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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 OF ANNUAL RESULTS FOR 2024

Electricity sold by domestic power plants:	452.939 billion kWh
Consolidated operating revenue:	RMB245,551 million
Net profit attributable to equity holders of the Company:	RMB10,185 million
Earnings per share:	RMB0.46
Proposed dividend:	RMB0.27 per ordinary share (inclusive of tax)

SUMMARY OF OPERATING RESULTS

The Board of Directors (the “**Board**”) of Huaneng Power International, Inc. (the “**Company**” or “**Huaneng International**”) hereby announces the audited operating results of the Company and its subsidiaries for the year ended 31 December 2024.

For the twelve months ended 31 December 2024, the Company and its subsidiaries achieved consolidated operating revenue of RMB245,551 million, representing a decrease of 3.48% compared to the same period last year. The net profit attributable to equity holders of the Company amounted to RMB10,185 million, representing an increase of RMB1.827 billion or 21.86% from the same period last year. Earnings per share amounted to RMB0.46. The Board is satisfied with the Company’s performance over the past year.

Details of the operating results are set out in the financial information. Unless otherwise specified, all amounts in this announcement are denominated in Renminbi Yuan.

The Board has proposed to declare a cash dividend of RMB0.27 (inclusive of tax) for each ordinary share of the Company held by shareholders.

BUSINESS REVIEW OF YEAR 2024

In 2024, the Company stayed focused on the main objective of accelerating the construction of a world-class enterprise, actively responded to evolving circumstances and challenges, and maintaining a steady and progressive approach. By uniting efforts and striving for progress, the Company made further improvements in power generation, business development, green transformation, technological innovation, etc., and has reached a new level of high-quality development.

1. Operating Results

For the year ended 31 December 2024, the Company achieved operating revenue of RMB245,551 million, representing a decrease of 3.48% compared to the same period last year. Net profit attributable to equity holders of the Company amounted to RMB10,185 million, representing an increase of RMB1.827 billion or 21.86% as compared with the same period last year. The earnings per share amounted to RMB0.46.

As at the end of 2024, net assets per share of the Company amounted to RMB4.05, representing an increase of 7.43% as compared with the same period last year.

The Audit Committee of the Company convened a meeting on 24 March 2025 and reviewed the 2024 annual results of the Company.

2. Power Generation

In 2024, adhering to the principle of coordinating quantity and price with a focus on efficiency, the Company strengthened policy research, market analysis and internal professional coordination, continually optimised marketing strategies, actively responded to the opportunities and challenges in the electricity and heating markets, and made every effort to secure higher electricity transaction prices and heating prices while striving to generate more profitable electricity. On a consolidated basis, the total electricity sold by the Company's domestic operating power plants amounted to 452.939 billion kWh, representing a year-on-year increase of 1.13%. The average on-grid tariff of the Company's domestic power plants was RMB494.26 per MWh, representing a year-on-year decrease of RMB14.48 per MWh. The annual average utilisation hours of the Company's domestic power plants were 3,556 hours, representing a year-on-year decrease of 220 hours. In particular, the utilisation hours of coal-fired power generating units were 4,285 hours, representing a year-on-year decrease of 103 hours. The Company proactively explored the heating market and increased heating coverage, with the total heat supplied by the Company amounted to 341 million GJ, representing a year-on-year decrease of 0.84%.

3. Fuel Procurement

In 2024, the Company accurately assessed the market trend, strengthened the implementation of national policies, actively promoted the high-quality signing and performance of medium and long-term contracts for thermal coal, and continuously optimised the supply structure for domestic and foreign trade, achieved remarkable results for fuel cost control, and successfully ensured the supply of electricity and heat during the peak summer periods, winter heating seasons, and other critical times. During the year, the Company purchased a total of 207 million tons of coal, and the fuel cost per unit was RMB300.31 per MWh, representing a year-on-year decrease of RMB26.12 per MWh.

4. Environmental Policy and Production

The Company's safety production, technical-economic and energy consumption indicators remained at a good level throughout the year. In 2024, the average equivalent availability rate of the Company's domestic thermal power generating units was 93.67%, the coal consumption for power supply was 293.90g/kWh and the auxiliary power consumption rate of plants was 4.44%. With respect to air pollution emissions, the Company achieved a full coverage of ultralow emission across all coal-fired power generating units. With respect to treatment of wastewater discharge and coal yards and ash yards, the Company has allocated funds to carry out environmental technological transformation projects such as wastewater treatment, coal yard enclosure, and ash yard renovation in power plants in key regions. All power plants have accelerated environmental retrofitting projects to ensure that pollutant emissions strictly comply with discharge permits and other ecological and environmental protection policies.

5. Project Development

The Company adhered to a green and low-carbon transformation and development strategy, focused on the implementation of projects, and steadily advanced the construction of power generation projects. During the year, the Company newly added a total of 9,692.76 MW of controllable power generation capacity, of which 9,417.71 MW was from newly installed new energy capacity. As of 31 December 2024, the Company's installed controllable power generation capacity was 145,125 MW, including 18,109 MW of controllable wind power capacity and 19,836 MW of controllable solar power capacity, with low-carbon clean energy accounting for approximately 35.82% of the total installed capacity.

6. Scientific and Technological Innovation

The Company continued to make significant investments in research and development and achieve remarkable progress in scientific and technological innovation while steadily advancing the commercialization of technological achievements. In 2024, Huaneng 18MW ultra-large wind turbine was completed in Yingkou, Liaoning Province. The world's first low-temperature integrated near-zero pollutant emission system was put into operation at Huaneng Linyi Power Plant. A thousand-ton-scale pilot facility for carbon dioxide capture from coal-fired flue gas using low-temperature adsorption technology was put into operation at Huaneng Yueyang Power Plant, achieving efficient simultaneous removal of flue gas pollutants and carbon dioxide. China's first molten salt thermal storage integrated with a million-kilowatt unit, a demonstration project for frequency modulation, and peak shaving was commissioned at Huaneng Haimen Power Plant, which marked the first fully domestically produced and operational molten salt system control equipment in China. China's first set of flue-gas desulfurization slurry waste heat recovery and energy-saving system was put into operation at Huaneng Yangliuqing Power Plant. Throughout the year, a total of 1,021 invention patents, 746 utility model patents and 316 international patents were granted to the Company and its subsidiaries.

7. Overseas Business

Tuas Power Ltd. (“**Tuas Power**”), a wholly-owned subsidiary of the Company in Singapore, actively responded to the adjustment of Singapore’s electricity market policy, swiftly adapting to market changes, continued to promote lean management and maintained the long-term safe and stable operation of units. Its power generation market share for the year was 19.2%, maintaining a strong presence in the electricity market. Tuas Power actively strengthened cooperation with fuel suppliers and continuously to optimised its supply structure, and ensured a stable fuel supply. Tuas Power actively expanded the retail market, continuously optimised the retail contract structure, and secured higher-margin retail electricity contracts in advance. During the year, Tuas Power achieved a pre-tax profit of RMB2,683 million, representing a year-on-year decrease of RMB1,672 million, while maintaining a solid revenue level.

The Company has continuously improved its business management in Pakistan, maintaining safe operations for over 2,700 days and winning a number of corporate social responsibility awards in Pakistan for 6 consecutive years. The Company deepened efforts to enhance quality and efficiency, greatly reduced production and management costs, strengthened fund management, and improved electricity fee collection, achieving the best profitability in 2024 since commissioning, with operating revenue of RMB3,528 million and pre-tax profit of RMB974 million, representing a year-on-year increase of RMB369 million.

PROSPECTS FOR 2025

In 2025, the Company will focus on accelerating the construction of a world-class enterprise, diligently implementing the regulatory requirements of the listing location, adhering to the overall principle of seeking progress while maintaining stability. The Company will deepen and enhance core capabilities such as risk control, value creation, new development drivers, and reform-driven power. The goal is to ensure the full completion of all annual objectives and the tasks, striving to create a new phase of high-quality development for the Company.

