,649
Land use tax	219,023	192,512
Resources tax	338,822	215,096
Environmental protection tax	387,972	245,378
Others	126,711	144,015
Total	1,812,473	1,519,667

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

48. Administrative expenses

The administrative expenses mainly include professional service fees, property insurance premiums, fuel and reprocessing costs, property management fees, and other administrative expenses incurred by the Group.

49. R&D expenses

Item	Amount in the current year	Amount in the previous year (Restated)
Material, fuel and power expenses	9,666	1,795
Employee compensation	73,410	7,932
Depreciation and amortisation expenses	522	577
Others	27,961	5,788
Total	111,559	16,092

50. Finance costs

Item	Amount in the current year	Amount in the previous year (Restated)
Interest expenses on loans and payables	3,249,008	3,869,321
Amortised amount of unrecognised financing expenses, etc.	7,689	20,695
Interest expenses of capitalisation	-99,051	-101,361
Less: Interest income on deposits and receivables	38,424	53,189
Profit or loss on exchange	3,961	-434
Other finance costs	38,846	45,924
Total	3,162,029	3,780,956

51. Income from changes in fair value

Sources of income from changes in fair value	Amount in the current year	Amount in the previous year (Restated)
Other non-current financial assets	-20,400	38,262
Total	-20,400	38,262

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

52. Investment income

Item	Amount in the current year	Amount in the previous year (Restated)
Long-term equity investment income calculated by equity method	3,148,444	3,275,729
Investment income from disposal of long-term equity investments		321,024
Investment income during the holding period of other non-current financial assets		3,910
Investment income during the holding period of other equity instruments	3,000	3,760
Interest income during the holding period of debt instruments	14,878	14,919
Others	-12,845	1,589
Total	3,153,477	3,620,931

53. Credit impairment loss

Item	Amount in the current year	Amount in the previous year (Restated)
Loss on bad debts of accounts receivable	-25,076	10,540
Loss on bad debts of other receivables	8,332	5,068
Total	-16,744	15,608

54. Asset impairment loss

Item	Amount in the current year	Amount in the previous year (Restated)
Inventory impairment losses	-21,945	801
Impairment losses on fixed assets	-481,523	-78,478
Impairment losses on construction in progress	-246,188	-44,648
Total	-749,656	-122,325

55. Gain on disposal of assets

Item	Amount in the current year	Amount in the previous year (Restated)
Gain on disposal of fixed assets	31,150	41,935
Gain on disposal of intangible assets	12,928	425,845
Gain on disposal of construction in progress	6,208	
Gain on disposal of right-of-use assets	-132	580
Total	50,154	468,360

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

56. Non-operating revenue

(1) Breakdown of non-operating revenue

Item	Amount in the current year	Amount in the previous year (Restated)	Amount included in non-recurring profit or loss in the current year
Gains from retirement of non-current assets	43,635	34,387	43,635
Government grants	632	927	159
Carbon emissions trading	444,595	669,185	
Others	258,539	257,529	258,539
Total	747,401	962,028	302,333

(2) Government grants included in the current profits or losses

Grant item	Amount in the current year	Amount in the previous year (Restated)	Asset-related/ income-related
Compensation for land expropriation and demolition of attachments	473	473	Asset-related
Others	159	454	Income-related
Total	632	927	–

57. Non-operating expenses

Item	Amount in the current year	Amount in the previous year (Restated)	Amount included in non-recurring profit or loss in the current year
Loss from retirement of non-current asset	98,696	174,471	98,696
Including: Loss from retirement of fixed assets	97,694	164,408	97,694
Carbon emissions trading	58,261	74,309	
Others	105,738	67,454	105,738
Total	262,695	316,234	204,434

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

58. Income tax expenses

(1) Income tax expenses

Item	Amount in the current year	Amount in the previous year (Restated)
Income tax expenses in the current year	1,649,866	1,351,014
Deferred tax expenses	781,325	904,968
Total	2,431,191	2,255,982

(2) Accounting profit and income tax expense adjustment process

Item	Amount in the current year
Consolidated total profits in the current year	10,647,781
Income tax expenses calculated in accordance with legal/applicable tax rate	2,661,945
Effect of different tax rates applied to subsidiaries	-21,446
Impact of income tax in previous periods before adjustment	51,923
Impact of non-taxable income	-750
Effect of nondeductible cost, expense and loss	166,675
Effect of using deductible losses of unrecognised deferred tax assets in the previous period	-350,028
Effect from deductible temporary balance or deductible losses of deferred tax assets unrecognised in the current year	711,478
Impact on the investment income and losses of associates	-787,111
Tax credit for specialised equipment procurement	-1,495
Income tax expenses	2,431,191

59. Other comprehensive income

Refer to Note "V. 42 Other comprehensive income" for details.

60. Items of the statement of cash flows

(1) Cash related to operating activities

1) Other cash received relating to operating activities

Item	Amount in the current year	Amount in the previous year (Restated)
Cash received relating to other operations	663,479	568,654
Government operating subsidies	317,121	470,856
Carbon emissions trading	471,271	674,569
Three Supplies and One Property		467
Accounts receivable factoring-related	270,000	250,000
Others	7,134,647	2,441,598
Total	8,856,518	4,406,144

Note: In this period, "Others" in cash received by the Group related to operating activities mainly refer to coal payments and deposits collected on behalf of others.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

60. Items of the statement of cash flows (Continued)

(1) Cash related to operating activities (Continued)

2) Other cash paid relating to operating activities

Item	Amount in the current year	Amount in the previous year (Restated)
Cash paid related to administrative expenses	1,331,406	1,789,225
Three Supplies and One Property	2,659	13,573
Accounts receivable factoring-related	228,000	252,500
Others	8,457,011	4,155,942
Total	10,019,076	6,211,240

Note: In this period, "Others" in cash paid by the Group related to operating activities mainly refer to coal payments and deposits paid on behalf of others.

(2) Cash related to investing activities

1) Significant cash received relating to investing activities

Item	Amount in the current year	Amount in the previous year (Restated)
Cash dividends received from equity participation	666,301	1,243,707
Recovery of restricted funds	155,403	162,395
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	178,808	239,764
Net cash received from disposal of subsidiaries and other business entities	260,222	145,927
Total	1,260,734	1,791,793

2) Significant cash paid relating to investing activities

Item	Amount in the current year	Amount in the previous year (Restated)
Capital construction expenditures and technical transformation expenditures	15,062,722	11,986,402
Total	15,062,722	11,986,402

3) Other cash received relating to investing activities

Item	Amount in the current year	Amount in the previous year (Restated)
Interest income	38,868	74,360
Recovery of restricted funds	155,403	162,395
Others	37,415	25,200
Total	231,686	261,955

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

60. Items of the statement of cash flows (Continued)

(2) Cash related to investing activities (Continued)

4) Other cash paid relating to investing activities

Item	Amount in the current year	Amount in the previous year (Restated)
Payment of restricted funds	112,064	100,432
Others	16,600	29,808
Total	128,664	130,240

(3) Cash related to financing activities

1) Other cash paid relating to financing activities

Item	Amount in the current year	Amount in the previous year (Restated)
Payment of consideration on acquisitions	4,982,040	1,623,948
Bank service charges	33,454	30,612
Others	128,779	1,362,360
Total	5,144,273	3,016,920

2) Change of liabilities arising from financing activities

Item	Beginning balance (Restated)	Increase in the current year		Decrease in the current year		Ending balance
		Change in cash	Non-cash changes	Change in cash	Non-cash changes	
Short-term loans	33,863,751	131,061,316	836,304	127,214,670		38,546,701
Bills payable	2,182,198	4,457,921	1,620,069	3,707,627	949,354	3,603,207
Dividends payable	1,066,821		4,519,758	4,920,450	84,901	581,228
Other current liabilities	4,314,731	24,499,535	91,685	25,386,167		3,519,784
Non-current liabilities due						
within one year	21,786,538		23,674,379	21,786,252		23,674,665
Long-term loans	60,682,872	11,288,078	1,837,270	10,720,394	17,954,788	45,133,038
Bonds payable	19,891,555	10,999,400	584,201	351,427	5,631,313	25,492,416
Lease liabilities	113,590		42,719	15,716	76,597	63,996
Total	143,902,056	182,306,250	33,206,385	194,102,703	24,696,953	140,615,035

(4) Material non-cash activities and their impacts that, while not affecting current cash flows, influence the entity's financial position or may affect future cash flows

Bonds maturing within the next 1 year are expected to impact cash outflows for debt repayment by approximately RMB8.6 billion.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

61. Supplementary information on the statement of cash flows

(1) Supplementary information on the statement of cash flows

Item	Amount in the current year	Amount in the previous year (Restated)
1. Adjust net profit to cash flow from operating activities:		
Net profit	8,216,590	7,509,802
Add: Provision for impairment of assets	749,656	122,325
Credit impairment loss	16,744	-15,608
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of productive biological assets	12,888,446	13,016,024
Depreciation of right-of-use assets	127,073	124,083
Amortisation of intangible assets	325,657	334,752
Amortisation of long-term deferred expenses	39,234	65,306
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains to be listed with "-")	-50,154	-468,360
Losses from retirement of fixed assets (gains to be listed with "-")	55,061	140,084
Losses from changes in fair value (gains to be listed with "-")	20,400	-38,262
Financial expenses (gains to be listed with "-")	3,161,847	3,779,989
Investment losses (gains to be listed with "-")	-3,153,477	-3,620,931
Decrease on deferred tax assets (increase to be listed with "-")	662,786	911,499
Increase in deferred tax liabilities (decrease to be listed with "-")	118,539	-6,531
Decrease in inventory (increase to be listed with "-")	337,864	-593,231
Decrease in operating receivables (increase to be listed with "-")	2,421,834	103,983
Increase in operating payables (decrease to be listed with "-")	1,239,921	-1,917,467
Others	42,542	9,660
Net cash flows from operating activities	27,220,563	19,457,117
2. Significant investing and financing activities not involving cash:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under financial leases		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	6,796,365	6,630,660
Less: Beginning balance of cash	6,630,660	6,371,675
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	165,705	258,985

(2) Net cash received from disposal of subsidiaries in the current year

Item	Amount
Cash and cash equivalents received in the current period from the disposal of subsidiaries in the current period	279,282
Less: Cash and cash equivalents held by subsidiaries on the loss-control date	19,060
Net cash received from disposal of subsidiaries	260,222

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

61. Supplementary information on the statement of cash flows (Continued)

(3) Composition of cash and cash equivalents

Item	Ending balance	Beginning balance (Restated)
Cash	6,796,365	6,630,660
Including: Cash on hand	39	39
Cash in bank available for payments at any time	6,796,326	6,630,621
Cash equivalents		
Balance of cash and cash equivalents at the end of the year	6,796,365	6,630,660

62. Monetary items in foreign currency

Item	Ending balance in foreign currency	Exchange rate	Ending balance in RMB (equivalent)
Cash and cash equivalents	–	–	25
Including: USD	4	7.0288	25
Other payables	–	–	9,211
Including: USD	1,310	7.0288	9,211
Non-current liabilities due within one year	–	–	1,993
Including: EUR	242	8.2355	1,993
Long-term loans	–	–	43,814
Including: EUR	5,320	8.2355	43,814

63. Leases

The Group as a lessee

Item	Amount in the current year	Amount in the previous year (Restated)
Interest expenses on lease liabilities	7,648	11,881
Short-term lease expenses included in current profits or losses with simplified treatment	75,505	66,189
Total cash outflows related to leases	141,491	135,630

The estimated future annual cash outflows for committed but not yet commenced leases are as follows:

Remaining lease term	Future discounted lease payments
Within 1 year	81,695
1-2 years	26,852
2-3 years	15,875
After 3 years	32,277
Total	156,699

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

VI. R&D EXPENSE

Item	Amount in the current year	Amount in the previous year
R&D expense	195,168	19,385
Total	195,168	19,385
Including: Expensed R&D expense	111,559	16,092
Capitalised R&D expense	83,609	3,293

R&D projects eligible for capitalisation

Item	Beginning balance	Increase in the current year		Decrease in the current year			Ending balance
		Internal development expenditures	Entrusted development expenditures	Recognised as assets	Transferred to current profits and losses	Others	
Power plant R&D projects	467					467	
Power generation	1,023	258	65,326	42,803	257		23,547
R&D and digitalisation		7,319	9,322	2,365	2,164		12,112
Others	1,803	326	1,058	2,556			631
Total	3,293	7,903	75,706	47,724	2,421	467	36,290

Note: There are no significant capitalised R&D projects in the current period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

VII. CHANGES IN CONSOLIDATION SCOPE

1. Business combination involving entities under common control in the current year

Name of combined party	Proportion of equity acquired in business combination	Basis of business combination involving entities under common control	Combination date	Determining basis of consolidation date	Revenue of the combined party from the beginning of the combination year to the combination date	Net profit of the combined party from the beginning of the combination year to the combination date	Revenue of the combination party during comparison period	Net profit of the combination party during comparison period
Jiangsu Huadian Energy Co., Ltd.	80%	Controlled by the ultimate controlling party	1 June 2025	Acquisition of control	8,799,163	357,917	24,919,942	730,398
Huadian Fuxin Qingyuan Energy Company Limited	100%	Controlled by the ultimate controlling party	1 June 2025	Acquisition of control	6,226	-11,886	107,430	-59,676
Huadian Fuxin Guangzhou Energy Co., Ltd.	55%	Controlled by the ultimate controlling party	1 June 2025	Acquisition of control	1,186,164	7,360	2,838,794	-41,685
Huadian Fuxin Jiangmen Energy Company Limited	70%	Controlled by the ultimate controlling party	1 June 2025	Acquisition of control	321,818	-13,430	881,180	163
Guangzhou University City Huadian New Energy Company Limited	55.0007%	Controlled by the ultimate controlling party	1 June 2025	Acquisition of control	161,416	18,279	465,293	56,736
CHD Guigang Electric Power Co., Ltd.	100%	Controlled by the ultimate controlling party	1 June 2025	Acquisition of control	569,228	-32,974	1,978,353	-50,983
Shanghai Huadian Fuxin Energy Co., Ltd.	51%	Controlled by the ultimate controlling party	1 June 2025	Acquisition of control	57,950	11,147	137,730	14,950
Shanghai Huadian Minhang Energy Co., Ltd.	100%	Controlled by the ultimate controlling party	1 June 2025	Acquisition of control	488,706	22,236	1,065,727	32,422

