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華能國際電力股份有限公司

HUANENG POWER INTERNATIONAL, INC.

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

(Stock Code: 902)

ANNOUNCEMENT ON PROVISION FOR ASSET IMPAIRMENT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The “Proposal on the Company’s Provision for Significant Asset Impairment” was considered and passed at the 11th meeting of the tenth session of the Board of Directors of Huaneng Power International, Inc. (the “**Company**” or “**Huaneng Power International**”) convened on 23 March 2021. To objectively reflect the Company’s asset status and operating results, and to ensure that the accounting information is authentic and reliable, in the fourth quarter of 2020, the Company adopts the necessary impairment testing and evaluation of assets with signs of impairment in accordance with the relevant provisions of the “Accounting Standards for Business Enterprises No. 8 - Asset Impairment”, the Company proposes to make a provision for impairments of assets with signs of impairment based on the principle of prudence. The main particulars are as follows:

I. ACCRUAL OF IMPAIRMENT PROVISION

Under the PRC Accounting Standards, in the fourth quarter of 2020, impairment on assets of RMB6.037 billion in total shall be provided for the Company on a consolidated basis. Under the IFRS, due to the differences in asset value arising from the differences in acquisition standards under common control, additional impairment on assets of RMB2.865 billion shall be provided for the Company on a consolidated basis, a total of impairment on assets of RMB8.902 billion shall be provided accordingly.

Under the PRC Accounting Standards, in the fourth quarter of 2020, impairment on assets of RMB1.225 billion in total shall be provided for the parent company of the Company on a consolidated basis, of which impairment on long-term equity investment of RMB1.036 billion shall be provided; impairment on individual assets to be shut down and scrapped of RMB130 million and impairment on upfront fees of RMB34 million shall be provided; and impairment on accounts receivable and inventories of RMB25 million shall be provided. There is no standard difference in the above impairments, and the impairment on long-term equity investment does not affect the profit and loss of the Company on a consolidated basis.

1. Impairment on the basis of asset groups

The Company has a total of 13 asset groups that need to be provided for impairment on a consolidated basis under the PRC Accounting Standards (the “**PRC Accounting Standards**”) and the International Financial Reporting Standards (the “**IFRS**”), with an impairment amount of RMB4.744 billion and RMB7.435 billion, respectively, including: an impairment of RMB661 million (RMB721 million under the IFRS) for Huaneng Yichun Thermal Power Co., Ltd. (“**Yichun Thermal Power**”), an impairment of RMB492 million for Huaneng Guilin Gas Distributed Energy Co., Ltd. (“**Guilin Gas**”), an impairment of RMB465 million (RMB750 million under the IFRS) for Baiyanghe Power Plant under Huaneng Shandong Power Generation Co., Ltd., an impairment of RMB457 million for Zhongtai Power Plant under Huaneng Shandong Power Generation Co., Ltd., an impairment of RMB406 million (RMB625 million under the IFRS) for Huaneng Jiaxiang Power Generation Co., Ltd., an impairment of RMB398 million (RMB986 million under the IFRS) for Huaneng Jining Canal Power Generation Co., Ltd. (“**Jining Canal Power**”), an impairment of RMB352 million for Huaneng Tongwei Wind Power Co., Ltd. (“**Tongwei Wind Power**”), an impairment of RMB333 million (RMB661 million under the IFRS) for Yantai Power Plant (“**Yantai Power**”) under Huaneng Shandong Power Generation Co., Ltd., an impairment of RMB278 million (RMB979 million under the IFRS) for Huaneng Linyi Power Generation Co., Ltd. (“**Linyi Power**”), an impairment of RMB274 million for Huaneng Yingkou Xianrendao Thermal Power Co., Ltd. (“**Yingkou Xianrendao Thermal Power**”), an impairment of RMB270 million for Huaneng Zuoquan Coal Power Co., Ltd. (“**Zuoquan Coal Power**”), an impairment of RMB190 million (RMB700 million under the IFRS) for Huaneng Liaocheng Thermal Power Co., Ltd. (“**Liaocheng Thermal Power**”), and an impairment of RMB168 million for Gezhen Hydropower Plant under Huaneng Hainan Power Generation Co., Ltd.

In the fourth quarter of 2020, the Company has 5 goodwill asset groups that need to be impaired under the PRC Accounting Standards and the IFRS, with an impairment amount of RMB564 million and RMB685 million, respectively, including: an impairment of RMB405 million (under the PRC Accounting Standards and the IFRS) for Jining Canal Power, an impairment of RMB159 million (under the PRC Accounting Standards and the IFRS) for Linyi Power, an impairment of RMB66 million (under the IFRS) for Liaocheng Thermal Power, an impairment of RMB31 million (under the IFRS) for Yantai Power and an impairment of RMB24 million (under the IFRS) for Yichun Thermal Power.