In terms of power construction, the Company will focus on driving green and low-carbon transformation, vigorously developing renewable energy, and continuously optimizing the development of coal-fired power. The Company will strategically prioritize peak-shaving gas-fired power. Based on safe development, centered on quality and efficiency, supported by technological innovation, and using modern management as a means, the Company will comprehensively manage safety, quality, cost, technological innovation, and smart infrastructure. This approach will ensure a substantial improvement in quality and reasonable growth in quantity, contributing to the construction of a new type of power system.

In terms of power generation, while ensuring the operation and maintenance of clean energy power generation systems, the Company also emphasizes the fundamental and regulatory role of existing coal-fired power units within the overall energy security system. The Company actively conducts life extension evaluations and upgrades, maintaining the health of emergency backup units. The Company is also actively developing the heating industry and upgrading integrated energy services. Additionally, the Company conducts in-depth research on the application prospects of biomass-coupled power generation and captures market opportunities. In line with the demands of ecological civilization construction in various regions, the Company is committed to implementing environmental protection and governance measures, striving to strengthen its leadership in safety production and energy-saving and environmental protection.

In terms of power marketing, the Company will adhere to a strategy of coordinating quantity and price, prioritizing efficiency. The Company will closely monitor changes in the electricity market, comprehensively assess market competition and electricity price trends, and fully explore electricity generation potential, aiming for positive growth in power generation throughout the year. The Company will make every effort to ensure the success of electricity market transactions in 2025, focusing on key regions and conducting research on trading strategies for coal-fired and renewable energy. The goal is to maintain electricity prices at a reasonable level. The Company will actively expand its electricity sales market, strengthen the Huaneng electricity sales brand, and improve sales revenue. Additionally, the Company will optimize its carbon trading strategy to reduce compliance costs. In 2025, the Company will strive to achieve a domestic power generation of approximately 485 billion kWh.

In terms of fuel procurement, the Company will focus on controlling fuel prices, scientifically balancing supply security with cost control, ensuring supply safety while managing fuel costs. The company will work to improve the quality of long-term coal supply contract performance, leveraging long-term contracts as a stabilizing force. The Company will strictly implement the coal-fired power industry collaboration plan and fully utilize internal supply for backup security. The company will enhance market analysis, seize market opportunities, and optimize procurement strategies, adhering to the “low-storage, high-consumption” approach to ensure fuel costs remain manageable. At the same time, the Company will further optimize the coal procurement structure, precisely source imported coal, and work to reduce procurement costs.

In terms of financing, the Company will further closely monitor and carefully study macroeconomic policy trends, fully leverage its credit and management advantages, actively seize policy opportunities, and expand funding sources. The Company will optimize the timing of capital allocation to ensure stable cash flow and a reasonable capital structure. The Company will persist in focusing on financial risk prevention, striving to reduce funding costs while ensuring the safety of funds.

OPERATING AND FINANCIAL REVIEWS AND PROSPECTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Prepared under International Financial Reporting Standards (“IFRS”) Accounting Standards)

General

The Company is primarily engaged in the development, construction, and operation of power plants across China and is one of the largest listed power generation companies in China. As of 31 December 2024, the Company had a controlled installed power generation capacity of 145,125 MW, with low-carbon clean energy generation—including natural gas power, hydropower, wind power, and solar power—accounting for 35.82% of the total installed capacity. The Company's power plants in China are widely distributed across 26 provinces, autonomous regions, and municipalities. Additionally, the Company wholly owns and operates a power company in Singapore and has invested in an operational power company in Pakistan.

For the year ended 31 December 2024, the Company recorded revenue of RMB245.551 billion, representing a 3.48% decrease compared to the previous year. The net profit attributable to equity holders of the Company was RMB10.185 billion, reflecting an increase of 21.86% from the previous year. This was mainly due to a reduction in domestic unit fuel costs, which contributed to increased profitability in thermal power, as well as the orderly expansion of the Company's renewable energy portfolio, leading to additional revenue and profit growth. Earnings per share were RMB0.46.

A. OPERATING RESULTS

1. 2024 operating results

The electricity sold by the Company's domestic power plants for the year ended 31 December 2024 is as follows (in 100 million kWh):

Types of generation/ Region	Electricity Sold			
	October to December 2024	Year-on-Year Change	January to December 2024	Year-on-Year Change
Coal-fired	911.74	-0.65%	3,692.78	-1.74%
Combined cycle	58.23	-13.62%	269.59	-2.70%
Wind-power	101.22	15.94%	369.52	16.07%
PV	42.43	47.22%	181.27	66.13%
Hydro-power	1.18	-15.88%	9.34	24.79%
Biomass power	2.18	5.10%	6.88	-19.15%
Heilongjiang Province	33.48	-5.11%	128.76	-3.22%
Coal-fired	25.20	-4.74%	99.03	-4.18%
Wind-power	7.16	-6.64%	25.73	2.22%
PV	0.82	24.62%	2.94	0.01%
Biomass power	0.29	-40.85%	1.06	-32.71%
Jilin Province	34.77	3.14%	121.55	-4.03%
Coal-fired	19.76	-9.98%	74.82	-7.36%
Wind-power	13.54	27.41%	41.56	3.66%
Hydro-power	0.06	321.24%	0.75	48.68%
PV	0.58	4.30%	2.45	0.97%
Biomass power	0.82	47.49%	1.96	-31.45%
Liaoning Province	41.02	-14.53%	164.54	-3.07%
Coal-fired	32.82	-18.26%	137.12	-6.25%
Wind-power	7.72	5.70%	24.96	18.27%
Hydro-power	0.01	-73.76%	0.16	-2.04%
PV	0.46	-3.68%	2.29	4.04%
Inner Mongolia	2.14	19.17%	7.31	-5.68%
Wind-power	2.11	17.98%	7.27	-6.19%
PV	0.02	—	0.04	—

Types of generation/ Region	Electricity Sold			
	October to December 2024	Year-on-Year Change	January to December 2024	Year-on-Year Change
Hebei Province	32.07	-4.00%	132.08	6.52%
Coal-fired	25.78	-7.67%	105.06	-0.07%
Wind-power	1.47	-9.20%	4.86	-20.46%
PV	4.82	24.68%	22.16	73.68%
Gansu Province	31.86	-4.26%	118.77	-9.72%
Coal-fired	28.72	4.46%	98.58	-6.91%
Wind-power	3.14	-45.67%	20.18	-21.31%
Ningxia	0.03	-10.25%	0.20	-1.73%
PV	0.03	-10.25%	0.20	-1.73%
Beijing	17.03	-20.87%	74.83	-8.87%
Coal-fired	0.27	-75.12%	1.40	-72.84%
Combined cycle	16.76	-17.99%	73.43	-4.60%
Tianjin	13.79	-1.14%	57.08	-2.79%
Coal-fired	10.83	-4.67%	44.34	-10.05%
Combined cycle	2.88	12.99%	12.37	34.49%
PV	0.08	101.81%	0.37	64.65%
Shanxi Province	27.84	1.88%	99.47	7.85%
Coal-fired	14.02	-4.42%	56.85	4.20%
Combined cycle	8.28	4.90%	19.66	-4.21%
Wind-power	1.64	-20.89%	5.98	-14.21%
PV	3.90	44.87%	16.98	66.82%
Shandong Province	186.48	1.24%	797.05	-0.91%
Coal-fired	172.12	-0.20%	737.68	-3.08%
Wind-power	8.41	24.19%	32.85	37.81%
PV	4.88	24.30%	22.67	47.66%
Biomass power	1.07	4.29%	3.86	-5.25%
Henan Province	56.36	3.25%	243.37	4.94%
Coal-fired	46.90	4.89%	199.39	5.26%
Combined cycle	0.04	-38.34%	1.45	-5.46%
Wind-power	7.65	-10.83%	35.32	1.61%
PV	1.78	43.72%	7.21	16.40%