2. Cost of combination

Item	Jiangsu Huadian Energy Co., Ltd.	Huadian Fuxin Qingyuan Energy Company Limited	Huadian Fuxin Guangzhou Energy Co., Ltd.	Huadian Fuxin Jiangmen Energy Company Limited	Guangzhou University City Huadian New Energy Company Limited	CHD Guigang Electric Power Co., Ltd.	Shanghai Huadian Fuxin Energy Co., Ltd.	Shanghai Huadian Minhang Energy Co., Ltd.
Cash		346,584	556,606	166,285	272,089	1,997,693	120,597	637,657
Carrying amount of equity securities issued	3,428,259							
Total combination costs	3,428,259	346,584	556,606	166,285	272,089	1,997,693	120,597	637,657

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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VII. CHANGES IN CONSOLIDATION SCOPE (Continued)

3. Carrying amount of the assets and liabilities of the combined party on the combination date

Item	Jiangsu Huadian Energy Co., Ltd.		Huadian Fuxin Qingyuan Energy Company Limited		Huadian Fuxin Guangzhou Energy Co., Ltd.		Huadian Fuxin Jiangmen Energy Company Limited	
	Combination date	End of the previous year	Combination date	End of the previous year	Combination date	End of the previous year	Combination date	End of the previous year
Assets:								
Current assets	4,696,387	5,443,913	79,375	98,525	522,652	380,678	156,644	139,843
Non-current assets	27,871,751	28,014,468	579,375	570,102	1,922,519	1,968,508	730,869	744,478
Total assets	32,568,138	33,458,381	658,750	668,627	2,445,171	2,349,186	887,513	884,321
Liabilities:								
Current liabilities	11,738,394	13,083,671	105,596	104,192	759,657	653,907	274,761	244,406
Non-current liabilities	10,611,343	10,504,924	276,127	276,126	874,763	901,738	437,234	453,804
Total liabilities	22,349,737	23,588,595	381,723	380,318	1,634,420	1,555,645	711,995	698,210
Net assets	10,218,401	9,869,786	277,027	288,309	810,751	793,541	175,518	186,111
Less: Non-controlling interest	8,953,280	8,875,718						
Net assets acquired	1,265,121	994,068	277,027	288,309	810,751	793,541	175,518	186,111

Item	Guangzhou University City Huadian New Energy Company Limited		CHD Guigang Electric Power Co., Ltd.		Shanghai Huadian Fuxin Energy Co., Ltd.		Shanghai Huadian Minhang Energy Co., Ltd.	
	Combination date	End of the previous year	Combination date	End of the previous year	Combination date	End of the previous year	Combination date	End of the previous year
Assets:								
Current assets	102,059	68,508	386,628	475,683	35,428	24,748	133,173	148,635
Non-current assets	543,143	568,476	1,506,474	2,046,337	325,608	335,190	1,001,566	1,040,151
Total assets	645,202	636,984	1,893,102	2,522,020	361,036	359,938	1,134,739	1,188,786
Liabilities:								
Current liabilities	53,088	60,358	391,693	860,677	19,907	30,251	505,611	568,762
Non-current liabilities	161,701	167,213	188,671	460,293	143,850	144,400	203,837	220,360
Total liabilities	214,789	227,571	580,364	1,320,970	163,757	174,651	709,448	789,122
Net assets	430,413	409,413	1,312,738	1,201,050	197,279	185,287	425,291	399,664
Less: Non-controlling interest				-17,234				
Net assets acquired	430,413	409,413	1,312,738	1,218,284	197,279	185,287	425,291	399,664

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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VII. CHANGES IN CONSOLIDATION SCOPE (Continued)

4. New subsidiaries in the current period

Name of company	Shareholding proportion (%)	Ending net assets	Net profit in current period
Zhejiang Huadian Jiangdong Energy Operation Co., Ltd.	100.00	117,744	17,744
Huashu (Tianjin) Power Energy Partnership (Limited Partnership)	19.98		
Huayu Phase II (Tianjin) Power Energy Partnership (Limited Partnership)	19.95	2,053,061	156,968
Huadian Pumped Storage Project Management (Chengdu) Co., Ltd.	100.00	20,016	16
Huadian Clean Energy Closed-end Infrastructure Securities Investment Fund	51.00	1,401,835	58,204
Tianjin Huadian Energy Management Co., Ltd.	100.00	99,749	-1,251
Guangxi Huadian Integrated Energy Services Co., Ltd.	100.00	201,440	440
Huadian (Chongqing) Energy Sales Co., Ltd.	100.00	101,366	366
Huadian (Yiyuan) Pumped Storage Co., Ltd.	70.00		
Huadian Changjiang (Hubei) Smart Energy Technology Co., Ltd.	51.00	45,000	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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VIII. EQUITY IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Name of subsidiary	Registered capital	Principal place of business	Registration place	Business nature	Shareholding proportion (%)		Way of acquisition
					Direct	Indirect	
Anhui Huadian Lu'an Power Plant Company Limited	921,500	Lu'an, China	Lu'an, China	Generation and sale of electricity	95.00		Establishment, investment, or asset acquisition
Anhui Huadian Suzhou Power Generation Company Limited	854,914	Suzhou, China	Suzhou, China	Generation and sale of electricity	97.00		Acquired during business combination involving entities under common control
Anhui Huadian Wuhu Power Generation Company Limited	1,658,733	Wuhu, China	Wuhu, China	Generation and sale of electricity and heat	65.00		Acquired during business combination involving entities under common control
Anhui Hualin International Energy Co., Ltd.	50,000	Hefei, China	Hefei, China	Coal production and sales	51.00		Establishment, investment, or asset acquisition
Anhui Wenhui New Product Promotion Co., Ltd.	50,000	Hefei, China	Hefei, China	Coal production and sales	51.00		Establishment, investment, or asset acquisition
Guangdong Huadian Huizhou Energy Company Limited	740,000	Huizhou, China	Huizhou, China	Generation and sale of electricity and heat	100.00		Establishment, investment, or asset acquisition
Guangdong Huadian Pingshi Power Generation Company Limited	1,910,490	Lechang, China	Lechang, China	Generation and sale of electricity	100.00		Acquired during business combination involving entities not under common control
Guangdong Huadian Qingyuan Energy Company Limited	1,000,000	Yingde, China	Yingde, China	Generation and sale of electricity and heat	100.00		Establishment, investment, or asset acquisition
Guangdong Huadian Shaoguan Thermal Power Company Limited	1,515,019	Shaoguan, China	Shaoguan, China	Sales of coal mine machinery and accessories	100.00		Establishment, investment, or asset acquisition
Guangdong Huadian Shenzhen Energy Co., Ltd.	460,000	Shenzhen, China	Shenzhen, China	Generation and sale of electricity and heat	100.00		Establishment, investment, or asset acquisition
Hangzhou Huadian Banshan Power Generation Company Limited	1,706,610	Hangzhou, China	Hangzhou, China	Generation and sale of electricity and heat	64.00		Acquired during business combination involving entities under common control
Hangzhou Huadian Xiasha Thermal Power Company Limited	259,338	Hangzhou, China	Hangzhou, China	Generation and sale of electricity and heat	56.00		Establishment, investment, or asset acquisition
Hebei Huadian Hybrid Storage Hydropower Company Limited	88,500	Shijiazhuang, China	Shijiazhuang, China	Generation and sale of electricity	100.00		Establishment, investment, or asset acquisition
Hebei Huadian Shijiazhuang Thermal Power Company Limited	1,132,530	Shijiazhuang, China	Shijiazhuang, China	Generation and sale of electricity and heat	82.00		Acquired during business combination involving entities under common control
Hebei Huarui Energy Group Corporation Limited	938,000	Shijiazhuang, China	Shijiazhuang, China	Electricity sales and power heating project investment and development	100.00		Acquired during business combination involving entities not under common control
Hunan Huadian Changde Power Generation Company Limited (Note 1)	990,944	Changde, China	Changde, China	Generation and sale of electricity and heat	48.98		Acquired during business combination involving entities under common control
Hunan Huadian Pingjiang Power Generation Company Limited	2,159,950	Yueyang, China	Yueyang, China	Generation and sale of electricity and heat	100.00		Acquired during business combination involving entities under common control
Hunan Huadian Changsha Power Generation Company Limited	928,571	Changsha, China	Changsha, China	Generation and sale of electricity and heat	70.00		Acquired during business combination involving entities under common control

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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VIII. EQUITY IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Registered capital	Principal place of business	Registration place	Business nature	Shareholding proportion (%)		Way of acquisition
					Direct	Indirect	
Huadian (Hunan) Energy Sales Co., Ltd.	201,000	Changsha, China	Changsha, China	Electricity purchase and sales	100.00		Establishment, investment, or asset acquisition
Huadian (Zhejiang) Energy Sales Co., Ltd.	20,000	Hangzhou, China	Hangzhou, China	Electricity purchase and sales	100.00		Establishment, investment, or asset acquisition
Huadian Anhui Energy Sales Co., Ltd.	210,000	Hefei, China	Hefei, China	Electricity and heat sales	100.00		Establishment, investment, or asset acquisition
Huadian Dongying Energy Co., Ltd.	120,000	Dongying, China	Dongying, China	Generation and sale of electricity and heat	68.82		Establishment, investment, or asset acquisition
Huadian Foshan Energy Co., Ltd.	811,766	Foshan, China	Foshan, China	Generation and sale of electricity	90.00		Establishment, investment, or asset acquisition
Huadian Guangdong Energy Sales Co., Ltd.	220,000	Guangzhou, China	Guangzhou, China	Consultancy and management of power project and project engineering services	100.00		Establishment, investment, or asset acquisition
Huadian International Shandong Project Management Co., Ltd.	50,000	Jinan, China	Jinan, China	Power source construction project management and consulting	100.00		Establishment, investment, or asset acquisition
Huadian Hebei Energy Sales Co., Ltd.	201,000	Shijiazhuang, China	Shijiazhuang, China	Electricity purchase and sales	100.00		Establishment, investment, or asset acquisition
Huadian Hebei Ruixin Investment Partnership (Limited Partnership) (Note 2)	2,676,400	Shijiazhuang, China	Baoding, China	Investment and assets management	19.97	0.04	Establishment, investment, or asset acquisition
Huadian Henan Energy Sales Co., Ltd.	210,000	Zhengzhou, China	Zhengzhou, China	Electricity and heat sales	100.00		Establishment, investment, or asset acquisition
Huadian Hubei Power Generation Company Limited	4,685,158	Wuhan, China	Wuhan, China	Generation and sale of electricity and heat	82.56		Acquired during business combination involving entities under common control
Huadian Group Beijing Fuel Logistics Company Limited	1,000,000	Beijing, China	Beijing, China	Wholesale operations of coal	91.00		Establishment, investment, or asset acquisition
Huadian Jinan Zhangqiu Thermal Power Company Limited	696,000	Jinan, China	Jinan, China	Generation and sale of electricity and heat	70.00		Establishment, investment, or asset acquisition
Huadian Jingyu Pumped Storage Co., Ltd.	100,000	Baishan, China	Baishan, China	Generation and sale of electricity	90.00		Establishment, investment, or asset acquisition
Huadian Laizhou Power Generation Company Limited	2,632,800	Laizhou, China	Laizhou, China	Generation and sale of electricity	75.00		Establishment, investment, or asset acquisition
Huadian Laizhou Port Co. Ltd.	215,130	Laizhou, China	Laizhou, China	Construction and operation of pier project	65.00		Establishment, investment, or asset acquisition
Huadian Longkou Power Generation Company Limited	2,090,000	Longkou, China	Longkou, China	Generation and sale of electricity and heat	100.00		Acquired during business combination involving entities not under common control
Huadian Luohe Power Generation Company Limited	633,733	Luohe, China	Luohe, China	Generation and sale of electricity and heat	79.11		Establishment, investment, or asset acquisition
Huadian Ningxia Energy Sales Co., Ltd.	21,000	Yinchuan, China	Yinchuan, China	Electricity and heat sales	100.00		Establishment, investment, or asset acquisition

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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VIII. EQUITY IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Registered capital	Principal place of business	Registration place	Business nature	Shareholding proportion (%)		Way of acquisition
					Direct	Indirect	
Huadian Qingdao Power Generation Co., Ltd.	1,256,867	Qingdao, China	Qingdao, China	Generation and sale of electricity and heat	55.00		Acquired during business combination involving entities not under common control
Huadian Qingdao Thermal Power Company Limited	30,000	Qingdao, China	Qingdao, China	Electricity and heat production and supply	55.00		Establishment, investment, or asset acquisition
Huadian Shandong Energy Sales Co., Ltd.	210,000	Jinan, China	Jinan, China	Electricity and heat sales	100.00		Establishment, investment, or asset acquisition
Huadian Shandong Material Company Limited	50,000	Jinan, China	Jinan, China	Sales of supplies and materials	100.00		Establishment, investment, or asset acquisition
Huadian Tengzhou Xinyuan Thermal Power Company Limited	884,151	Tengzhou, China	Tengzhou, China	Generation and sale of electricity and heat	93.26		Acquired during business combination involving entities not under common control
Huadian Weifang Power Company Limited	930,222	Weifang, China	Weifang, China	Generation and sale of electricity and heat	64.29		Acquired during business combination involving entities not under common control
Huadian Zhanjiang Power Generation Co., Ltd.	305,692	Zhanjiang, China	Zhanjiang, China	Generation and sales of electricity and heating, and sales of mechanical equipment	65.00		Establishment, investment, or asset acquisition
Huadian Zhangqiu Power Generation Company Limited	758,114	Jinan, China	Jinan, China	Generation and sale of electricity and heat	87.50		Acquired during business combination involving entities not under common control
Huadian Zhejiang Longyou Thermal Company Limited	292,500	Longyou County, China	Longyou County, China	Generation and sale of electricity and heat	100.00		Establishment, investment, or asset acquisition
Huadian Chongqing Jiangjin Energy Co., Ltd.	64,000	Chongqing, China	Chongqing, China	Generation and sale of electricity and heat	100.00		Establishment, investment, or asset acquisition
Huadian Zibo Thermal Power Company Limited	1,173,850	Zibo, China	Zibo, China	Generation and sale of electricity and heat	100.00		Acquired during business combination involving entities not under common control
Huadian Zoucheng Thermal Power Company Limited	80,000	Zoucheng, China	Zoucheng, China	Generation and sale of electricity and heat	70.00		Establishment, investment, or asset acquisition
Huadian Zouxian Power Generation Company Limited	3,000,000	Zoucheng, China	Zoucheng, China	Generation and sale of electricity	69.00		Establishment, investment, or asset acquisition
Jiangxi Huadian Pumped Storage Co., Ltd.	110,000	Ji'an, China	Ji'an, China	Generation and sale of electricity	100.00		Establishment, investment, or asset acquisition
Xingwang Coal Mine, Dalad Qi Wenwei Coal Co., Ltd.	230,000	Dalad Banner, Inner Mongolia Autonomous Region, China	Dalad Banner, Inner Mongolia Autonomous Region, China	Coal production and sales	90.00		Acquired during business combination involving entities not under common control
Qingdao Huatuo Technology Company Limited	100,000	Qingdao, China	Qingdao, China	Design and development	100.00		Acquired during business combination involving entities not under common control
Shaanxi Huadian Jinshuihe Pumped Storage Co., Ltd.	200,000	Hanzhong, China	Hanzhong, China	Generation and sale of electricity	95.00		Establishment, investment, or asset acquisition
Shantou Huadian Power Generation Co. Ltd.	1,152,624	Shantou, China	Shantou, China	Generation and sale of electricity	51.00		Establishment, investment, or asset acquisition