2. Impairment on assets to be scrapped

The impairment on assets to be scrapped is RMB217 million, including: an impairment of RMB86 million for the demolished buildings, machineries and equipment of No. 1 and No. 2 Generation Units at Nantong Power Plant of Huaneng Power International, Inc., an impairment of RMB84 million for the Xiangyangzha water intake project to be scrapped by Huaneng Beijing Thermal Power Co., Ltd., an impairment of RMB34 million for the

facilities used in the transitional heat source station project to be scrapped by Dalian Power Plant (“**Dalian Power Plant**”) under Huaneng Power International, Inc., and an impairment of RMB13 million for other projects.

3. Impairment on upfront fees

The impairment on upfront fees is RMB416 million, including: an impairment of RMB260 million for the Guanyun Large Generation Unit project of Huaneng Huaiyin Power Generation Co., Ltd., an impairment of RMB56 million for Chaohu Phase II project of Huaneng Chaohu Power Generation Co., Ltd., an impairment of RMB48 million for Luoyuan Phase II project of Huaneng Luoyuan Power Generation Co., Ltd., an impairment of RMB17 million for Gulei thermal power project and other projects of Huaneng Power International, Inc. Fujian Branch, an impairment of RMB11 million for the new construction project at Suizhou Power Plant of Huaneng Suizhou Power Generation Co., Ltd., and an impairment of RMB24 million in total for other projects.

4. Accounts receivable, inventories and other items

The provision for impairment on accounts receivable under the PRC Accounting Standards and the IFRS both are RMB106 million, including: the credit impairment loss of RMB68 million as calculated according to accounting standards due to a further longer payback period of deferred interest on electricity charges occurred in Huaneng Shandong Ruyi (Pakistan) Energy (Private) Co., Ltd., an impairment on heat charges receivable of RMB17 million for Huaneng Yingcheng Thermal Power Co., Ltd., and an impairment of RMB21 million for other units in total. Under the PRC Accounting Standards, the reversal of impairment provision for previous years resulted in a decrease of RMB53 million in the impairment of this year, of which Huaneng Wuhan Power Generation Co., Ltd. (“**Yangluo Power Plant**”) made an impairment provision for the accounts receivable from an industrial company amounting to RMB109 million in previous years, of which RMB52 million was recovered this year.

The impairment on inventories is RMB43 million, including: RMB11 million for Dalian Power Plant, RMB9 million for Huaneng Nanjing Jinling Power Generation Co., Ltd., RMB8 million for Yangluo Power Plant, and RMB15 million for other units.

5. Impairment on long-term equity investments of parent company

In the fourth quarter, the Company made provisions for impairments on long-term equity investments of RMB1.036 billion, including: RMB209 million for Guilin Gas, RMB352 million for Yingkou Xianrendao Thermal Power, RMB262 million for Tongwei Wind Power and RMB213 million for Zuoquan Coal Power. The Company’s long-term equity investments in Guilin Gas and Xianrendao Thermal Power were written down to zero.

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

The aforesaid accrual of impairment provisions resulted in a decrease of approximately RMB6.037 billion in the Company's total profit in 2020 under the PRC Accounting Standards on a consolidated basis, and a decrease of approximately RMB8.902 billion in the Company's total profit in 2020 under the IFRS on a consolidated basis.

III. REVIEW PROCEDURES FOR THE PROVISION FOR IMPAIRMENT

The "Proposal on the Company's Provision for Significant Asset Impairment" was considered and passed at the 11th meeting of the tenth session of the Board of Directors convened on 23 March 2021. The Board of Directors of the Company is of the view that the provision for asset impairment is based on the principle of prudence, is well-founded, and reflects the Company's asset status fairly, and agreed to the provision of the asset impairment.

The Company convened the fourth meeting of the tenth session of the Supervisory Committee on 23 March 2021, and considered and approved the "Proposal on the Company's Provision for Significant Asset Impairment". The Supervisory Committee of the Company is of the view that the provision for asset impairment is based on the principle of prudence, is well-founded, and reflects the Company's asset status fairly, and agreed to the provision for the asset impairment.

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

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

Zhao Keyu (*Executive Director*)

Zhao Ping (*Executive Director*)

Huang Jian (*Non-executive Director*)

Wang Kui (*Non-executive Director*)

Lu Fei (*Non-executive Director*)

Teng Yu (*Non-executive Director*)

Mi Dabin (*Non-executive Director*)

Cheng Heng (*Non-executive Director*)

Li Haifeng (*Non-executive Director*)

Lin Chong (*Non-executive Director*)

Xu Mengzhou (*Independent Non-executive Director*)

Liu Jizhen (*Independent Non-executive Director*)

Xu Haifeng (*Independent Non-executive Director*)

Zhang Xianzhi (*Independent Non-executive Director*)

Xia Qing (*Independent Non-executive Director*)

Beijing, the PRC

24 March 2021