Types of generation/ Region	Electricity Sold			
	October to December 2024	Year-on-Year Change	January to December 2024	Year-on-Year Change
Jiangsu Province	104.95	3.35%	448.64	4.92%
Coal-fired	75.27	0.58%	325.36	2.36%
Combined cycle	12.59	1.20%	54.92	0.70%
Wind-power	12.90	5.01%	50.52	6.99%
PV	4.19	111.04%	17.84	123.69%
Shanghai	49.78	3.51%	212.95	5.22%
Coal-fired	47.84	6.36%	196.07	4.30%
Combined cycle	1.79	-40.75%	16.23	16.25%
PV	0.15	55.64%	0.65	44.25%
Chongqing	37.70	18.28%	154.63	6.84%
Coal-fired	32.66	34.33%	125.63	10.86%
Combined cycle	3.89	-38.27%	23.59	-11.14%
Wind-power	1.12	-9.84%	5.22	8.12%
PV	0.02	112.58%	0.19	475.27%
Zhejiang Province	94.42	1.71%	358.45	5.68%
Coal-fired	77.72	-5.90%	305.87	0.10%
Combined cycle	1.89	29.27%	9.90	20.24%
Wind-power	13.82	71.91%	38.41	70.38%
PV	1.00	33.60%	4.27	50.10%
Hubei Province	45.76	26.93%	164.98	2.46%
Coal-fired	39.95	26.71%	138.16	-2.59%
Wind-power	1.62	-11.85%	7.08	-3.33%
Hydro-power	0.12	-76.72%	2.14	-23.86%
PV	4.07	87.24%	17.60	94.48%
Hunan Province	24.12	13.36%	89.23	-11.51%
Coal-fired	21.01	14.17%	73.32	-16.00%
Wind-power	1.83	4.97%	8.72	6.23%
Hydro-power	0.40	-10.62%	3.36	33.14%
PV	0.87	28.84%	3.83	35.96%
Jiangxi Province	73.15	3.41%	296.39	0.93%
Coal-fired	65.16	-1.25%	266.38	-2.80%
Wind-power	2.33	18.58%	9.98	4.36%
PV	5.66	103.20%	20.03	99.37%

Types of generation/ Region	Electricity Sold			
	October to December 2024	Year-on-Year Change	January to December 2024	Year-on-Year Change
Anhui Province	19.10	-4.75%	86.15	9.29%
Coal-fired	12.74	-13.74%	58.76	0.30%
Wind-power	3.10	13.82%	11.32	2.25%
Hydro-power	—	-100.00%	1.05	42.60%
PV	3.25	32.39%	15.02	78.16%
Fujian Province	46.47	0.42%	187.67	9.70%
Coal-fired	45.60	-0.39%	184.19	8.89%
PV	0.87	75.82%	3.47	80.61%
Guangdong Province	73.30	8.71%	289.43	-2.30%
Coal-fired	57.97	-2.43%	235.64	-7.82%
Combined cycle	7.59	3.34%	34.25	-12.10%
Wind-power	6.92	9,653.37%	16.90	23,735.04%
PV	0.82	38.18%	2.64	67.64%
Guangxi	2.67	5.91%	10.72	5.44%
Combined cycle	0.75	2.41%	3.07	-5.23%
Wind-power	1.54	-7.54%	6.49	-4.54%
PV	0.39	200.58%	1.16	794.35%
Yunnan Province	36.98	-21.06%	141.38	-5.37%
Coal-fired	33.88	-22.58%	125.86	-11.19%
Wind-power	2.77	3.66%	13.73	114.63%
Hydro-power	—	—	0.13	—
PV	0.33	-20.11%	1.65	29.78%
Guizhou Province	2.67	4.68%	12.87	32.72%
Wind-power	0.31	-35.51%	1.95	-0.49%
PV	2.36	14.13%	10.92	41.12%
Hainan Province	29.05	-1.89%	130.90	-0.40%
Coal-fired	25.52	10.39%	103.25	-0.77%
Combined cycle	1.77	-65.69%	20.73	-11.27%
Wind-power	0.10	-70.56%	0.49	-46.85%
Hydro-power	0.59	107.20%	1.74	136.08%
PV	1.07	53.70%	4.69	99.84%
Total	1,116.99	1.11%	4,529.39	1.13%

The primary reason for the increase in the Company's electricity sales is its active promotion of green and low-carbon development. This includes the continued growth in the installed capacity of wind and photovoltaic power ("PV"), resulting in a significant year-on-year increase in the sales of electricity generated from new energy sources. At the same time, factors such as the nationwide growth of new energy electricity prompted the Company to optimize the operating models of its thermal power units, achieving more efficient electricity generation while ensuring a sufficient supply of electricity and heat. As a result, the sales of electricity generated from the thermal power units experienced a slight decrease compared to the previous year.

In 2024, Tuas Power Limited, a wholly-owned subsidiary of the Company, achieved a market share of 19.2% in Singapore's total power generation, reflecting a decrease of 1.2 percentage points compared to the same period of last year.

In 2024, the Company's average on-grid electricity tariff for domestic power plants, including tax, was RMB494.26 per MWh, representing a 2.85% decrease from the previous year. The average settlement electricity price for Sino-Singapore Power was RMB1,184.24 per MWh, reflecting a 13.67% decrease compared to the previous year.

In terms of fuel costs, the unit fuel cost for electricity sold by the Company's domestic thermal power plants was RMB300.31 per MWh, reflecting a 8.00% decrease compared to the previous year.

As a result of these factors, the Company's revenue for 2024 amounted to RMB245.551 billion, representing a 3.48% decrease from RMB254.397 billion in the previous year. Operating costs and expenses totaled RMB219.545 billion, down 6.26% from RMB234.201 billion in the previous year. Profit before tax was RMB17.821 billion, marking a 42.83% increase from RMB12.477 billion in the previous year.

2. Comparative analysis of operating results

2.1 *Operating revenue and tax and levies on operations*

For the year ended 31 December 2024, the consolidated operating revenue of the Company and its subsidiaries amounted to RMB245.551 billion, representing a decrease of 3.48% from RMB254.397 billion for the year ended 31 December 2023.

The operating revenue from domestic operations decrease by RMB2.942 billion over the same period of last year, mainly due to the year-on-year decrease in domestic electricity tariffs. The operating revenue from domestic operations generated from the newly acquired entities and newly operated generating units increased by RMB4.568 billion, and the operating revenue from domestic operations generated from the existing generating units decreased by RMB7.510 billion.

The operating revenue from the operations in Singapore decreased by RMB5.371 billion over the same period of last year, representing a decrease of 19.85%. The operating revenue from the operations in Pakistan decreased by RMB0.533 billion, representing a decrease of 13.12% over the same period of last year. The decrease in operating revenue from oversea operations was mainly due to the decrease in electricity tariffs.

Taxes and levies mainly include property tax, land use tax, environmental protection tax and value-added tax surcharges. Among them, the value-added tax surcharge is the education and urban construction taxes and fees paid in accordance with the relevant tax laws and regulations, based on the paid-in value-added tax and in accordance with the prescribed proportion. For the year ended 31 December 2024, the tax and levies on operations of the Company and its subsidiaries were RMB2.009 billion, representing an increase of 22.87% from RMB1.635 billion for the same period of last year, which was mainly attributable to the year-on-year increase in value-added tax paid for the domestic operations as a result of the year-on-year decrease in coal price, and the corresponding year-on-year increase in value-added tax surcharge paid on the corresponding calculations and year-on-year increase in the payment of environmental protection tax.