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VIII. EQUITY IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Registered capital	Principal place of business	Registration place	Business nature	Shareholding proportion (%)		Way of acquisition
					Direct	Indirect	
Shijiazhuang Huadian Heat Corporation Limited	695,370	Shijiazhuang, China	Shijiazhuang, China	Heating	100.00		Acquired during business combination involving entities not under common control
Sichuan Guang'an Power Generation Company Limited	1,826,135	Guang'an, China	Guang'an, China	Generation and sale of electricity	80.00		Acquired during business combination involving entities under common control
Sichuan Huadian Power Investment Company Limited	1,377,606	Chengdu, China	Chengdu, China	Power and power equipment production	100.00		Establishment, investment, or asset acquisition
Sichuan Huadian Luding Hydropower Company Limited	1,516,090	Ganzi Tibetan Autonomous Prefecture, China	Ganzi Tibetan Autonomous Prefecture, China	Generation and sale of electricity	100.00		Establishment, investment, or asset acquisition
Sichuan Huadian Zagunao Hydroelectric Development Company Limited	200,000	Aba Tibetan and Qiang Autonomous Prefecture, China	Aba Tibetan and Qiang Autonomous Prefecture, China	Generation and sale of electricity	64.00		Acquired during business combination involving entities not under common control
Tianjin Huadian Fuyuan Thermal Power Company Limited	407,004	Tianjin, China	Tianjin, China	Generation and sale of electricity and heat	100.00		Establishment, investment, or asset acquisition
Tianjin Huadian Nanjiang Thermal Power Company Limited	660,000	Tianjin, China	Tianjin, China	Generation and sales of electricity and heating, and sales of mechanical equipment	65.00		Establishment, investment, or asset acquisition
Zhejiang Huadian Wuxijiang Hybrid Pumped Storage Power Generation Co., Ltd.	468,512	Quzhou, China	Quzhou, China	Generation and sale of electricity	76.00		Establishment, investment, or asset acquisition
Chongqing Mingyang Coal Sales Co., Ltd.	10,000	Chongqing, China	Chongqing, China	Coal production and sales	70.00		Establishment, investment, or asset acquisition
Ningxia Huadian Niushoushan Pumped Storage Power Generation Co., Ltd.	100,000	Qingtongxia, China	Qingtongxia, China	Generation and sale of electricity	80.00		Establishment, investment, or asset acquisition
Anhui Huadian Xixing Chong Pumped Storage Power Generation Co., Ltd.	200,000	Wuhu, China	Wuhu, China	Generation and sale of electricity	90.00		Establishment, investment, or asset acquisition
Huadian Yongchang Pumped Storage Co., Ltd.	100,000	Jinchang, China	Jinchang, China	Generation and sale of electricity	100.00		Acquired during business combination involving entities under common control
Anhui Huadian Fuel Co., Ltd.	10,000	Hefei, China	Hefei, China	Wholesale operations of coal	100.00		Establishment, investment, or asset acquisition
Huadian (Hunan) Fuel Co., Ltd.	10,000	Changsha, China	Changsha, China	Wholesale operations of coal	100.00		Establishment, investment, or asset acquisition
Shantou Huadian Energy Co., Ltd.	242,000	Shantou, China	Shantou, China	Generation and sale of electricity and heat	100.00		Establishment, investment, or asset acquisition
Huadian (Lingbao) Pumped Storage Co., Ltd.	1,079,000	Sanmenxia, China	Sanmenxia, China	Generation and sale of electricity	100.00		Establishment, investment, or asset acquisition
Huadian (Chongqing) Gas Turbine Power Generation Co., Ltd.	700,000	Chongqing, China	Chongqing, China	Generation and sale of electricity	100.00		Establishment, investment, or asset acquisition

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VIII. EQUITY IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Registered capital	Principal place of business	Registration place	Business nature	Shareholding proportion (%)		Way of acquisition
					Direct	Indirect	
Huadian (Shandong) Fuel Co., Ltd.	50,000	Jinan, China	Jinan, China	Wholesale operations of coal	100.00		Establishment, investment, or asset acquisition
Huadian (Guangdong) Fuel Co., Ltd.	5,000	Guangzhou, China	Guangzhou, China	Wholesale operations of coal	100.00		Establishment, investment, or asset acquisition
Huayu Phase I (Tianjin) Power Energy Partnership (Limited Partnership) (Note 3)	2,315,000	Tianjin, China	Tianjin, China	Investment and assets management	19.97	0.03	Establishment, investment, or asset acquisition
Tianjin Huadian Jibei Pumped Storage Co., Ltd.	20,000	Tianjin, China	Tianjin, China	Generation and sale of electricity	100.00		Establishment, investment, or asset acquisition
Zhaoqing Huadian Yanshan Pumped Storage Co., Ltd.	100,000	Zhaoqing, China	Zhaoqing, China	Generation and sale of electricity	100.00		Establishment, investment, or asset acquisition
Hualu (Tianjin) Power Energy Partnership (Limited Partnership) (Note 4)	2,357,000	Tianjin, China	Tianjin, China	Investment and assets management	19.98	0.04	Establishment, investment, or asset acquisition
Zhejiang Huadian Jiangdong Energy Operation Co., Ltd.	100,000	Hangzhou, China	Hangzhou, China	Generation and sale of electricity	100.00		Establishment, investment, or asset acquisition
Huashu (Tianjin) Power Energy Partnership (Limited Partnership) (Note 5)	8,227,539	Tianjin, China	Tianjin, China	Investment and assets management	19.98	0.01	Establishment, investment, or asset acquisition
Xinxiang Huadian Thermal Power Co., Ltd.	53,273	Xinxiang, China	Xinxiang, China	Generation and sale of electricity	100.00		Establishment, investment, or asset acquisition
Huayu Phase II (Tianjin) Power Energy Partnership (Limited Partnership) (Note 6)	2,185,000	Tianjin, China	Tianjin, China	Investment and assets management	19.95	0.04	Establishment, investment, or asset acquisition
Huadian Fuxin Guangzhou Energy Co., Ltd.	519,000	Guangzhou, China	Guangzhou, China	Generation and sale of electricity and heat	55.00		Acquired during business combination involving entities under common control
Huadian Fuxin Jiangmen Energy Company Limited	200,369	Jiangmen, China	Jiangmen, China	Generation and sale of electricity and heat	70.00		Acquired during business combination involving entities under common control
Huadian Fuxin Qingyuan Energy Company Limited	383,660	Yingde, China	Yingde, China	Generation and sale of electricity	100.00		Acquired during business combination involving entities under common control
Jiangsu Huadian Energy Co., Ltd.	2,553,163	Nanjing, China	Zhenjiang, China	Generation and sale of electricity and heat	80.00		Acquired during business combination involving entities under common control
Shanghai Huadian Fuxin Energy Co., Ltd.	140,646	Shanghai, China	Shanghai, China	Generation and sale of electricity and heat	51.00		Acquired during business combination involving entities under common control
Shanghai Huadian Minhang Energy Co., Ltd.	295,020	Shanghai, China	Shanghai, China	Generation and sale of electricity and heat	100.00		Acquired during business combination involving entities under common control
CHD Guigang Electric Power Co., Ltd.	2,088,430	Guigang, China	Guigang, China	Generation and sale of electricity and heat	100.00		Acquired during business combination involving entities under common control
Guangzhou University City Huadian New Energy Company Limited	294,360	Guangzhou, China	Guangzhou, China	Generation and sale of electricity and heat	55.00		Acquired during business combination involving entities under common control

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VIII. EQUITY IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of subsidiary	Registered capital	Principal place of business	Registration place	Business nature	Shareholding proportion (%)		Way of acquisition
					Direct	Indirect	
Huadian Pumped Storage Project Management (Chengdu) Co., Ltd.	100,000	Chengdu, China	Chengdu, China	Engineering management	100.00		Establishment, investment, or asset acquisition
Huadian Clean Energy Closed-end Infrastructure Securities Investment Fund	1,894,500	Hangzhou, China	Hangzhou, China	Investment and assets management	51.00		Establishment, investment, or asset acquisition
Jiangsu Huadian Wangting Energy Development Co., Ltd.	1,800,000	Suzhou, China	Suzhou, China	Generation and sale of electricity and heat	100.00		Establishment, investment, or asset acquisition
Tianjin Huadian Energy Management Co., Ltd.	101,000	Tianjin, China	Tianjin, China	Generation and sale of electricity and heat	100.00		Establishment, investment, or asset acquisition
Guangxi Huadian Integrated Energy Services Co., Ltd.	201,000	Nanning, China	Nanning, China	Generation and sale of electricity and heat	100.00		Establishment, investment, or asset acquisition
Huadian (Chongqing) Energy Sales Co., Ltd.	101,000	Chongqing, China	Chongqing, China	Electricity and heat sales	100.00		Establishment, investment, or asset acquisition
Huadian (Yiyuan) Pumped Storage Co., Ltd.	200,000	Zibo, China	Zibo, China	Generation and sale of electricity	100.00		Establishment, investment, or asset acquisition
Huadian Changjiang (Hubei) Smart Energy Technology Co., Ltd.	150,000	Wuhan, China	Wuhan, China	Technology promotion and technical services	51.00	32.20	Establishment, investment, or asset acquisition

Note 1: Although the Company holds less than 50% of the equity and voting rights in Hunan Huadian Changde Power Generation Company Limited, it has the power to govern the relevant activities of Hunan Huadian Changde Power Generation Company Limited, is exposed to variable returns from its involvement, and has the ability to affect those returns. Consequently, the management of the Company has determined that the Company controls Hunan Huadian Changde Power Generation Company Limited and includes it in the Group's consolidated financial statements.

Note 2: Although the Company holds less than 50% of the equity in Huadian Hebei Ruixin Investment Partnership (Limited Partnership) ("Hebei Ruixin"), it has the power to influence Hebei Ruixin's related activities by controlling the resolution of the partners' meeting of Hebei Ruixin, is exposed to variable returns from its involvement, and has the ability to affect those returns. Consequently, the management of the Company has determined that the Company controls Hebei Ruixin and includes it in the Group's consolidated financial statements.

Note 3: Although the Company holds less than 50% of the equity in Huayu Phase I (Tianjin) Power Energy Partnership (Limited Partnership) (Huayu Phase I), it has the power to influence Huayu Phase I's related activities by controlling the resolution of the partners' meeting of Huayu Phase I, is exposed to variable returns from its involvement, and has the ability to affect those returns. Consequently, the management of the Company has determined that the Company controls Huayu Phase I (Tianjin) Power Energy Partnership (Limited Partnership) and includes it in the Group's consolidated financial statements.

Note 4: Although the Company holds less than 50% of the equity in Hualu (Tianjin) Power Energy Partnership (Limited Partnership) (Hualu Tianjin), it has the power to influence Hualu Tianjin's related activities by controlling the resolution of the partners' meeting of Hualu Tianjin, is exposed to variable returns from its involvement, and has the ability to affect those returns. Consequently, the management of the Company has determined that the Company controls Hualu (Tianjin) Power Energy Partnership (Limited Partnership) and includes it in the Group's consolidated financial statements.

Note 5: Although the Company holds less than 50% of the equity in Huashu (Tianjin) Power Energy Partnership (Limited Partnership) (Huashu Tianjin), it has the power to influence Huashu Tianjin's related activities by controlling the resolution of the partners' meeting of Huashu Tianjin, is exposed to variable returns from its involvement, and has the ability to affect those returns. Consequently, the management of the Company has determined that the Company controls Huashu (Tianjin) Power Energy Partnership (Limited Partnership) and includes it in the Group's consolidated financial statements.

Note 6: Although the Company holds less than 50% of the equity in Huayu Phase II (Tianjin) Power Energy Partnership (Limited Partnership) (Huayu Phase II), it has the power to influence Huayu Phase II's related activities by controlling the resolution of the partners' meeting of Huayu Phase II, is exposed to variable returns from its involvement, and has the ability to affect those returns. Consequently, the management of the Company has determined that the Company controls Huayu Phase II (Tianjin) Power Energy Partnership (Limited Partnership) and includes it in the Group's consolidated financial statements.