2.2 Operating expenses

For the year ended 31 December 2024, the total operating expenses of the Company and its subsidiaries was RMB219.545 billion, representing a decrease of 6.26% from RMB234.201 billion for the year ended 31 December 2023.

Mainly due to lower fuel costs resulting from the year-on-year decrease in domestic fuel prices, the operating expenses in domestic operations decreased by RMB10.633 billion. The costs attributable to the newly acquired entities and the new generating units increased by RMB2.058 billion; the costs attributable to the existing units decreased by RMB12.691 billion.

The operating expenses from the operations in Singapore decreased by RMB3.532 billion, mainly due to the decrease of operating cost of purchasing electricity of retail business. The operating expenses from the operations in Pakistan decreased by RMB0.491 billion, mainly due to the decrease in fuel cost of Pakistan business.

2.2.1 Fuel costs

For the year ended 31 December 2024, fuel costs of the Company and its subsidiaries was RMB142.115 billion, representing a decrease of 9.23% from RMB156.569 billion for the year ended 31 December 2023.

The fuel costs from domestic operations decreased by RMB13.881 billion, which was mainly attributable by the decrease in domestic fuel price. The fuel costs of the newly acquired entities and new generating units increased by RMB152 million and the fuel costs of the existing generating units decreased by RMB14.033 billion from same period of last year.

Fuel costs in Singapore decreased by RMB0.573 billion from the same period of last year, mainly due to a decrease in gas costs.

2.2.2 Maintenance expenses

For the year ended 31 December 2024, the total maintenance expenses of the Company and its subsidiaries amounted to RMB5.056 billion, representing an increase of 13.45% from RMB4.457 billion for the year ended 31 December 2023.

2.2.3 Depreciation

For the year ended 31 December 2024, depreciation expenses of the Company and its subsidiaries increased by 3.18% to RMB26.302 billion from RMB25.492 billion for the year ended 31 December 2023.

2.2.4 Labor

Labor costs mainly consist of salaries to employees and contributions payable for employees' housing funds, medical insurance, pension and unemployment insurance, as well as training costs. For the year ended 31 December 2024, the labor costs of the Company and its subsidiaries increased by 5.00% to RMB18.650 billion from RMB17.762 billion for the year ended 31 December 2023, which was mainly due to the increase in the average social wage, the consequent increase in the base for social security and fund contributions, and the related increase in labor costs.

2.2.5 Other operating expenses

Other operating expenses mainly include environmental protection expenses, insurance premiums, office expenses, research and development costs, amortization, Tuas Power's electricity power purchase costs, impairment losses, government subsidies and net gains or losses on disposal of property, plant and equipment. Other operating expenses of the Company and its subsidiaries were RMB27.422 billion, representing a decrease of 8.35% from RMB29.920 billion for the year ended 31 December 2023.

Other operating expenses from the Company's domestic operations increased by RMB0.908 billion, mainly due to the year-on-year increase in expenditure on research and development activities related to the principal operations, expenditure on carbon emission quota compliance and various operating expenses due to the increase in installed capacity.

Other operating expenses of the operations in Singapore decreased by RMB2.925 billion over the same period of last year, mainly due to the decrease of operating cost of purchasing electricity of retail business. Other operating expenses of the operations in Pakistan decreased by RMB0.481 billion over the same period of last year, mainly attributable to lower fuel costs charged to other expenses.

2.3 Financial expenses

For the year ended 31 December 2024, the interest expense of the Company and its subsidiaries was RMB8.047 billion, representing a decrease of 14.17% from RMB9.375 billion for the year ended 31 December 2023, which was mainly due to the decrease in interest expenses amounting to RMB1.152 billion.

The interest expense from the Company's domestic operations decreased by RMB0.912 billion, mainly due to the decrease in the cost of interest-bearing debt over the same period of last year. The interest expense from the newly acquired entities and new generating units was RMB480 million and those incurred by the domestic existing entities decreased by RMB1.392 billion.

The interest expense of Singapore operations decreased by RMB112 million compared to the same period of last year. Interest expense of Pakistan operations decreased by RMB128 million over the same period of last year.

2.4 Investment income

2.4.1 Share of profits less losses of associates and joint ventures

For the year ended 31 December 2024, the share of profits less losses of associates and joint ventures of the Company and its subsidiaries was RMB1,260 million, representing an increase of 47.50% from RMB854 million for the year ended 31 December 2023, mainly due to the increase in share of net profit of associates and joint ventures such as Shanghai Times Shipping Co. Ltd., Jiangsu Nantong Power Generation Co., Ltd., Shenzhen Energy Group Co., Ltd. ("**Shenzhen Energy**").

2.4.2 Other investment gain

For the year ended 31 December 2024, other investment gain of the Company and its subsidiaries amounted to RMB5 million, a decrease of 99.76% from RMB1.930 billion in the previous year, mainly due to that the Company completely disposed of its 49% interests in its associate Huaneng Sichuan Energy Development Co. Ltd. ("**Sichuan Energy Development**") to Huaneng Lancang River Hydropower Inc. in September 2023, resulting in an investment gain of RMB1.961 billion.

2.5 *Income tax expenses*

For the year ended 31 December 2024, the Company and its subsidiaries recognized income tax expense of RMB3.815 billion, representing an increase of 2.90% from RMB3.708 billion for the year ended 31 December 2023.

The income tax expenses from domestic operations increased by RMB329 million, mainly due to the corresponding increase in income tax expense as a result of the year-on-year increase in profits from the Company's domestic operations.

The income tax expense for the operations in Singapore decreased by RMB276 million. The income tax expenses for the operations in Pakistan increased by RMB54 million over the same period of last year.

2.6 *Net profit, net profit attributable to equity holders of the Company and non-controlling interests*

For the year ended 31 December 2024, the Company and its subsidiaries achieved a net profit of RMB14.006 billion, representing an increase of 59.72% from RMB8.769 billion for the year ended 31 December 2023. Net profit attributable to equity holders of the Company was RMB10.185 billion, representing an increase of 21.86% from RMB8.357 billion in the previous year. The main reason was that the Company achieved a reduction in the unit cost of fuel for its domestic business during the year, which contributed to the increase in profitability of thermal power, and the orderly expansion of the scale of the Company's new energy brought about an increase in the volume and profitability of the Company.

2.7 *Comparison of financial position*

2.7.1 *Comparison of asset items*

As of 31 December 2024, the total assets of the Company and its subsidiaries were RMB595.577 billion, increased by 8.22% from RMB550.316 billion as of 31 December 2023.

Total assets of the domestic operations increased by RMB45.840 billion to RMB553.984 billion, including a net increase of RMB34.953 billion in property, plant and equipment, mainly due to the comprehensive impact of new capital infrastructure and technical renovation projects investment and provision of depreciation in the current year.

As of 31 December 2024, the total assets of the operations in Singapore amounted to RMB28.712 billion, basically unchanged from the end of the previous year (a decrease of RMB0.07 billion from the end of the previous year). The total assets of the operations in Pakistan amounted to RMB12.881 billion, a decrease of RMB509 million from the end of last year.

2.7.2 Comparison of liability items

As at 31 December 2024, the total liabilities of the Company and its subsidiaries were RMB384.998 billion, representing an increase of RMB14.036 billion from RMB370.962 billion as at 31 December 2023. Among of which, interest-bearing debts of the Company and its subsidiaries amounted to RMB306.758 billion. The interest-bearing debts consist of long-term loans (including those due within one year), long-term bonds (including those due within one year), short-term loans, short-term bonds and lease liabilities (including those due within one year).

As at 31 December 2024, the total liabilities of the operations in Singapore were RMB12.523 billion, representing a decrease of RMB1.389 billion from RMB13.912 billion as at 31 December 2023. As at 31 December 2024, the total liabilities of the operations in Pakistan were RMB8.252 billion, representing a decrease of RMB1.522 billion from RMB9.774 billion as of 31 December 2023.

2.7.3 Comparison of equity items

The total equity attributable to the equity holders of the Company increased by RMB5.031 billion as of 31 December 2024 as compared to 1 January 2024, mainly due to combined impact of the net profit attributable to equity holders of the Company of RMB10.185 billion in the current year, distribution of ordinary dividends of RMB3.140 billion and distribution of other equity instruments of RMB2.931 billion for the year. Non-controlling interests increased by RMB26.193 billion as compared to 1 January 2024, mainly due to the issuance of equity-type REITs financing products to absorb RMB23.051 billion from non-controlling interests.

2.7.4 Major financial position ratios

	2024	2023
Current ratio	0.54	0.55
Quick ratio	0.46	0.48
Ratio of liability to equity	2.68	2.67
Multiples of interest earned	2.96	2.22

Formula of the financial ratios:

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

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

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

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

The current ratio, quick ratio and ratio of liability to equity as of 31 December 2024 remained stable compared to 1 January 2024. The year-on-year increase in multiples of interest earned was mainly due to the impact of the Company's growth in operating profits for the year and the issuance of equity-type REITs financing products, which reduced interest expenses on debt financing.

B. LIQUIDITY AND FUND RESOURCES

1. Liquidity

	2024	2023	Change
	<i>RMB billion</i>	<i>RMB billion</i>	<i>%</i>
Net cash generated in operating activities	50.530	45.497	11.06
Net cash used in investing activities	-61.727	-54.529	13.20
Net cash generated in financing activities	13.613	8.720	56.11
Currency exchange impact	0.034	-0.054	162.96
Net increase/(decrease) in cash and cash equivalents	2.450	-0.366	769.40
Cash and cash equivalents as at the beginning of the year	16.151	16.517	-2.22
Cash and cash equivalents as at the end of the year	18.601	16.151	15.17

For the year ended 31 December 2024, net cash generated in operating activities of the Company and its subsidiaries was RMB50.530 billion, representing an increase of 11.06% from last year, mainly due to the decrease in fuel procurement expenditure, and decrease in VAT rebates received as compared with last year. The net cash used in investing activities amounted to RMB61.727 billion, which mainly represented fixed asset purchases, engineering expenditures and procurement of engineering materials related to the Company's construction for infrastructure and technological reform projects, with a year-on-year increase in expenditures of 13.20%, mainly due to the year-on-year increase in infrastructure expenditures for new energy and other projects. The net cash generated in financing activities was RMB13.613 billion for the year ended 31 December 2024, representing an increase of 56.11% as compared with last year, mainly due to increase in net financing amount in the current period to support capital expenditure of the Company's new energy development. As of 31 December 2024, the cash and cash equivalents of the Company and its subsidiaries denominated in RMB, Pakistan Rupee, Singapore dollar, US dollar and other currencies were equivalent to RMB14.989 billion, RMB1.457 billion, RMB2.052 billion, RMB74 million, and RMB29 million, respectively.

As of 31 December 2024, net current liabilities of the Company and its subsidiaries were approximately RMB82.438 billion. Based on the Company's proven financing record, readily available banking facilities and sound credibility, the Company believes it is able to duly repay outstanding debts, obtain long-term financing and secure funding necessary for its operations. The Company has also capitalized on its good credit record to make short-term loans at relatively lower interest rates, thus reducing its interest expenses.

2. Capital expenditure and fund resources

2.1 Capital expenditure on infrastructure construction and renovation projects

The actual capital expenditure of the Company and its subsidiaries in 2024 for the infrastructure construction and renovation projects was RMB61.947 billion.

Capital expenditures are sourced mainly from internal capital, cash flows from operating activities, and debt and equity financing. In the next few years, the Company will further accelerate development and construction of renewable energy infrastructure and promote structural adjustment, and therefore expects to have significant capital expenditures and renovation expenditures. The Company expects to finance the above capital expenditures through internal capital, cash flows from operating activities, and debt and equity financing.

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

(Unit: RMB100 million)

Projects	Capital expenditure in 2024	Capital expenditure plan for 2025	Cash resources arrangements	Financing costs and note on use
Thermal power projects	85.13	88	Including internal capital and bank loans	Within the floating range of benchmark lending interest rates of PBOC
Hydropower projects	0.14	5	Including internal capital and bank loans	Within the floating range of benchmark lending interest rates of PBOC
Wind power projects	250.56	362	Including internal capital and bank loans	Within the floating range of benchmark lending interest rates of PBOC
Coal mining projects	12.66	11	Including internal capital and bank loans	Within the floating range of benchmark lending interest rates of PBOC
Photovoltaic power projects	197.43	150	Including internal capital and bank loans	Within the floating range of benchmark lending interest rates of PBOC
Port	-	1.5	Including internal capital and bank loans	Within the floating range of benchmark lending interest rates of PBOC
Technology renovation etc.	73.55	76	Including internal capital and bank loans	Within the floating range of benchmark lending interest rates of PBOC

2.2 Fund resources and anticipated financing costs

Good operating results and sound credit status provide the Company with strong financing capabilities. As of 31 December 2024, the unutilized banking facilities available to the Company and its subsidiaries amounted over RMB370.0 billion, which are granted by commercial banks such as Bank of China, Industrial and Commercial Bank of China, China Construction Bank and other commercial banks.

In 2024, the Company and its subsidiaries issued a total of 19 unsecured ultra-short-term bonds totalling RMB44.8 billion, with coupon rates ranging from 1.60% to 2.06%. The bonds are denominated in RMB and issued at par value. As of 31 December 2024, short-term bonds payable by the Company and its subsidiaries were RMB8.017 billion (2023: RMB6.110 billion).

In 2024, the Company and its subsidiaries issued a total of 10 long-term bonds totalling RMB16.8 billion, with coupon rates ranging from 2.09% to 2.91%. The bonds are denominated in RMB and issued at par value. As of 31 December 2024, long-term bonds payable (including those due within one year) by the Company and its subsidiaries were RMB45.696 billion (2023: RMB39.868 billion).

As of 31 December 2024, short-term loans of the Company and its subsidiaries amounted to RMB61.166 billion (2023: RMB57.233 billion). In 2024, the annual interest rate of short-term loans ranged from 0.62% to 4.00% per annum (2023: 1.06% to 3.55%).

As of 31 December 2024, the Company and its subsidiaries' long-term loans (including long-term loans due within one year) totaled RMB183.778 billion (2023: RMB183.424 billion), including RMB loans of RMB175.020 billion (2023: RMB172.014 billion), USD loans of RMB8.018 billion equivalent (2023: RMB9.758 billion equivalent), SGD loans of RMB656 million equivalent (2023: RMB1.554 billion equivalent), JPY loans of RMB84 million equivalent (2023: RMB97 million equivalent), EUR loans of nil (2023: RMB2 million equivalent). Among them, SGD loans are floating rate loans, and JPY loans are fixed interest rate loans. In 2024, the annual interest rate of long-term loans is 0.75% to 9.35% per annum (2023: 0.75% to 7.59%).

The Company and its subsidiaries will closely monitor any change in the exchange rate and interest rate markets and cautiously assess the currency rate and interest rate risks.

Combined with the overall development trend of the current power generation industry and the growth of the Company, the Company will continue to strive to not only meet cash requirements of daily operations, constructions and acquisitions, but also establish an optimal capital structure to minimize the cost of capital and manage financial risks through effective financial management activities, thus maintaining sustainable and stable returns to the shareholders.