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VIII. EQUITY IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(2) Significant non-wholly-owned subsidiaries

Name of subsidiary	Shareholding proportion of minority shareholders	Profits and losses attributable to minority shareholders in the current year	Dividends announced and distributed to minority shareholders in current year	Balance of non-controlling interests at the end of the year
Hubei Power Generation	17.44%	223,413	77,609	5,158,154
Guang'an Power Generation	20.00%	41,635	119,619	678,987
Laizhou Power Generation	25.00%	238,676	173,855	1,096,340
Zouxian Power Generation	31.00%	21,475	83,877	1,091,848
Jiangsu Energy	20.00%	491,661	504,829	4,669,498

(3) Key financial information of significant non-wholly-owned subsidiaries

Name of subsidiary	Ending balance						Beginning balance (Restated)					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Hubei Power Generation	2,746,607	12,062,735	14,809,342	4,404,546	874,428	5,278,974	3,158,801	12,697,514	15,856,315	5,623,315	825,805	6,449,120
Guang'an Power Generation	1,031,942	3,681,015	4,712,957	987,807	329,183	1,316,990	1,566,775	3,614,042	5,180,817	1,054,758	351,528	1,406,286
Laizhou Power Generation	795,414	7,986,426	8,781,840	3,713,282	683,199	4,396,481	1,056,788	8,399,376	9,456,164	3,064,856	2,265,339	5,330,195
Zouxian Power Generation	893,253	3,575,901	4,469,154	940,842	6,221	947,063	998,984	3,320,331	4,319,315	519,007	76,934	595,941
Jiangsu Energy	4,387,012	27,561,361	31,948,373	11,522,718	10,136,052	21,658,770	5,443,913	28,014,468	33,458,381	13,083,671	10,504,925	23,588,596

(Continued)

Name of subsidiary	Amount in the current year				Amount in the previous year (Restated)			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Hubei Power Generation	9,694,187	200,581	200,581	1,755,158	12,144,458	140,700	140,700	1,298,468
Guang'an Power Generation	4,979,114	208,174	208,174	1,717,621	6,220,868	549,038	549,038	942,711
Laizhou Power Generation	6,215,092	954,704	954,704	1,911,593	6,766,372	772,687	772,687	1,481,989
Zouxian Power Generation	2,500,184	69,275	69,275	476,025	3,808,841	300,635	300,635	513,959
Jiangsu Energy	22,261,099	826,072	849,184	4,348,186	24,919,942	730,398	737,300	2,596,433

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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VIII. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in joint ventures or associates

(1) Significant associates

Name of associate	Principal place of business	Registration place	Business nature	Shareholding proportion (%)		Accounting methods for the investment in associates
				Direct	Indirect	
Huadian Coal Industry Group Company Limited ("Huadian Coal")	Beijing, China	Beijing, China	Coal industry development and coal supply	11.82	1.43	Equity method
Huadian New Energy Group Corporation Limited ("Huadian New Energy")	Beijing, China	Fuzhou, Fujian	Clean energy power	26.78		Equity method

Note: Basis for recognising significant influence despite holding less than 20% of voting rights: Although the Group's shareholding in Huadian Coal is less than 20%, the Group has the right to participate in the decision-making of its financial and operating policies by virtue of having a representative on its board of directors as stipulated in such company's articles of association. Therefore, the Management of the Group has determined that the Company can exercise significant influence over Huadian Coal and has accounted for it as an associate of the Group.

(2) Key financial information of significant associates

Item	Ending balance/Amount incurred in the current year		Beginning balance/Amount incurred in the previous year	
	Huadian Coal	Huadian New Energy	Huadian Coal	Huadian New Energy
Current assets	16,328,038	59,458,740	15,626,277	64,634,403
Non-current assets	77,888,742	458,661,655	73,469,977	379,402,438
Total assets	94,216,780	518,120,395	89,096,254	444,036,841
Current liabilities	26,128,191	115,661,191	24,811,136	102,804,474
Non-current liabilities	32,478,223	248,846,526	27,931,030	221,611,603
Total liabilities	58,606,414	364,507,717	52,742,166	324,416,077
Total net assets	35,610,366	153,612,678	36,354,088	119,620,764
Including: Non-controlling interest	11,571,988	16,668,515	13,396,180	14,039,180
Shareholders' equity attributable to the parent company	24,038,378	136,944,163	22,957,908	105,581,584
Shares of net assets calculated as per the shareholding proportion	2,849,340	33,393,011	2,853,551	32,076,659
Adjustments				
– Goodwill				
– Unrealised profit of internal transaction				
– Others				
Carrying amount of equity investments in associates	2,849,340	33,393,011	2,853,551	32,076,659
Fair value of equity investments in associates with public offer		69,920,932		
Operating revenue	35,713,541	38,980,389	42,660,799	33,967,751
Finance costs	1,157,795	6,057,531	1,272,594	5,465,860
Income tax expenses	1,552,498	1,116,890	2,222,250	1,010,040
Net profit	4,720,581	8,119,419	7,847,446	9,479,614
Net profit from discontinued operations				
Other comprehensive income	187,049	61,563	177,049	285
Total comprehensive income	4,907,630	8,180,982	8,024,495	9,479,899
Dividends received from associates in the current year	378,137		550,201	

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VIII. EQUITY IN OTHER ENTITIES (Continued)

2. Equity in joint ventures or associates (Continued)

(3) Summary of financial information of non-significant joint ventures and associates

Item	Ending balance/ Amount incurred in the current year	Beginning balance/ Amount incurred in the previous year (Restated)
Associates	–	–
Total carrying amount of investments	13,880,178	13,180,804
Total amount of the following items at the shareholding proportion	–	–
– Net profits	722,852	369,294
– Other comprehensive income	90	13,292
– Total comprehensive income	722,942	382,586

(4) Losses of associates in excess of their investment costs

Name of associate	Cumulative unrecognised losses in the previous period	Unrecognised losses in the current year	Cumulative unrecognised losses at the end of the current year
Inner Mongolia Fucheng Mining Company Limited	1,223,910	582,546	1,806,456
Sichuan Luzhou Chuannan Power Generation Co., Ltd.	408,140	-104,326	303,814
Datang Xiangcheng Tangdian Hydropower Development Company Limited	161,470	123,981	285,451
Suzhou Huahui Energy Co., Ltd.	15,216	-2,590	12,626
Huaneng Huaiyin No. 2 Power Generation Co., Ltd.	15,741	39,170	54,911

IX. GOVERNMENT GRANTS

1. Asset-related government grants

Item	Beginning balance (Restated)	Amount of new subsidies in the current year	Amount included in other gains in the current year	Amount transferred into the non-operating revenue of the current year	Other changes in the current year	Ending balance
Compensation for demolition	7,724		71	332		7,321
Project construction subsidies	821,918	42,683	57,116	141	1,957	805,387
Environmental protection subsidies	384,833	14,522	49,822		2,982	346,551
Total	1,214,475	57,205	107,009	473	4,939	1,159,259

2. Revenue-related government grants

The Company and its subsidiaries recognised a total of RMB298,165 thousand in heating subsidies and other government grants, of which RMB298,006 thousand was included in other income and RMB159 thousand was included in non-operating revenue.

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X. RISKS RELATED TO FINANCIAL INSTRUMENTS

1. Credit risk

Credit risk refers to the risk that one party to a financial instrument fails to perform its obligations, resulting in financial losses to the other party. Credit risks of the Group arise primarily from cash and cash equivalents and receivables. The Management continuously monitors these credit risk exposures.

Cash and cash equivalents of the Group, other than cash, are mainly deposited with financial institutions with good credit. The Management believes it does not have significant credit risk and does not expect any losses to the Group from default by these counterparties.

For receivables, the Group has developed credit policies based on actual circumstances. All of the Group's customers have long-term business relationships with the Group, and they are primarily power grid, heating, thermal power, and coal trading and transportation companies, where credit losses rarely occur. To monitor credit risk, the Group analyses its customer data based on factors such as debtor solvency at maturity and ageing of overdue amounts. The Group's accounts receivable from power grid companies and thermal power companies are due within 30 days from the billing date; from coal procurement customers, within 60 days from the billing date; and from heating companies, within 90 days from the billing date. Under normal circumstances, the Group does not require collateral from customers. For other receivables, the Group uses individual assessment to continuously monitor credit risk by conducting credit evaluations of the financial positions of different customers, and the provision for bad debt is in line with the Management's expectations.

An analysis of accounts receivable that are past due but not impaired after individual assessment is as follows:

Term	Ending balance	Beginning balance (Restated)
Overdue within 3 months (inclusive)	84,723	138,495
Overdue between 3 and 6 months (inclusive)	93,913	120,657
Overdue between 6 months and 1 year (inclusive)	84,881	47,744
Overdue over 1 year	423,976	26,002
Total	687,493	332,898

The Group's receivables that are neither past due nor impaired mainly relate to numerous customers for whom there is no recent history of default. The credit risk of the Group is primarily influenced by the individual characteristics of each customer, rather than the industry or country/region in which the customer operates. Therefore, significant concentrations of credit risk arise mainly from the Group's significant receivables due from individual customers. As at the balance sheet date, receivables from the Group's top five customers accounted for 55.79% (54.74% at the end of the previous year) of the Group's total receivables, where receivables include accounts receivable and bills receivable derived therefrom. Furthermore, other customers of the Group have no recent history of default.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

2. Liquidity risk

Liquidity risk refers to the risk of capital shortage encountered when an enterprise performs the obligations related to financial liabilities. The Company and its subsidiaries are responsible for their own cash management, including short-term investment of cash surpluses and raising loans to meet expected cash requirements (loans exceeding certain pre-set authorisation limits require the approval of the Company's Board of Directors). The Group's policy is to regularly monitor short-term and long-term liquidity requirements and compliance with the provisions of the loan agreement to ensure that sufficient cash reserves and readily realisable marketable securities are maintained while securing the acquisition of sufficient reserve funds committed by major financial institutions to meet short-term and longer-term liquidity needs.

The remaining contractual maturities of the Group's financial liabilities as at the balance sheet date, based on undiscounted contractual cash flows (including interest rates calculated using contractual rates, or current rates at the end of the current year or previous year if floating), and the earliest date the Group can be required to pay, are as follows:

Item	Undiscounted contractual cash flows at the end of the current year					Carrying amount on balance sheet
	Due within 1 year or on demand	Due between 1 and 2 years	Due between 2 and 5 years	Due over 5 years	Total	
Financial liabilities						
Short-term loans	38,996,468				38,996,468	38,546,701
Short-term bonds payable	3,018,444				3,018,444	3,006,280
Long-term loans (including those due within 1 year)	19,261,063	16,005,161	14,894,933	19,421,698	69,582,855	63,087,824
Bonds payable (including those due within 1 year)	6,263,233	14,408,634	11,682,231		32,354,098	31,123,729
Payables (Note 1)	16,434,944				16,434,944	16,434,944
Long-term employee benefits payable	7,493	7,200	20,067	60,918	95,678	64,727
Total:	83,981,645	30,420,995	26,597,231	19,482,616	160,482,487	152,264,205

(Continued)

Item	Undiscounted contractual cash flows at the end of the previous year (Restated)					Carrying amount on balance sheet
	Due within 1 year or on demand	Due between 1 and 2 years	Due between 2 and 5 years	After 5 years	Total	
Financial liabilities						
Short-term loans	34,292,254				34,292,254	33,863,751
Short-term bonds payable	3,815,652				3,815,652	3,806,591
Long-term loans (including those due within 1 year)	17,770,422	20,924,255	25,077,991	21,396,621	85,169,289	76,587,649
Bonds payable (including those due within 1 year)	6,164,799	5,759,006	12,250,066		24,173,871	25,649,898
Payables (Note 1)	15,729,429				15,729,429	15,729,429
Long-term employee benefits payable	8,073	7,647	21,033	68,073	104,826	72,240
Total:	77,780,629	26,690,908	37,349,090	21,464,694	163,285,321	155,709,558

Note: Payables include bills payable, accounts payable and other payables.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

2. Liquidity risk (Continued)

As at the end of the current year, the Group's net current liabilities amounted to RMB53.8 billion (RMB44.9 billion at the end of the previous year). To address the short-term liquidity risk arising from the maturity dates of the Group's loan contracts, the Group will continue to communicate and cooperate with banks and other financial institutions to obtain further loan financing support. As at the end of the current year, the Group had unutilised bank credit facilities totalling RMB220.5 billion. Additionally, the Group had registered and unissued bond quotas totalling RMB47.9 billion with the National Association of Financial Market Institutional Investors and the Shanghai Stock Exchange (total unutilised quotas at the end of the previous year were RMB15.6 billion).

3. Market risk

Market risk of financial instruments refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to market price development, including exchange rate risk, interest rate risk and other price risks.

(1) Interest rate risk

Fixed-rate and floating-rate interest-bearing financial instruments expose the Group to fair value interest rate risk and cash flow interest rate risk, respectively. The Group determines the ratio of fixed-rate and floating-rate instruments based on the market environment and maintains an appropriate combination of fixed-rate and floating-rate instruments by regular review and monitoring.

The risk of changes in the cash flow of financial instruments of the Group caused by changes in interest rates is mainly related to floating rate loans (including loans due within one year) and lease liabilities (including lease liabilities due within one year), as detailed in Notes V. 24, 31, 33, and 35. The Group's policy is to maintain floating rates on these loans to eliminate the risk of fair value changes from changes in interest rates.

(2) Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis is based on the assumption that changes in market interest rates affect the interest income or expense of variable-rate financial instruments.

On the basis of the above assumption, under the condition that other variables remain unchanged, the impact of possible reasonable changes in interest rates on net profit and shareholders' equity is as follows:

Changes in interest rate	Current year		Previous year (Restated)	
	Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
Increase by 100 basis points	-552,131	-552,131	-586,678	-586,678
Decrease by 100 basis points	552,131	552,131	586,678	586,678

For floating rate non-derivative instruments held on the balance sheet date that expose the Group to cash flow interest rate risk, the impact of net profit and shareholders' equity in the above sensitivity analysis is the impact of the above interest rate changes on the estimated annual interest expenses or income. The previous year's analysis was based on the same assumption and methodology.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

3. Market risk (Continued)

(3) Exchange rate risk

For foreign currency assets and liabilities not denominated in the functional currency, the Group buys or sells foreign currencies at market rates when necessary to manage short-term imbalances, ensuring net risk exposure is maintained at an acceptable level. The Group's primary applicable foreign exchange rates are analysed as follows:

Item	Average exchange rate		Middle rate on the balance sheet date	
	Current year	Previous year (Restated)	Current year	Previous year (Restated)
	USD	7.1429	7.1217	7.0288
EUR	8.0965	7.7248	8.2355	7.5257

Assuming all risk variables other than exchange rate risk remain constant, a 10% appreciation of the RMB against the USD and EUR would increase shareholders' equity and net profit as shown below. This impact is presented in RMB translated at the spot rate on the balance sheet date.