2.3 Other financing requirements

Pursuant to the Company's goal to create long-term, stable and growth return for shareholders, the Company implements a positive, balanced and stable dividend policy. According to the profit distribution proposal of the board of directors of the Company for 2024 (to be approved by the general meeting of shareholders), it is expected that the Company will pay a dividend of RMB0.27 per ordinary share (inclusive of tax) and a total cash dividend of RMB4.238 billion.

2.4 Maturity profile of interest-bearing debts

Maturity Profile <i>(RMB100 million)</i>	2025	2026	2027	2028	2029
Principal amount planned for repayment	1,091.49	306.82	238.29	192.40	148.29
Interest amount planned for repayment	<u>75.22</u>	<u>53.48</u>	<u>45.42</u>	<u>39.73</u>	<u>33.57</u>
Total	<u>1,166.71</u>	<u>360.30</u>	<u>283.71</u>	<u>232.13</u>	<u>181.86</u>

Note: The amount of principle to be paid in 2025 is relatively large because this includes expected repayment of short-term loans and short-term bonds.

C. LONG-TERM DEVELOPMENT STRATEGY AND PLAN

The Company will fully implement the new development philosophy of “innovation, coordination, green development, openness, and sharing”, adhering to a quality- and efficiency-centered approach while balancing energy security with green development to comprehensively promote high-quality development. By the end of the “14th Five-Year Plan” period, the Company aims to achieve approximately 45% of its installed capacity from low-carbon and clean energy sources, striving to become a world-class publicly listed power generation company with sound governance, operational excellence, energy efficiency, environmental protection, and outstanding market value.

The Company will follow the national energy security strategy of “Four Revolutions and One Cooperation” as its guiding principle and is committed to achieving carbon peaking and carbon neutrality, prioritizing quality and efficiency to drive the green and low-carbon transformation of energy. The Company will accelerate the leapfrog development of new energy and establish large-scale clean energy bases that are complementary, intensive, digitalized, and standardized (“**Three Types, Three Modernizations**”) in the “Three North” regions (Northeast, North, and Northwest China), as well as in coastal provinces such as Liaoning, Shandong, Jiangsu, Zhejiang, and Guangdong, and other central regions with abundant renewable energy resources. The Company will also expedite the optimization and upgrading of the coal-fired power structure by controlling new capacity, optimizing existing capacity, and promoting reductions, striving for a transition toward a dual focus on foundational security and system regulation power sources while selectively developing gas power and other clean energy generation. With technological innovation as a key driver of high-quality development, the Company is committed to serving national strategies, addressing major corporate development needs, and advancing digital and intelligent transformation to enhance independent innovation capabilities, while also implementing technology demonstration projects. The Company will strengthen and optimise integrated energy services, adapting to the transformation of the national energy supply structure, leveraging digitalization to develop strategic emerging industries, and focusing on diversified energy supply and services around its core business. It will actively integrate into the dual domestic and international economic circulation, strengthening international cooperation, enhancing the efficient operation of overseas assets, and improving their risk resistance and profitability. Adhering to the principle of enhancing efficiency and creating value, the Company will solidify its operational management foundation, improve management effectiveness, comprehensively enhance its modernized operational and control capabilities, strengthen corporate governance, increase brand value, and diligently fulfill its corporate social responsibilities.

D. TREND ANALYSIS

The year 2025 marks the final year of the “14th Five-Year Plan” and the culmination of efforts to deepen reforms comprehensively. The Central Economic Work Conference has emphasized the need to maintain steady progress while seeking advancements, promoting stability through growth, and ensuring stable economic expansion. It calls for the implementation of a more proactive fiscal policy and a moderately accommodative monetary policy. The conference also outlined key priorities, including significantly boosting consumption, enhancing investment efficiency, and expanding domestic demand in all aspects. Additionally, it stresses leveraging technological innovation to drive the development of new productive forces, building a modern industrial system, strengthening fundamental research, and tackling key core technologies. Moreover, efforts will be coordinated to reduce carbon emissions, cut pollution, expand green growth, and accelerate the comprehensive green transition of economic and social development, alongside further deepening the reform of the ecological civilization system.

In terms of power supply and demand, according to the annual power supply and demand analysis and forecast by the China Electricity Council, considering China’s current economic growth potential, the “14th Five-Year Plan” and the Vision 2035 Outline, as well as national macroeconomic policies and regulatory measures, total electricity consumption nationwide is expected to increase by approximately 6% year-on-year in 2025. The newly commissioned power generation capacity is expected to exceed 450 million kilowatts, and by the end of 2025, the proportion of coal-fired power in total installed capacity is projected to decline to one-third.

In terms of the electricity market, in 2024, the central government issued the Notice on Establishing and Improving the Electricity Ancillary Services Market Pricing Mechanism and solicited public opinions on the Basic Rules of the Electricity Ancillary Services Market. It is expected that various regions will continue to introduce and update policies in the ancillary services sector in line with the latest national policies, further improving market-based mechanisms. The construction of the electricity spot market is advancing rapidly, with settlement trial operations underway in 23 provincial-level spot markets and the inter-provincial spot market transitioning to formal operations. The southern regional market has achieved its first full-month trial settlement under a “cross-province + intra-province joint clearing” mechanism, highlighting the increasing role of the electricity market in optimizing resource allocation flexibly. Additionally, policies for the integration of new energy into the market have been issued, requiring full electricity market participation for new energy sources. Electricity prices will be determined through market-based mechanisms, and the market-oriented reform of grid electricity pricing for new energy is expected to reshape the operational model of new energy development while exerting a profound and comprehensive impact on all types of power sources participating in market transactions and the next phase of market development.

In terms of the carbon market, as the work towards carbon peaking and carbon neutrality progresses, the fourth compliance period of the national carbon market will lower the carbon emissions benchmark, and the allocation of allowances will continue to tighten. As a result, the compliance cost for carbon emissions per unit of electricity is expected to keep rising.

In terms of the coal market, coal production policies have shifted from ensuring supply to stabilizing production, with continued emphasis on safety production supervision. Coal enterprises are focusing their investments on improving coal mine safety and adopting intelligent upgrades. The potential for increasing coal production is limited, and the market is expected to maintain a “overall balance with periodic fluctuations” pattern. With the ongoing industrial restructuring and green low-carbon transformation in China, the substitution effect of new energy for coal-fired power continues to grow. It is expected that coal consumption for power generation will remain largely unchanged from the previous year, with further slowing growth. Demand from non-electricity industries has partially recovered, with coal consumption in sectors such as steel and building materials increasing, while demand for coal in the coal chemical industry remains strong. It is expected that coal prices will stabilize in 2025, with a slight downward adjustment in the price center.

In terms of the financial market, according to the spirit of the Central Economic Work Conference and the quarterly meetings of the central bank's monetary policy committee, the goal for 2025 is to promote continuous economic recovery and improvement, adhering to the principles of seeking progress while maintaining stability, advancing stability through progress, maintaining integrity while innovating, establishing foundations before making breakthroughs, integrating systems, and coordinating efforts. This involves fully improving the policy toolkit and enhancing the foresight, specificity, and effectiveness of macroeconomic control. More proactive fiscal policies and moderately accommodative monetary policies will be implemented, along with the innovation of financial tools, to maintain stability in the financial markets.

E. PERFORMANCE OF SIGNIFICANT INVESTMENTS AND THEIR PROSPECTS

As at 31 December 2024, the carrying amount of the Company's investments in associates and joint ventures amounted to RMB24.673 billion. Among them, the Company's investment in Shenzhen Energy is significant.