Item	Current year		Previous year (Restated)	
	Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
USD	693	693	5,006	5,006
EUR	3,436	3,436	3,276	3,276
Total	4,129	4,129	8,282	8,282

Assuming all other variables remain constant, a 10% depreciation of the RMB against the USD and EUR would have an equal but opposite effect on shareholders' equity and net profit compared to the amounts shown in the table above.

The above sensitivity analysis is based on the assumption that the exchange rate changes on the balance sheet date, and the financial instruments held by the Group on the balance sheet date and facing exchange rate risk are re-measured with the changed exchange rate. The previous year's analysis was based on the same assumption and methodology.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

4. Transfer of financial assets

(1) Classification of transfer modes

Transfer mode	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition	Judgment basis for derecognition
Bills endorsement	Financing accounts receivable	465,969	Derecognised	Having transferred almost all of its risks and rewards
Bills discounting	Financing accounts receivable	3,280,869	Derecognised	Having transferred almost all of its risks and rewards
Factoring	Accounts receivable	920,000	Derecognised	Having transferred almost all of its risks and rewards
Bills discounting	Bills receivable	290,000	Continuing recognition	Retained almost all of its risks and rewards
Total		4,956,838		

(2) Financial assets derecognised due to transfer

Item	Transfer modes of financial assets	Amount of financial assets derecognised	Gains or losses related to derecognition
Financing accounts receivable	Bills endorsement/bills discounting	3,746,838	28,524
Accounts receivable	Factoring	920,000	3,233
Total		4,666,838	31,757

XI. DISCLOSURE OF FAIR VALUE

1. Ending fair value of the assets and liabilities measured at fair value

Item	Ending fair value			Total
	Level 1 measurement at fair value	Level 2 measurement at fair value	Level 3 measurement at fair value	
I. Continuous fair value measurement	–	–	–	–
(I) Financing accounts receivable		281,149		281,149
(II) Other non-current financial assets				
1. Designated financial assets at FVTPL			195,569	195,569
(1) Equity instrument investment				
(III) Other equity instrument investments			150,791	150,791
Total assets continuously measured at fair value		281,149	346,360	627,509

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
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XI. DISCLOSURE OF FAIR VALUE (Continued)

2. Valuation techniques and qualitative and quantitative information about significant indicators of items subject to continuous level 2 fair value measurement

Item	Ending fair value	Valuation technique	Key parameters
Financing accounts receivable	281,149	Discounted cash flow method	Discount rate

3. Valuation techniques and qualitative and quantitative information about significant indicators of items subject to continuous level 3 fair value measurement

For financial instruments not traded in active markets, the Group has established relevant processes to determine appropriate valuation techniques and inputs for Level 3 fair value measurements. The primary valuation model used is the market approach. The Company regularly reviews these processes and the appropriateness of the fair value determinations.

4. Information on the adjustment between the beginning carrying amount and the ending carrying amount of items subject to continuous level-3 fair value measurement and sensitivity analysis of non-observable parameters

Item	Beginning balance (Restated)	Transfer to Level 3	Transfer from Level 3	Profit or losses in the current period		Purchase, issuance, sales and settlement					Ending balance	For assets held at the end of the reporting period, unrealised gains or changes recognised in profit or loss for the current year	
				Recognised in profit or loss	Included in other comprehensive income	Purchase	Issuance	Sales	Settlement	Other decreases			
(i) Other non-current financial assets	250,969			-20,400								195,569	
Financial assets at FVTPL	250,969			-20,400								195,569	
– Equity instrument investments	250,969			-20,400								195,569	
(ii) Other equity instrument investments	132,125				18,666							150,791	
Total	383,094			-20,400	18,666							346,360	

5. Fair value of financial assets and liabilities not measured at fair value

Except for the items listed in the table below, the Group's management believes that the carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements is approximate to their fair value.

Item	Ending balance		Ending balance of the previous year (Restated)	
	Carrying amount	Fair value	Carrying amount	Fair value
Fixed rate borrowings and bonds payable	37,239,912	37,544,390	35,564,726	34,812,146

The fair value of fixed-rate financial liabilities is categorised as Level 2, determined by the present value of the future cash flows stipulated in the contract discounted according to the interest rate with comparable credit rating in the market.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

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XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Relationship with related parties

(1) Information on parent company of the Company

Name of parent	Registration place	Business nature	Registered capital	Shareholding proportion held by parent company in the Company (%)	Voting right proportion of parent company in the Company (%)
China Huadian Corporation Ltd. (CHD)	Start-up Area of Xiong'an New Area, Hebei	Engaging in the development, construction, and operation management of power sources and electricity-related industries, as well as organising the development, construction, and operation management of electricity and heat production and sales, and organising electricity and heat production and sales	37,000,000	45.63 (Note)	45.63

Note: 0.74% of the parent company's shareholding proportion in the Company is 85,862,000 H Shares held through China Huadian HongKong Company Limited (a wholly-owned subsidiary of China Huadian).

(2) Information on subsidiaries of the Company

For details of subsidiaries, refer to the contents of Note "VIII. 1. (1) Composition of the Group."

(3) Joint ventures and associates of the Company

For details of significant joint ventures or associates of the Company, refer to the contents of Note "VIII. 2. (1) Significant associates."

The information on other joint ventures or associates which produced balance for conducting related parties transaction with the Company in this year or in the earlier period is shown as follows:

Name of joint venture or associate	Relationship with the Company
China Huadian Finance Corporation Limited ("Huadian Finance")	Associates
Huadian Coal Industry Group Company Limited ("Huadian Coal")	Associates
Huadian Property Company Limited ("Huadian Property")	Associates
Beijing Huabin Investment Company Limited ("Beijing Huabin")	Associate's subsidiary
Beijing Huabin Property Management Company Limited ("Huabin Property")	Associate's subsidiary
Shanghai Huabin Investment Co., Ltd. ("Shanghai Huabin")	Associate's subsidiary
Huadian Jinsha River Upstream Hydropower Development Company Limited ("Jinsha River Hydropower")	Associates
Otog Front Banner Changcheng Mine Company Limited ("Changcheng Mine")	Associates
CNNP CHD Hebei Nuclear Power Company Limited ("Hebei Nuclear Power")	Associates
Yangzhou Huasheng Energy Co., Ltd. ("Yangzhou Huasheng")	Associates
Guodian Inner Mongolia Dongsheng Co-Generation Power Co., Ltd. ("Inner Mongolia Dongsheng Co-Generation")	Associates
Yanchang Petroleum (Hubei) Power Generation Co., Ltd. ("Yanchang Petroleum")	Associates
Suzhou Taihu Zhongfa Environmental Technology Co., Ltd. ("Taihu Zhongfa")	Associates
Wuxi Xinlian Heating Co., Ltd. ("Wuxi Xinlian")	Associates
Suzhou Huahui Energy Co., Ltd. ("Suzhou Huahui")	Associates
Yangzhou Hanjiang PetroChina Kunlun Gas Co., Ltd. ("Yangzhou Hanjiang")	Associates

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

1. Relationship with related parties (Continued)

(4) Other related parties

Name of other related party	Relationship with the Company
Fujian Huadian Furui Energy Development Company Limited (“ Fujian Furui ”) and its subsidiaries	Controlled by China Huadian
China Huadian Engineering Corporation (“ Huadian Engineering ”) and its subsidiaries	Controlled by China Huadian
Huadian Electric Power Research Institute Company Limited (“ Huadian Electric Power Research Institute ”) and its subsidiaries	Controlled by China Huadian
China Huadian Group Industry and Finance Holdings Company Limited (“ Huadian Industry and Finance Holdings ”) and its subsidiaries	Controlled by China Huadian
China Huadian Group Beijing Energy Company Limited (“ Huadian Beijing Company ”) and its subsidiaries	Controlled by China Huadian
China Huadian Materials Company Limited (“ Huadian Materials ”) and its subsidiaries	Controlled by China Huadian
China Huadian HongKong Company Limited (“ Huadian HongKong ”) and its subsidiaries	Controlled by China Huadian
China Huadian Advanced Training Centre Co., Ltd. (“ Advanced Training Centre ”)	Controlled by China Huadian
China Huadian Electrical Construction Technical and Economic Consulting Centre (“ Huadian Technical and Economic Centre ”)	Controlled by China Huadian
China Huadian Clean Energy Company Limited (“ Huadian Clean Energy ”) and its subsidiaries	Controlled by China Huadian
Huadian Inner Mongolia Energy Company Limited (“ Inner Mongolia Energy ”) and its subsidiaries	Controlled by China Huadian
Huadian Shanxi Energy Company Limited (“ Shanxi Energy ”) and its subsidiaries	Controlled by China Huadian
Huadian Liaoning Energy Company Limited (“ Liaoning Energy ”) and its subsidiaries	Controlled by China Huadian
Guodian Nanjing Automation Co., Ltd. (“ Guodian Nanjing Automation ”) and its subsidiaries	Controlled by China Huadian
China Huadian Group Carbon Asset Operation Co., Ltd. (“ Carbon Asset Operation ”)	Controlled by China Huadian
Huadian Yunnan Power Generation Company Limited (“ Yunnan Power Generation ”) and its subsidiaries	Controlled by China Huadian
Guizhou Wujiang Hydroelectric Development Company Limited (“ Wujiang Hydroelectric ”) and its subsidiaries	Controlled by China Huadian
Huadian Sichuan Power Company Limited (“ Sichuan Power ”) and its subsidiaries	Controlled by China Huadian
Huadian Shaanxi Energy Company Limited (“ Shaanxi Energy ”) and its subsidiaries	Controlled by China Huadian
Huadian Asset Management (Tianjin) Company Limited (“ Huadian Asset Management ”) and its subsidiaries	Controlled by China Huadian
China Huadian Group Xiong’an Energy Company Limited (“ Xiong’an Energy ”) and its subsidiaries	Controlled by China Huadian
Huadian Commercial Factoring (Tianjin) Co., Ltd. (“ Huadian Factoring ”) and its subsidiaries	Controlled by China Huadian
Guizhou Qianyuan Power Company Limited (“ Qianyuan Power ”) and its subsidiaries	Controlled by China Huadian
Huadian Xinjiang Power Generation Company Limited (“ Xinjiang Power Generation ”) and its subsidiaries	Controlled by China Huadian
Huadian Tibet Energy Company Limited (“ Tibet Energy ”) and its subsidiaries	Controlled by China Huadian
Huadian Gas Turbine Technology (Shanghai) Co., Limited (“ Huadian Gas Turbine ”) and its subsidiaries	Controlled by China Huadian
Huadian Qicheng Energy Management (Tianjin) Partnership (Limited Partnership) (“ Huadian Qicheng Energy ”) and its subsidiaries	Controlled by China Huadian
Yankuang Energy Group Company Limited (“ Yankuang Energy ”) and its subsidiaries	Associated legal person of the Group
PetroChina Company Limited (“ PetroChina ”) and its subsidiaries	Associated legal person of the Group

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

2. Related party transactions

(1) Related party transactions of purchase/sales of goods and rendering/receiving of labour services

1) Purchasing goods/receiving labour services

Related Party	Content of related party transactions	Amount in the current year	Amount in the previous year (Restated)
Huadian Electric Power Research Institute, Guodian Nanjing Automation and its subsidiaries, Huadian Engineering and its subsidiaries, Huadian Coal and its subsidiaries, Shanxi Energy and its subsidiaries, China Huadian, Fujian Furui and its subsidiaries, Huadian Materials and its subsidiaries, Huadian Gas Turbine, Wujiang Hydroelectric and its subsidiaries, Tibet Energy	Construction and equipment expenses	1,537,005	1,296,947
Fujian Furui and its subsidiaries, Huadian Beijing Company and its subsidiaries, Huadian Property and its subsidiaries, China Huadian, Beijing Huabin, Wujiang Hydroelectric and its subsidiaries, Huadian Electric Power Research Institute and its subsidiaries, Guodian Nanjing Automation and its subsidiaries, Huadian Coal and its subsidiaries, Shanxi Energy and its subsidiaries, Sichuan Power and its subsidiaries, Tibet Energy, Huadian Industry and Finance Holdings and its subsidiaries, Huadian Technical and Economic Centre, Advanced Training Centre, Carbon Asset Operation, Huadian Materials and its subsidiaries, Huadian Engineering and its subsidiaries	Technical service fees	402,799	278,572
Shanxi Energy and its subsidiaries, Xinjiang Power Generation and its subsidiaries	Carbon emission indicators	3,630	74,309
Huadian Finance, Huadian Industry and Finance Holdings and its subsidiaries	Service charges	3,247	393
China Huadian	Coal service fees	4,230	8,439
Sichuan Power and its subsidiaries	Coal service fees	11,938	14,289
Huadian Coal and its subsidiaries	Coal procurement (Note1)	1,510,082	5,824,428
Shanxi Energy and its subsidiaries, Huadian Engineering and its subsidiaries, Huadian HongKong and its subsidiaries	Coal procurement	1,153,443	1,231,714
Yankuang Energy	Coal procurement (Note1)	1,505,798	2,766,757
China Huadian	Coal procurement	8,535,052	12,119,403
PetroChina and its subsidiaries, Yangzhou Hanjiang	Procurement of natural gas and fuel oil	11,637,088	12,108,197
Huadian Clean Energy and its subsidiaries	Procurement of natural gas and fuel oil	127,680	23,290
Huabin Property and its subsidiaries, Beijing Huabin, Sichuan Power and its subsidiaries	Property management fees	33,023	35,863
Sichuan Power and its subsidiaries, Huadian Engineering and its subsidiaries	Operation service expenditures	13,430	13,247
Sichuan Power and its subsidiaries, Guodian Nanjing Automation and its subsidiaries, Huadian Engineering and its subsidiaries, Huadian Coal and its subsidiaries, Huadian Electric Power Research Institute and its subsidiaries, China Huadian, Carbon Asset Operation, Shanxi Energy and its subsidiaries, Huadian Beijing Company and its subsidiaries, Huadian Gas Turbine	Repair expenses	12,806	106,354
Sichuan Power and its subsidiaries, Fujian Furui and its subsidiaries	Power purchase and electricity quota purchase	921,889	508,253
Huadian Asset Management and its subsidiaries	Repayment of principal and interest on finance leases	340,471	937,565
Huadian Asset Management and its subsidiaries	Principal borrowed under finance leases		124,969
China Huadian, Huadian Finance, Huadian Factoring, Fujian Furui, Huadian Qicheng Energy	Interest expenses	398,565	511,387
Huadian Finance	Discount interest amortised in the current year	511	1,121
Total		28,152,687	37,985,497