The Company acquired 25% equity interest in Shenzhen Energy Group for RMB2.39 billion on 22 April 2003. In 2011, Shenzhen Energy Group divided into a remainder company of the same name and a new company Shenzhen Energy Management Company (“**SE Management**”), and the Company holds 25% equity interests in each of the two successors. The Company acquired 200 million shares from Shenzhen Energy, a subsidiary of Shenzhen Energy Group in December 2007. Shenzhen Energy allotted shares with its capital surplus in 2011. In February 2013, Shenzhen Energy merged SE Management through the combination of directional seasoned offering and cash payment to shareholders of SE management, Shenzhen State-owned Assets Administration Commission and the Company. After the merger, the Company held 661 million shares of Shenzhen Energy, representing 25.02% of its equity interests. In 2024, Shenzhen Energy distributed cash dividend amounting to RMB1.40 (tax inclusive) of every 10 shares to its shareholders, and the Company held 1,190 million shares of Shenzhen Energy by 31 December 2024. These investments brought a net profit to the Company of RMB454 million for the year ended 31 December 2024 under IFRS accounting standards. This investment is expected to provide steady returns to the Company.

F. EMPLOYEE BENEFITS

As of 31 December 2024, the total number of employees of the Company and its subsidiaries, both domestically and overseas, was 56,263. The Company and its subsidiaries offer employees competitive remuneration and implement an incentive policy that links remuneration with performance. At present, the Company and its subsidiaries do not have any equity or stock option incentive plans.

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

G. GUARANTEE FOR LOANS AND RESTRICTED ASSETS

As at 31 December 2024, the Company provided guarantees for long-term loans of approximately RMB1,273 million (31 December 2023: approximately RMB917 million) to its domestic subsidiaries.

As at 31 December 2024, long-term loans of approximately RMB84 million (31 December 2023: RMB97 million) were guaranteed by Enshi Finance Bureau of Hubei Province.

As at 31 December 2024, long-term loans of approximately RMB78 million (31 December 2023: approximately RMB92 million) were guaranteed by Tangyin County Modern Agricultural Investment Co., Ltd.

As at 31 December 2024, long-term loans of approximately RMB202 million (approximately US\$28 million) (31 December 2023: RMB199 million (approximately US\$28 million)) were guaranteed by Huaneng Shandong Power Generation Co., Ltd. ("**Shandong Power**").

As at 31 December 2024, long-term loans of approximately RMB5,635 million (31 December 2023: RMB6,277 million) were guaranteed by Shandong Power, China Export & Credit Insurance Corporation and Jining Chengtou Holding Group Co., Ltd. ("**Jining Chengtou**") at the liability ratios of 17.5%, 65.0% and 17.5% respectively (31 December 2023: Shandong Power, China Export & Credit Insurance Corporation and Jining Chengtou at the liability ratios of 17.5%, 65.0% and 17.5% respectively).

As at 31 December 2024, long-term loans of approximately RMB711 million (31 December 2023: RMB1,135 million) were guaranteed by Shandong Power and Jining Chengtou at the liability ratios of 50.0% and 50.0% respectively (31 December 2023: Shandong Power and Jining Chengtou at the liability ratios of 50.0% and 50.0% respectively).

As of 31 December 2024, the details of secured loans of the Company and its subsidiaries were as follows:

As at 31 December 2024, short-term loans of RMB47 million were secured loans formed by factoring accounts receivable (31 December 2023: nil). As at 31 December 2024, short-term loans of RMB47 million (31 December 2023: RMB423 million) represented the notes receivable that were discounted with recourse. As these notes receivable had not yet matured, the proceeds received were recorded as short-term loans. As at 31 December 2024, short-term loans of approximately RMB32 million were secured by future revenue right from the electricity business (31 December 2023: nil).

As at 31 December 2024, short-term loans of RMB302 million (31 December 2023: RMB223 million) were secured by certain equipment with a net book value amounting to approximately RMB427 million (31 December 2023: RMB474 million).

As at 31 December 2024, long-term loans of RMB3,051 million (31 December 2023: RMB4,675 million) were secured by certain property, plant and equipment with a net book value amounting to approximately RMB4,875 million (31 December 2023: RMB6,543 million). As at 31 December 2024, long-term loans of approximately RMB2,756 million (31 December 2023: Nil) were secured by certain construction in progress with a net book value amounting to approximately RMB2,436 million (31 December 2023: Nil). Included in these secured loans, approximately RMB1,444 million (31 December 2023: Nil) were additionally secured by both the future revenue right from electricity and equity interests of the corresponding subsidiaries as collateral, while approximately RMB1,312 million were secured solely by the future revenue right from electricity as collateral (31 December 2023: Nil).

As at 31 December 2024, long-term loans of approximately RMB5,060 million were secured by future revenue right from the electricity or heat business (31 December 2023: RMB4,218 million).

As at 31 December 2024, the Company and its subsidiaries had restricted bank deposits amounting to RMB1,331 million (31 December 2023: RMB699 million).

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

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

I. RISK FACTORS

1. Electricity Industry and Market Risks

According to data released by the China Electricity Council, total electricity consumption nationwide is expected to grow by approximately 6% year-on-year in 2025. The total new installed power generation capacity is expected to exceed 450 million kilowatts, with over 300 million kilowatts of new renewable energy generation capacity. By the end of 2025, the proportion of coal-fired power in total installed capacity is projected to decrease to one-third. The utilization hours of coal power units will further decrease, and in some regions, the pressure to absorb renewable energy will become more prominent. During extreme weather and peak demand periods, there may be risks of electricity supply shortages in certain regions during specific time periods.

Renewable energy generation will fully enter the market, with electricity prices determined through market trading. Due to the characteristics of renewable energy output and factors such as absorption pressure, renewable energy may face dual uncertainties related to absorption and electricity prices, leading to a risk of declining settlement prices for the Company, which may affect overall revenue.

The Company will actively track national and industry-related policies, proactively adapt to the development needs of the electricity market under the “dual carbon” goals, and comprehensively consider market factors such as system demand, spatial value, price trends, and trading mechanisms to optimize investment regions and power source combinations, seeking to maximize economic benefits. The Company will accelerate the technological upgrade and transformation of coal-fired power units, strengthen its analysis of electricity supply and demand trends, and adjust pricing strategies in a timely manner to fully mitigate risks in the electricity industry and market. At the same time, the continuous improvement of ancillary services, capacity compensation, and price transmission mechanisms will create favorable conditions for the Company’s stable operations and sustainable development.

2. Risks in the Fuel Procurement Market

With the recovery of the domestic macroeconomy and the continuous increase in electricity consumption, during peak electricity demand periods such as summer and winter peaks and extreme weather conditions, there may be instances of localized electricity supply shortages during specific time periods. Thermal power will continue to play a crucial role in ensuring energy security, while local coal supply may still face significant pressure.

In coastal regions, the proportion of imported coal is relatively high, making coal supply more vulnerable to fluctuations in the international market, leading to certain uncertainties.

The Company will closely monitor changes in the coal market, implement national policy requirements, and fully leverage the role of long-term contracts as a stabilizing force. It will stay abreast of international coal market conditions and, while mitigating the risks of imported coal, further optimize the import of coal. The Company will continue to optimize its supply structure, enhance peak supply capacity, and improve adaptability to the new electricity market. It will strengthen inventory management, utilize seasonal storage strategies, and implement various measures to control coal procurement costs.

3. Carbon Market Risks

The national carbon market has completed three compliance periods, and in the third compliance period, the Company successfully met all compliance requirements ahead of schedule. In the fourth compliance period (2024), the allocation of allowances will continue to tighten, potentially driving up carbon trading prices and increasing the risk of higher carbon compliance costs.

The Company will closely monitor changes in national carbon market policies, accelerate energy-saving and emission-reduction upgrades, effectively control the total carbon emissions, and strategically optimize carbon trading policies in an effort to reduce compliance costs.