Note 1: Coal procurement is reported on a gross basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
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XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

2. Related party transactions (Continued)

(1) Related party transactions of purchase/sales of goods and rendering/receiving of labour services (Continued)

2) Selling goods/rendering labour services

Related Party	Content of related party transactions	Amount in the current year	Amount in the previous year (Restated)
Fujian Furui and its subsidiaries, Huadian Beijing Company and its subsidiaries, Huadian Electric Power Research Institute, Huadian Gas Turbine, Huadian HongKong and its subsidiaries	Revenue from equipment sales	278,754	170,236
Fujian Furui and its subsidiaries, Sichuan Power and its subsidiaries, Huadian Coal and its subsidiaries, Huadian Beijing Company and its subsidiaries, Inner Mongolia Energy, Wujiang Hydroelectric and its subsidiaries, Yunnan Power Generation and its subsidiaries, Liaoning Energy and its subsidiaries	Coal sales revenue (Note1)	5,163,983	4,552,594
Fujian Furui and its subsidiaries, China Huadian, Sichuan Power and its subsidiaries, Huadian Beijing Company and its subsidiaries, Huadian Electric Power Research Institute, Advanced Training Centre, Huadian Engineering and its subsidiaries, Huadian HongKong and its subsidiaries, Huadian Coal and its subsidiaries, Xiong'an Energy, Yunnan Power Generation and its subsidiaries, Qianyan Power and its subsidiaries, Jinsha River Hydropower	Revenue from project contracting	105,366	35,239
Fujian Furui and its subsidiaries, Guodian Nanjing Automation and its subsidiaries, Huadian Gas Turbine	Revenue from project maintenance	37,703	47,435
Sichuan Power and its subsidiaries, Yunnan Power Generation and its subsidiaries, Inner Mongolia Energy and its subsidiaries, Shanxi Energy and its subsidiaries	Carbon allowance trading	36,424	196,386
Sichuan Power and its subsidiaries, Fujian Furui and its subsidiaries, Xinjiang Power Generation and its subsidiaries, China Huadian	Revenue from electricity sales service	48,980	19,022
Yangzhou Huasheng, Wuxi Xinlian, Suzhou Huahui, Taihu Zhongfa	Heating revenue	615,077	479,229
Fujian Furui and its subsidiaries	Revenue from the transfer of energy storage capacity indicators	54,950	41,557
Huadian Finance, Hebei Nuclear Power	Interest income	44,857	58,391
Total		6,386,094	5,600,089

Note 1: Coal sales revenue is reported on a gross basis.

(2) Related party lease

1) Lease

Name of lessee	Type of asset leased	Leasing income recognised in the current year	Lease revenue recognised in the previous year (Restated)
Fujian Furui and its subsidiaries	Office buildings, land, and vehicles	6,049	6,742
China Huadian	Office buildings	326	326
Sichuan Power and its subsidiaries	Office buildings	282	523
Huadian Materials and its subsidiaries	Office buildings	531	531
Huadian Engineering and its subsidiaries	Office buildings	550	
Huadian Electric Power Research Institute	Premises and buildings	162	
Huadian Beijing Company and its subsidiaries	Premises		79

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

2. Related party transactions (Continued)

(2) Related party lease (Continued)

2) Accepting lease

Name of lessor	Type of asset leased	Amount in the current year					Amount in the previous year (Restated)				
		Rental expenses for simplified short-term leases and low-value asset leases	Variable lease payments not included in the measurement of lease liabilities	Rents paid	Interest expenses on lease liabilities assumed	Increased right-of-use assets	Rental expenses for simplified short-term leases and low-value asset leases	Variable lease payments not included in the measurement of lease liabilities	Rents paid	Interest expenses on lease liabilities assumed	Increased right-of-use assets
Huadian Engineering and its subsidiaries	Premises and buildings			3,286	238			3,295	366	8,361	
Beijing Huabin	Premises and buildings			48,454	1,593			48,454	2,802	88,779	
Huadian Coal and its subsidiaries	Premises and buildings			10,311	583				953	786	
Inner Mongolia Energy	Premises and buildings						442	467			
Sichuan Power and its subsidiaries	Premises and buildings	1,757		1,915			1,757	1,915			
Shaanxi Energy	Premises and buildings	989		1,078			989	1,078			
Fujian Furui and its subsidiaries	Equipment	279		315			279	315			
Shanghai Huabin	Premises and buildings			2,356	97			2,356	195	6,271	
Fujian Furui and its subsidiaries	Premises and buildings			250	58			250	65	1,859	
China Huadian	Office buildings	385		448			108	118			

(3) Fund lending/borrowing of related parties

Name of related party	Amount of inter-bank lending	Starting date	Due	Notes
Borrowings				
Huadian Finance	26,468,207	2019/3/27	2041/6/26	
China Huadian	24,200	2022/9/19	2028/12/23	
Huadian Factoring	3,070,915	/	/	
Lending				
Hebei Nuclear Power	58,408	2025/12/25	2028/12/24	
Recovery				
Hebei Nuclear Power	58,408	2022/12/26	2025/12/25	
Settlement				
Huadian Finance	25,899,967	/	/	
China Huadian	1,576,460	/	/	
Huadian Factoring	2,724,000	/	/	
Deposit balance				
Huadian Finance	6,634,086	/	/	

Related Party	Discount amount	Paid amount
Bills discounting		
Huadian Finance	113,837	240,000

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XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

2. Related party transactions (Continued)

(4) Other related party transactions

1) Investment in equity securities of affiliates

Related Party	Content of related party transactions	Amount in the current year	Amount in the previous year (Restated)
Jinsha River Hydropower	Equity securities injection	230,952	111,000
Yanchang Petroleum	Equity securities injection	150,000	50,000
Huadian Property	Equity securities injection	23,927	
Hebei Nuclear Power	Equity securities injection	16,614	28,236
Huadian Coal	Equity securities injection	1,613	5,056
Changcheng Mine	Equity securities injection		644,885
Inner Mongolia Dongsheng Co-Generation	Equity securities injection		26,378

2) Assets transfer of related parties

Related Party	Content of related party transactions	Amount in the current year	Amount in the previous year (Restated)
Fujian Furui and its subsidiaries	Sale of assets	29,839	

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XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

3. Balance of transactions with related parties

(1) Receivables

Project name	Related Party	Ending balance		Beginning balance (Restated)	
		Book value	Provision for bad debts	Book value	Provision for bad debts
Construction in progress – construction and construction material prepayments	Huadian Engineering and its subsidiaries, Guodian Nanjing Automation and its subsidiaries, Huadian Gas Turbine	73,685		101,439	
Prepayments	Sichuan Power and its subsidiaries, Advanced Training Centre, Huadian Materials and its subsidiaries, Guodian Nanjing Automation and its subsidiaries, Huadian Electric Power Research Institute and its subsidiaries, Huadian Engineering and its subsidiaries, Fujian Furui and its subsidiaries, Huadian Coal and its subsidiaries, Beijing Huabin, Huadian Finance	19,162		17,675	
Prepayments-Prepaid fuel expenses	China Huadian, Huadian Coal and its subsidiaries, Shanxi Energy and its subsidiaries, Yangzhou Hanjiang, PetroChina and its subsidiaries, Yankuang Energy	1,105,663		1,290,809	
Other receivables	Advanced Training Centre, Huadian Finance, Fujian Furui and its subsidiaries, Huadian Engineering and its subsidiaries, Sichuan Power and its subsidiaries, Huadian Materials and its subsidiaries, China Huadian, Guodian Nanjing Automation and its subsidiaries, Huadian Gas Turbine, Wujiang Hydroelectric and its subsidiaries, Shanxi Energy, Liaoning Energy and its subsidiaries, Huadian Industry and Finance Holdings, Huadian Beijing Company and its subsidiaries, Yunnan Power Generation and its subsidiaries	354,588		7,334	
Accounts receivable-Coal payments	Huadian Coal and its subsidiaries, Fujian Furui and its subsidiaries, Huadian Beijing Company and its subsidiaries, Sichuan Power and its subsidiaries, Inner Mongolia Energy and its subsidiaries, Yunnan Power Generation and its subsidiaries, Wujiang Hydroelectric and its subsidiaries, Liaoning Energy and its subsidiaries	2,483		98,227	
Accounts receivable-Others	Guodian Nanjing Automation and its subsidiaries, Huadian Coal and its subsidiaries, Fujian Furui and its subsidiaries, Huadian Beijing Company and its subsidiaries, Huadian Engineering and its subsidiaries, Xinjiang Power Generation and its subsidiaries, China Huadian, Huadian Electric Power Research Institute, Liaoning Energy and its subsidiaries, Yangzhou Huasheng, Wuxi Xinlian, Suzhou Huahui, Taihu Zhongfa, Sichuan Power and its subsidiaries, Huadian Gas Turbine	244,747		281,177	
Other non-current assets	Huadian Engineering and its subsidiaries, Shanxi Energy and its subsidiaries			21,311	
Debt investments	Hebei Nuclear Power	231,362		269,452	
Non-current assets due within one year	Hebei Nuclear Power	96,552		58,493	

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XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

3. Balance of transactions with related parties (Continued)

(2) Payables

Project name	Related Party	Ending book value	Beginning book value (Restated)
Accounts payable-Machinery and equipment related payable	Huadian Engineering and its subsidiaries, Guodian Nanjing Automation and its subsidiaries, Shanxi Energy and its subsidiaries, Huadian Coal and its subsidiaries, Huadian Electric Power Research Institute and its subsidiaries, Wujiang Hydroelectric and its subsidiaries, Sichuan Power and its subsidiaries, China Huadian, Huadian Beijing Company and its subsidiaries, Huadian Gas Turbine, Huadian Factoring, Huadian Technical and Economic Centre, Huadian Clean Energy and its subsidiaries, Fujian Furui and its subsidiaries	884,347	1,237,792
Accounts payable-Fuel expenses and freight payable	Guodian Nanjing Automation and its subsidiaries, Huadian Coal and its subsidiaries, Huadian Engineering and its subsidiaries, China Huadian, Huadian HongKong and its subsidiaries, Shanxi Energy and its subsidiaries, Huadian Clean Energy and its subsidiaries, PetroChina, Yangzhou Hanjiang	649,110	516,759
Accounts payable-Fuel payable	Yankuang Energy		7,608
Accounts payable-Repairs and others payable	China Huadian, Sichuan Power and its subsidiaries, Huadian Engineering and its subsidiaries, Huadian Electric Power Research Institute and its subsidiaries, Advanced Training Centre, Guodian Nanjing Automation and its subsidiaries, Huadian Beijing Company and its subsidiaries, Shanxi Energy and its subsidiaries	4,891	104,033
Accounts payable-Coal service fees	China Huadian	14,660	543
Accounts payable-Technical service fees	Advanced Training Centre, Guodian Nanjing Automation and its subsidiaries, Huadian Engineering and its subsidiaries, Shanxi Energy and its subsidiaries, Huadian Electric Power Research Institute and its subsidiaries, Sichuan Power and its subsidiaries, Huadian Industry and Finance Holdings and its subsidiaries, Carbon Asset Operation, Huadian Clean Energy and its subsidiaries, China Huadian, Huadian Technical and Economic Centre, Huadian Property and its subsidiaries, Huadian Coal and its subsidiaries, Huadian Beijing Company and its subsidiaries, Tibet Energy and its subsidiaries, Fujian Furui and its subsidiaries	89,472	55,592
Other payables-Consideration on acquisitions, quality guarantee deposit for machinery and equipment, etc.	Huadian Materials and its subsidiaries, Huadian Coal and its subsidiaries, Guodian Nanjing Automation and its subsidiaries, Fujian Furui and its subsidiaries, Huadian Engineering and its subsidiaries, Shanxi Energy and its subsidiaries, Huadian Electric Power Research Institute, Sichuan Power and its subsidiaries, Carbon Asset Operation and its subsidiaries, Huadian Industry and Finance Holdings and its subsidiaries, Huadian Clean Energy and its subsidiaries, Huadian HongKong and its subsidiaries, China Huadian, Huadian Beijing Company and its subsidiaries, Huadian Gas Turbine, Yankuang Energy	28,467	98,546
Other payables	Huadian Engineering and its subsidiaries, Carbon Asset Operation, Shanxi Energy and its subsidiaries, Sichuan Power and its subsidiaries, China Huadian, Guodian Nanjing Automation and its subsidiaries, Huadian Electric Power Research Institute, Inner Mongolia Energy and its subsidiaries, Liaoning Energy and its subsidiaries, Huadian Coal and its subsidiaries, Fujian Furui and its subsidiaries, Yunnan Power Generation and its subsidiaries	101,511	17,062
Contract liabilities	Fujian Furui and its subsidiaries, Huadian Coal and its subsidiaries, Huadian Beijing Company and its subsidiaries, Sichuan Power and its subsidiaries, Wujiang Hydroelectric and its subsidiaries, Huadian Engineering and its subsidiaries, Liaoning Energy and its subsidiaries	41,339	156,768
Long-term and short-term loans	China Huadian, Huadian Factoring, Huadian Qicheng Energy, Fujian Furui	5,670,875	7,089,345
Long-term and short-term loans	Huadian Finance, Huadian Asset Management and its subsidiaries	10,433,911	10,179,014
Long-term loan payables and long-term loan payables due within one year	Huadian Asset Management and its subsidiaries		19,820
Advances from customers	Huadian Beijing Company and its subsidiaries		11

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(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

4. Commitments by related parties

Related Party	Ending balance	Beginning balance (Restated)
Capital commitment	402,059	434,254
Lease commitment	149,976	
Commitment on properties rental and management fees	32,091	11,047

5. Director' and senior executive's employee benefits

(1) The detailed compensation of directors is shown as follows:

Item	Salary and allowance	Retirement benefit	Bonus	Compensation for directors	Total
Amount in the current year					
Executive Directors					
Liu Lei	327	86	644		1,057
Li Quancheng	136	30	271		437
Chen Bin (Note 1)	191	41	379	344	955
Li Guoming	314	81	600	259	1,254
Zhu Yueguang	308	81	456	52	897
Non-executive Directors					
Zhu Peng					
Zhao Wei (Note 2)					
Zeng Qinghua					
Cao Min					
Wang Xiaobo					
Independent non-executive directors					
Feng Zhenping				180	180
Wang Yuesheng				180	180
Shen Ling				180	180
Li Xingchun (Note 3)				135	135
Huang Kemeng (Note 3)				45	45
Total	1,276	319	2,350	1,375	5,320

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Director' and senior executive's employee benefits (Continued)

(1) The detailed compensation of directors is shown as follows: (Continued)

(Continued)

Item	Salary and allowance	Retirement benefit	Bonus	Compensation for directors	Total
Amount in the previous year					
Executive Directors					
Liu Lei					
Dai Jun					
Chen Bin	314	67	627		1,008
Li Guoming	282	68	548		898
Non-executive Directors					
Zhu Peng					
Zhao Wei					
Zeng Qinghua					
Zhao Bing					
Zhang Zhiqiang					
Li Deqiang					
Cao Min					
Wang Xiaobo					
Independent non-executive directors					
Feng Zhenping				180	180
Li Xingchun				180	180
Wang Yuesheng				180	180
Shen Ling				180	180
Total	596	135	1,175	720	2,626

Note 1: Mr. Chen Bin's term expired on 25 September, 2025, and he no longer holds the position of Vice Chairman of the Company.

Note 2: Mr. Zhao Wei's term expired on 28 September, 2025, and he no longer holds the position of Director of the Company.

Note 3: Mr. Li Xingchun's term expired on 25 September, 2025, and he no longer holds the position of Independent Director of the Company. Following the election at the second extraordinary general meeting of 2025, Mr. Huang Kemeng was elected as an Independent Director.

(2) Individuals with top five compensations

The five highest paid employees of the Group during the year included three directors (2024: two directors), details of whose remuneration are set out in note 12.5. (1) above. Details of the remuneration for the year of the remaining two (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

Item	Amount in the current year	Amount in the previous year
Salary and other compensation	937	713
Retirement benefit	128	160
Bonus	1,249	1,381
Total	2,314	2,254

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Director' and senior executive's employee benefits (Continued)

(2) Individuals with top five compensations (Continued)

Scope of compensation:

Item	Number of individuals in the current year	Number of individuals in the previous year
Within HKD1,000,000		3
HKD1,000,001 to HKD1,500,000	2	

At the track record period, there has been no director who gives up or agrees to give up any compensation. At the track record period, the Company has not paid any compensation to any director or five persons with the highest compensation as the reward for attracting them to join in the Company or reward for them when joining in or as the separation allowance.

(3) Compensation for key managers

Compensation for key managers (including the amount which has been paid and shall be paid to directors and senior executives) is shown as follows:

Item	Amount in the current year	Amount in the previous year
Salary and other compensation	3,896	2,166
Retirement benefit	524	326
Bonus	4,131	2,819
Total	8,551	5,311

XIII. SHARE-BASED PAYMENT

None.

XIV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Please refer to the contents of Note "XII. Related parties and related party transactions" for details of the commitments related to related parties that are not recognised.

Item	Ending balance	Beginning balance (Restated)
Executed construction contracts not yet recognised in the financial statements, etc.	16,371,084	14,119,235
Total	16,371,084	14,119,235

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

XIV. COMMITMENTS AND CONTINGENCIES (*Continued*)

2. Contingencies

The Group's subsidiaries were involved in several legal proceedings as defendants. As of the date of approval of the Financial Report, several lawsuits were in progress whose final outcomes cannot be determined at present. Based on the evidence obtained, the management of the Group considered that the above matters will not result in significant adverse effect on the financial position and operating results of the Group.

Except for the above-mentioned legal proceedings, the Group had no other contingent liabilities.

XV. EVENTS AFTER BALANCE SHEET DATE

1. Significant non-adjusting events

From the balance sheet date to the reporting date, the Group issued the following short-term debentures:

Name of financial instrument	Issuance date	Accounting classification	Dividend rate or interest rate	Issue price	Quantity (Pcs.)	Amount (RMB)	Expiration date or renewal status
1st short-term debenture of 2026 (Jiangsu Energy)	2026-3-11	Other current liabilities	1.53%	RMB100/piece	6,000,000	600,000,000	105 days
2nd short-term debenture of 2026 (Jiangsu Energy)	2026-3-11	Other current liabilities	1.53%	RMB100/piece	6,000,000	600,000,000	105 days
3rd short-term debenture of 2026 (Jiangsu Energy)	2026-3-19	Other current liabilities	1.51%	RMB100/piece	6,000,000	600,000,000	112 days

2. Profit distribution

Item	Amount
Profit or dividend to be distributed	2,670,708

Note: According to the 2025 Profit Distribution Plan considered and approved at the 30th Meeting of the 10th Board of Directors of the Company, the Board of Directors recommended a dividend distribution of RMB0.23 per share based on the total share capital of 11,611,774 thousand shares as at the end of 2025, amounting to a total distribution of RMB2,670,708 thousand. This comprises: (i) an interim cash dividend of RMB0.09 per share, totalling RMB1,045,060 thousand, which has already been distributed in 2025; and (ii) this final cash dividend distribution of RMB0.14 per share, totalling RMB1,625,648 thousand. The resolution is subject to approval by the shareholders' meeting.

3. Explanation of other events after the balance sheet date

There are no other significant events after the balance sheet date for the Group to disclose, except for the events after the balance sheet date above.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

XVI. OTHER SIGNIFICANT MATTERS

1. Segment information

(1) Determination basis and accounting policy of reportable segments

The Group's principal business activities involve power generation, heat supply, coal sales, and other related services within China. In accordance with the Group's internal organisational structure, management requirements, and internal reporting system, the Group has identified only one operating segment and reporting segment dedicated to power generation within China. Therefore, the Group is not required to disclose additional segment reporting information.

(2) The Group's operating revenue from major customers and its dependence

Customer name	Operating revenue	Proportion in total operating revenue
State Grid Shandong Electric Power Company	28,775,960	22.84%
State Grid Jiangsu Electric Power Co., Ltd.	20,160,450	16.00%
Guangdong Power Grid Co., Ltd.	9,351,188	7.42%
State Grid Hubei Electric Power Co., Ltd.	9,227,322	7.32%
State Grid Sichuan Electric Power Company	6,719,617	5.33%
Total	74,234,537	58.91%

(3) Revenue from the external main operations by product or business

Product name	Current year	Previous year (Restated)
Power generation	111,807,428	123,931,080
Heating	12,458,141	12,128,250
Coal sales	957,175	4,541,537
Total	125,222,744	140,600,867

2. Other significant transactions and events affecting investors' decisions

There are no other significant transactions and events affecting investors' decisions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

XVII. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Accounts receivable presented by ageing

Age	Ending book value	Beginning book value
Within 1 year (including 1 year)	1,189,002	1,496,165
1-2 years (including 2 years)	21,887	2,971
2-3 years (including 3 years)	1,970	22,377
After 3 years	21,845	212
Subtotal	1,234,704	1,521,725
Less: provision for bad debts	23,830	19,934
Total	1,210,874	1,501,791

(2) Classified presentation of accounts receivable according to bad debt accrual method

Category	Ending balance					Beginning balance				
	Book value		Provision for bad debts		Carrying amount	Book value		Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad debt accrued individually	1,234,704	100.00	23,830	1.93	1,210,874	1,521,725	100.00	19,934	1.31	1,501,791
Including: Accounts receivable with significant single amounts and provision for bad debt accrued individually	1,196,297	96.89	3,907	0.33	1,192,390	1,500,610	98.61	11,424	0.76	1,489,186
Accounts receivable with insignificant single amount and provision for bad debts made on single item	38,407	3.11	19,923	51.87	18,484	21,115	1.39	8,510	40.30	12,605
Total	1,234,704	100.00	23,830	1.93	1,210,874	1,521,725	100.00	19,934	1.31	1,501,791

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

XVII. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Accounts receivable (Continued)

(3) Top five ending balances of accounts receivable and contract assets allocated according to the borrowers

Company name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contract assets	Ending balance of the provision for bad debts for accounts receivable and contract assets
State Grid Shandong Electric Power Company	675,253		675,253	54.69%	
State Grid Shanxi Electric Power Company	99,661		99,661	8.07%	
Tianjin Bohua Chemical Development Co., Ltd.	83,982		83,982	6.80%	
State Grid Chongqing Electric Power Company	80,806		80,806	6.54%	
Tianjin Taigang Operation Management Co., Ltd.	76,169		76,169	6.17%	
Total	1,015,871		1,015,871	82.27%	

(4) Breakdown of accounts receivable by nature:

Category	Ending balance	Beginning balance
1. Accounts receivable for the sale of electricity	903,154	1,218,334
2. Accounts receivable for the sale of heat	298,294	270,987
3. Other receivables	33,256	32,404
Subtotal	1,234,704	1,521,725
Less: provision for bad debts	23,830	19,934
Total	1,210,874	1,501,791

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

XVII. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables

Item	Ending balance	Beginning balance
Dividends receivable	558,212	102,619
Other receivables	6,445,900	11,106,228
Total	7,004,112	11,208,847

(1) Other receivables classified by nature

Nature	Ending book value	Beginning book value
Subsidiary loans receivable	7,161,135	11,662,559
Subsidiary internal transaction payments receivable		191
Others	188,954	199,760
Subtotal	7,350,089	11,862,510
Less: provision for bad debts	904,189	756,282
Total	6,445,900	11,106,228

(2) Classified presentation of other receivables by bad debt accrual method

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (no credit impairment occurs)	Lifetime expected credit loss (credit impairment has occurred)	
Balance as of 1 January 2025			756,282	756,282
Balance as of 1 January 2025 in the current year	-	-	-	-
- Be transferred to Stage 2				
- Be transferred to Stage 3				
- Be transferred back to Stage 2				
- Be transferred back to Stage 1				
Provision in the current year			159,301	159,301
Reversal in the current year			11,394	11,394
Write-off in the current year				
Verification in the current year				
Other changes				
Balance as of 31 December 2025			904,189	904,189

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

XVII. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

(3) Top five ending balances of other receivables allocated according to the borrowers

Company name	Nature	Ending balance	Age	Proportion in total ending balance of other receivables	Ending balance of provision for bad debts
Sichuan Huadian Zagunao Hydroelectric Development Company Limited	Subsidiary loans receivable	2,898,693	Within 1 year, 1-2 years, 2-3 years, 3-4 years	39.44%	
Huadian Zhanjiang Power Generation Co., Ltd.	Subsidiary loans receivable	719,526	Within 1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years, after 5 years	9.79%	719,526
Huadian Luohe Power Generation Company Limited	Subsidiary loans receivable	701,997	Within 1 year, 1-2 years, 2-3 years	9.55%	
Sichuan Liangshan Shuiluohe Hydropower Development Co., Ltd.	Subsidiary loans receivable	656,161	Within 1 year, 2-3 years, 3-4 years	8.93%	
Xingwang Coal Mine, Dalad Qi Wenwei Coal Co., Ltd.	Subsidiary loans receivable	432,470	Within 1 year, 2-3 years	5.88%	
Total	-	5,408,847	-	73.59%	719,526

3. Long-term equity investments

Item	Ending balance			Beginning balance		
	Book value	Impairment of assets	Carrying amount	Book value	Impairment of assets	Carrying amount
Investment in subsidiaries	59,948,737	2,352,354	57,596,383	51,949,204	2,321,778	49,627,426
Investment in associates and joint ventures	45,989,299	99,290	45,890,009	44,586,467	99,290	44,487,177
Total	105,938,036	2,451,644	103,486,392	96,535,671	2,421,068	94,114,603

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025
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XVII. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(1) Investment in subsidiaries

Investee	Beginning balance (Carrying amount)	Beginning balance of impairment provision	Increase/decrease in the current year				Ending balance (Carrying amount)	Ending balance of impairment provision
			Additional investment	Negative investment	Accrual of provision for impairment	Others		
Huadian Zibo Thermal Power Company Limited	1,173,850		48,000				1,221,850	
Huadian Shandong Material Company Limited	38,648						38,648	
Huadian International Shandong Project Management Co., Ltd.	50,334						50,334	
Sichuan Huadian Luding Hydropower Company Limited	1,756,446						1,756,446	
Hebei Huadian Hybrid Storage Hydropower Company Limited	94,181						94,181	
Hebei Huarui Energy Group Corporation Limited	1,366,895						1,366,895	
Guangdong Huadian Pingshi Power Generation Company Limited	1,706,196						1,706,196	
Guangdong Huadian Shaoguan Thermal Power Company Limited	1,515,019						1,515,019	
Sichuan Huadian Power Investment Company Limited	2,967,020						2,967,020	
Shijiazhuang Huadian Heat Corporation Limited	453,967		142,000				595,967	
Huadian Zhejiang Longyou Thermal Company Limited	292,500						292,500	
Sichuan Guang'an Power Generation Company Limited	1,299,797						1,299,797	
Huadian Zhangqiu Power Generation Company Limited	624,177						624,177	
Huadian Qingdao Power Generation Co., Ltd.	629,960						629,960	
Huadian Tengzhou Xinyuan Thermal Power Company Limited	806,734						806,734	
Anhui Huadian Suzhou Power Generation Company Limited	914,370						914,370	
Huadian Qingdao Thermal Power Company Limited	16,500						16,500	
Huadian Weifang Power Company Limited	858,983						858,983	
Anhui Huadian Wuhu Power Generation Company Limited	1,072,222						1,072,222	
Huadian Zouxian Power Generation Company Limited	2,070,000						2,070,000	
Huadian Luohe Power Generation Company Limited	475,300						475,300	
Hebei Huadian Shijiazhuang Thermal Power Company Limited	1,194,008						1,194,008	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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XVII. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(1) Investment in subsidiaries (Continued)

Investee	Beginning balance (Carrying amount)	Beginning balance of impairment provision	Increase/decrease in the current year				Ending balance (Carrying amount)	Ending balance of impairment provision
			Additional investment	Negative investment	Accrual of provision for impairment	Others		
Hangzhou Huadian Banshan Power Generation Company Limited	1,171,267						1,171,267	
Sichuan Huadian Zagunao Hydroelectric Development Company Limited	201,162	587,200					201,162	587,200
Huadian Qudong Power Generation Company Limited	511,200		61,900	573,100				
Anhui Huadian Lu'an Power Plant Company Limited	875,430						875,430	
Huadian Longkou Power Generation Company Limited	3,322,369		457,000				3,779,369	
Huadian Laizhou Power Generation Company Limited	1,974,600						1,974,600	
Huadian Zoucheng Thermal Power Company Limited	56,000						56,000	
Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited	715,975			715,975				
Huadian Laizhou Port Co. Ltd	139,835						139,835	
Anhui Wenhui New Product Promotion Co., Ltd.		283,315						283,315
Anhui Hualin International Energy Co., Ltd.		25,500						25,500
Inner Mongolia Haoyuan Coal Co., Ltd.		691,777						691,777
Tianjin Huadian Fuyuan Thermal Power Company Limited	757,152						757,152	
Hangzhou Huadian Xiasha Thermal Power Company Limited	145,229						145,229	
Hangzhou Huadian Jiangdong Thermal Power Company Limited	420,000			420,000				
Tianjin Huadian Nanjiang Thermal Power Company Limited	370,923						370,923	
Xingwang Coal Mine, Dalad Qi Wenwei Coal Co., Ltd.	993,453	506,862					993,453	506,862
Chongqing Mingyang Coal Sales Co., Ltd.	7,000						7,000	
Huadian Foshan Energy Co., Ltd.	730,589						730,589	
Huadian Group Beijing Fuel Logistics Company Limited	381,886						381,886	
Huadian Hubei Power Generation Company Limited	5,017,389						5,017,389	
Huadian Guangdong Energy Sales Co., Ltd.	200,010						200,010	
Qingdao Huatuo Technology Company Limited	100,000						100,000	
Huadian Anhui Energy Sales Co., Ltd.	110,000						110,000	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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XVII. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(1) Investment in subsidiaries (Continued)

Investee	Beginning balance (Carrying amount)	Beginning balance of impairment provision	Increase/decrease in the current year				Ending balance (Carrying amount)	Ending balance of impairment provision
			Additional investment	Negative investment	Accrual of provision for impairment	Others		
Huadian Henan Energy Sales Co., Ltd.	50,000		50,000				100,000	
Huadian Chongqing Jiangjin Energy Co., Ltd.	30,576	28,424			30,576			59,000
Huadian Ningxia Energy Sales Co., Ltd.	21,000						21,000	
Huadian Shandong Energy Sales Co., Ltd.	210,000						210,000	
Huadian Jinan Zhangqiu Thermal Power Company Limited	381,500		10,500				392,000	
Huadian Dongying Energy Co., Ltd.	46,800						46,800	
Huadian (Zhejiang) Energy Sales Co., Ltd.	20,000						20,000	
Guangdong Huadian Huizhou Energy Company Limited	725,000		15,000				740,000	
Hunan Huadian Changsha Power Generation Company Limited	1,243,931						1,243,931	
Hunan Huadian Changde Power Generation Company Limited ("Changde Company")	899,374						899,374	
Hunan Huadian Pingjiang Power Generation Company Limited	2,159,950						2,159,950	
Guangdong Huadian Qingyuan Energy Company Limited	919,731						919,731	
Guangdong Huadian Shenzhen Energy Co., Ltd.	460,000						460,000	
Shantou Huadian Power Generation Co. Ltd.	599,838						599,838	
Huadian Zhanjiang Power Generation Co., Ltd.		198,700						198,700
Huadian (Hunan) Energy Sales Co., Ltd.	101,000		100,000				201,000	
Zhejiang Huadian Wuxijiang Hybrid Pumped Storage Power Generation Co., Ltd.	36,100		45,600				81,700	
Shaanxi Huadian Jinshuihe Pumped Storage Co., Ltd.	128,250						128,250	
Huadian Hebei Ruixin Investment Partnership (Limited Partnership) ("Hebei Ruixin")	534,400						534,400	
Huadian Jingyu Pumped Storage Co., Ltd.	90,000		117,000				207,000	
Jiangxi Huadian Pumped Storage Co., Ltd.	35,000		6,000				41,000	
Huadian Hebei Energy Sales Co., Ltd.	101,000		100,000				201,000	
Huadian (Lingbao) Pumped Storage Co., Ltd.	20,000		148,970				168,970	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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XVII. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(1) Investment in subsidiaries (Continued)

Investee	Beginning balance (Carrying amount)	Beginning balance of impairment provision	Increase/decrease in the current year				Ending balance (Carrying amount)	Ending balance of impairment provision
			Additional investment	Negative investment	Accrual of provision for impairment	Others		
Huayu Phase I (Tianjin) Power Energy Partnership (Limited Partnership)	462,000						462,000	
Huadian (Chongqing) Gas Turbine Power Generation Co., Ltd.	150,000		309,600				459,600	
Huadian (Guangdong) Fuel Co., Ltd.	5,000						5,000	
Shantou Huadian Energy Co., Ltd.	230,000		287,500				517,500	
Anhui Huadian Fuel Co., Ltd.	10,000						10,000	
Huadian (Hunan) Fuel Co., Ltd.	10,000						10,000	
Huadian (Shandong) Fuel Co., Ltd.	10,000		40,000				50,000	
Ningxia Huadian Nishoushan Pumped Storage Power Generation Co., Ltd.	112,000						112,000	
Anhui Huadian Xixing Chong Pumped Storage Power Generation Co., Ltd.	131,400		31,860				163,260	
Huadian Yongchang Pumped Storage Co., Ltd.	115,000						115,000	
Tianjin Huadian Jibei Pumped Storage Co., Ltd.			30,000				30,000	
Hualu (Tianjin) Power Energy Partnership (Limited Partnership)			471,000				471,000	
Zhejiang Huadian Jiangdong Energy Operation Co., Ltd.			100,000				100,000	
Huayu Phase II (Tianjin) Power Energy Partnership (Limited Partnership)			436,000				436,000	
Jiangsu Huadian Energy Co., Ltd.			1,054,858				1,054,858	
CHD Guigang Electric Power Co., Ltd.			1,312,738				1,312,738	
Shanghai Huadian Fuxin Energy Co., Ltd.			100,612				100,612	
Shanghai Huadian Minhang Energy Co., Ltd.			425,291				425,291	
Guangzhou University City Huadian New Energy Company Limited			236,730				236,730	
Huadian Fuxin Guangzhou Energy Co., Ltd.			445,913				445,913	
Huadian Fuxin Jiangmen Energy Company Limited			122,863				122,863	
Huadian Fuxin Qingyuan Energy Company Limited			277,027				277,027	
Xinxiang Huadian Thermal Power Co., Ltd.			62,501				62,501	
Huadian Pumped Storage Project Management (Chengdu) Co., Ltd.			20,000				20,000	
Huadian Clean Energy Closed-end Infrastructure Securities Investment Fund			966,195				966,195	

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XVII. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(1) Investment in subsidiaries (Continued)

Investee	Beginning balance (Carrying amount)	Beginning balance of impairment provision	Increase/decrease in the current year				Ending balance (Carrying amount)	Ending balance of impairment provision
			Additional investment	Negative investment	Accrual of provision for impairment	Others		
Jiangsu Huadian Wangting Energy Development Co., Ltd.			1,250,000				1,250,000	
Tianjin Huadian Energy Management Co., Ltd.			101,000				101,000	
Guangxi Huadian Integrated Energy Services Co., Ltd.			201,000				201,000	
Huadian (Chongqing) Energy Sales Co., Ltd.			101,000				101,000	
Huadian Changjiang (Hubei) Smart Energy Technology Co., Ltd.			22,950				22,950	
Total	49,627,426	2,321,778	9,708,608	1,709,075	30,576		57,596,383	2,352,354

(2) Investment in joint ventures and associates

Investee	Beginning balance (Carrying amount)	Beginning balance of impairment provision	Additional investment	Negative investment	Increase/decrease in the current year					Ending balance (Carrying amount)	Ending balance of impairment provision		
					Profit or loss on investments recognised under the equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends or profits declared to pay	Accrual of provision for impairment			Others	
I. Associates													
Huadian New Energy Group Corporation Limited	32,076,659				2,078,560	16,735	-778,943					33,393,011	
China Huadian Finance Corporation Limited	1,928,063				171,634							2,099,697	
Huadian Coal Industry Group Company Limited	2,541,968		1,469		309,813	-88,833	111,402	337,582				2,538,237	
Huadian Property Company Limited	269,748		21,187		6,485	-6						297,414	
Huadian Jinsha River Upstream Hydropower Development Company Limited	1,252,251		230,952		40,051		327	37,277				1,486,304	
Sichuan Luzhou Chuannan Power Generation Co., Ltd.		99,290											99,290
Ningxia Western Venture Industrial Co., Ltd.	299,639				15,532		532	3,554				312,149	
Ningxia Yinxing Coal Company Limited	1,901,779				141,380		23,517	172,898				1,893,778	
Otog Front Banner Changcheng Mine Company Limited	1,285,624				-161,048		-11,624					1,112,952	
Otog Front Banner Changcheng No.3 Mining Company Limited	1,603,595				16,347		9,720	44,868				1,584,794	
Otog Front Banner Changcheng No.5 Mining Company Limited	1,114,309				-15,659		16,250	173,383				941,517	
CNWP CHD Hebei Nuclear Power Co., Ltd.	213,542		16,614									230,156	
Total	44,487,177	99,290	270,222		2,603,095	-72,104	-628,819	769,562				45,890,009	99,290

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

From 1 January 2025 to 31 December 2025

(Monetary unit for the Notes to the Financial Statements is RMB'000 unless otherwise stated)

XVII. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

4. Operating revenue and operating costs

Item	Amount in the current year		Amount in the previous year	
	Revenue	Cost	Revenue	Cost
Main business	14,083,218	12,389,976	15,310,014	14,452,480
Other businesses	101,417	108,847	115,846	102,086
Total	14,184,635	12,498,823	15,425,860	14,554,566

5. Investment income

Item	Amount in the current year	Amount in the previous year
Long-term equity investment income calculated by the cost method	2,158,759	1,794,863
Long-term equity investment income calculated by equity method	2,603,095	3,050,799
Investment income from disposal of long-term equity investments	509,038	-89,359
Entrusted loan	14,878	14,919
Total	5,285,770	4,771,222

FIVE-YEAR FINANCIAL SUMMARY

	2025 (Note)	2024 (Restated)	2023	2022	2021
Operating revenue	126,012,591	141,502,221	116,376,064	105,960,339	101,168,876
Total profit	10,647,781	9,765,784	5,842,708	-1,536,927	-6,912,464
Income tax expenses	2,431,191	2,255,982	974,263	-631,394	-1,774,724
Net profit attributable to owners of the parent company	6,070,315	5,987,228	4,601,094	-14,322	-3,255,963
Minority interest income	2,146,275	1,522,574	267,351	-891,211	-1,881,777
Assets:					
Current assets	32,711,858	35,375,158	28,581,716	29,230,395	29,593,821
Non-current assets	231,518,910	230,026,473	197,894,782	197,570,137	192,870,366
Total assets	264,230,768	265,401,631	226,476,498	226,800,532	222,464,187
Liabilities:					
Current liabilities	86,520,329	80,237,876	63,196,667	63,091,810	65,662,934
Non-current liabilities	75,622,109	85,779,080	77,377,556	90,702,282	80,454,539
Total liabilities	162,142,438	166,016,956	140,574,223	153,794,092	146,117,473
Shareholder's equity	102,088,330	99,384,675	85,902,275	73,006,440	76,346,714
Total shareholders' equity attributable to the parent company	69,162,202	70,999,217	71,638,659	61,408,847	63,794,436
Non-controlling interests	32,926,128	28,385,458	14,263,616	11,597,593	12,552,278

Note: Approved by the Group's 2024 Annual General Meeting, starting with the 2025 semi-annual financial report, the Group will prepare only one set of financial statements in accordance with China Accounting Standards for Business Enterprises (CAS). The financial highlights for 2021 through 2023 in the table above are based on financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), while the financial highlights for 2024 (restated) through 2025 are based on financial statements prepared in accordance with CAS.

SUPPLEMENTARY INFORMATION OF FINANCIAL STATEMENTS

1. NON-RECURRING PROFIT OR LOSS IN THE CURRENT YEAR

Item	Amount in the current year	Description
Profit and loss of non-current assets disposal (including the write-off part of the provision for impairment of assets)	8,121	
Government grants included in the current profits or losses (excluding those which are closely related to the Company's normal business operations, in line with national policies and regulations, and granted in accordance with defined criteria, and have a continuous influence on the Company's profits or losses)	274,348	
Profit or loss from changes in the fair value of financial assets and financial liabilities held by the Company as a non-financial company, as well as profit or loss from the disposal of the financial assets and financial liabilities, except in effective hedging activities related to the normal operating activities of the Company.	-20,400	
Profit or loss acquired from externally entrusted loans	14,878	
Reversed impairment provision in value of receivables under independent impairment test	14,613	
Net profits or losses of subsidiaries from the beginning of the period to the combination date arising from business combination involving entities under common control	458,405	
Other non-operating revenue and expenses other than the above	127,321	
Other profit or loss conforming to the definition of non-recurring profit or loss		
Subtotal	877,286	
Less: Effect of income tax	142,840	
Effect on non-controlling interests (after-tax)	351,654	
Total	382,792	–

If the Company defines the non-recurring profit or loss items listed in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit or Loss* (Rev. 2023) as recurring profit or loss items.

Item	Amount	Reason
Revenue from carbon emission trading	444,595	Closely related to the Company's normal business operations
Carbon emission trading fees	58,261	Closely related to the Company's normal business operations

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

Profit during the reporting period	Weighted average return on equity (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the parent company	11.81	0.49	N/A
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit or loss	10.65	0.47	N/A



華電國際電力股份有限公司

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