4. Environmental Risks

In line with the current state and demands of ecological civilization construction, the national government continues to improve and deepen environmental protection policies in key regions such as the Beijing-Tianjin-Hebei area, the Yangtze River Economic Belt, and the Pearl River Delta. New and stricter requirements have been introduced in areas such as water body protection and dust control, with increased on-site inspections. As a result, environmental protection expenses for grassroots enterprises may rise.

The Company strictly implements national environmental protection policies, ensuring that all its coal-fired power plants have completed ultra-low emissions upgrades and are operating in compliance with ultra-low emissions standards. The Company has shown good adaptability to fluctuations in external and internal factors such as weather conditions, fuel quality, and electricity and heat load, and all plants have passed local environmental protection department inspections. Additionally, the Company actively monitors environmental concerns from regulatory authorities, and with a cautious approach, scientifically selects advanced and applicable technological solutions. Efforts are being made to improve water conservation and wastewater treatment systems, build coal yard enclosures, and enhance comprehensive utilization of ash and slag, ensuring that environmental risks are promptly identified and effectively mitigated.

5. Power Construction Risks

In power construction, the Company may face risks such as extreme weather, rising labor costs, delays in obtaining necessary permits and documents (such as the four certificates and one letter), and longer-than-expected land acquisition periods.

The Company will proactively address these risks and challenges, enhancing organizational coordination and mobilizing the active participation of all project stakeholders. The Company will work to overcome difficulties and ensure that projects progress in an orderly manner according to plan.

STRUCTURE OF SHARE CAPITAL

As at 31 December 2024, the total issued share capital of the Company amounted to 15,698,093,359 shares, of which 10,997,709,919 shares were domestic shares, representing 70.06% of the total issued share capital, and 4,700,383,440 shares were foreign shares, representing 29.94% of the total issued share capital. In respect of foreign shares, China Huaneng Group Co., Ltd. (“**Huaneng Group**”) through its wholly-owned subsidiaries, China Hua Neng Group Hong Kong Limited and China Huaneng Group Treasury Management (Hong Kong) Limited, held 472,000,000 and 131,596,000 shares, respectively, representing 3.01% and 0.84% of the total issued share capital of the Company. In respect of domestic shares, Huaneng International Power Development Corporation (“**HIPDC**”) owned a total of 5,066,662,118 shares, representing 32.28% of the total issued share capital of the Company, while Huaneng Group held 1,555,124,549 shares, representing 9.91% of the total issued share capital of the Company, and through its concerted party, Huaneng Structural Adjustment No.1 Securities Investment Private Fund held 31,994,199 shares, representing 0.20% of the total issued share capital of the Company. Other domestic shareholders held a total of 4,343,929,053 shares, representing 27.67% of the total issued share capital.

DIVIDENDS

The Company has been paying dividends to shareholders since 1998, with a cumulative dividend payout amounting to RMB65.827 billion.

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

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

The Company’s dividend distribution proposal for 2024: a cash dividend of RMB0.27 (inclusive of tax) per share will be distributed to all shareholders. All dividends shall be paid subject to the approval of the shareholders at the annual general meeting. It is expected that the Company will pay the final dividend on or before 29 August 2025, after the distribution plan has been approved at the annual general meeting of the Company.

TAXATION ON RECEIPT OF THE PROPOSED 2024 FINAL DIVIDEND

Non-Resident Individual Shareholders

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

Non-resident Enterprise Shareholders

In accordance with the “Enterprise Income Tax Law of China” and its implementation regulations which came into effect on 1 January 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise shareholders whose names appear on the register of members for H share of the Company when distributing 2024 final dividend to them. For H shares of the Company registered other than in the name(s) of individual(s), including HKSCC Nominees Limited, other nominees, trustees, or other organisations or groups, shall be deemed to be shares held by non-resident enterprise shareholder(s). On the basis, enterprise income tax shall be withheld from dividends payable to such shareholder(s).

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

Profit Appropriation for Investors of Northbound Trading

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

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

Profit Appropriation for Investors of Southbound Trading

For investors of the Shanghai Stock Exchange and Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on Hong Kong Stock Exchange (the “**Southbound Trading**”), the Company has entered into the Agreement on Appropriation of Cash Dividends of H Shares for Southbound Trading (港 股 通 H 股 股 票 現 金 紅 利 派 發 協 議) with China Securities Depository and Clearing Corporation Limited, pursuant to which, China Securities Depository and Clearing Corporation Limited, as the nominee of the holders for Southbound Trading, will receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of Southbound Trading through its depository and clearing system. The cash dividends for the investors of Southbound Trading will be paid in RMB.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2014] No.81) and the Notice of the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (財政部、國家稅務總局、中國證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2016] No. 127) for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect

and Shenzhen-Hong Kong Stock Connect, the companies of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The companies of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

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

As the Company is yet to confirm the date for convening the 2024 Annual General Meeting, the record date(s) and the period(s) for closure of register for determining the eligibility to attend and vote at the 2024 Annual General Meeting, as well as the entitlement to the final dividend, the Company will announce such details in the notice of the 2024 Annual General Meeting once confirmed. The notice is expected to be issued to shareholders in late April or May 2025.

PRE-EMPTIVE RIGHTS

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

LARGEST SUPPLIERS AND CUSTOMERS

The five largest suppliers of the Company and its subsidiaries for 2024 were China Huaneng Group Fuel Co., Ltd. (Huaneng Group, the ultimate controlling shareholder of the Company, holds about 73% of its equity), Huaneng Supply Chain Platform Technology Co., Ltd. (Huaneng Group holds about 35% of its equity), Shandong Energy Group Company Limited, China Coal Energy Company Limited and Huaneng Coal Industry Co., Ltd. (Huaneng Group holds 100% of its equity), respectively. The total purchase from them amounted to approximately RMB77.826 billion, representing approximately 33.73% of the total purchase of the year. The largest supplier was China Huaneng Group Fuel Co., Ltd., the purchase from which amounted to RMB27.947 billion, representing approximately 12.11% of the total purchase of the year.

As a domestic power producer, the Company sells the electricity generated by its power plants mainly through regional grid companies. The five largest customers of the Company and its subsidiaries for 2024 were State Grid Shandong Electric Power Company, State Grid Jiangsu Electric Power Company, State Grid Zhejiang Electric Power Company, State Grid Jiangxi Electric Power Company and China Southern Power Grid Guangdong Power Grid Co., Ltd. The total amount of sales of power to those five largest customers was approximately RMB96.957 billion, representing approximately 39.49% of the total sales of power for the year. The largest customer was State Grid Shandong Electric Power Company, and the amount of sale to it was RMB34.219 billion, representing approximately 13.94% of the total sales of power for the year.

Save as disclosed above, none of the directors (the “**Director(s)**”), supervisors (the “**Supervisor(s)**”) and their respective close associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) or any shareholders (holding 5% or more of the issued shares of the Company (excluding the treasury shares) to the best knowledge of the Board) had any interest in the five largest suppliers and customers of the Company mentioned above in 2024.

BUSINESS COMPETITION WITH CONTROLLING SHAREHOLDER

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

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

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

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

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

Currently, the Company has 15 Directors, 4 of whom hold positions in Huaneng Group. According to the articles of association of the Company, in case a conflict of interest arises, the relevant Directors shall abstain from voting on the relevant resolutions. Therefore, the Company operates independently of Huaneng Group and conducts its business in its own interests.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

The Company and its subsidiaries did not sell, purchase or redeem any shares or other listed securities (including sale of treasury shares) of the Company in 2024. As of 31 December 2024 and during the reporting period, the Company did not hold any treasury shares.

DIRECTORS OF THE COMPANY

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

Name of Director	Position	Date of appointment
Wang Kui	Chairman, executive Director	29 August 2023
Wang Zhijie	Vice Chairman, executive Director	5 December 2023
Huang Lixin	Executive Director, President	5 December 2023
Du Daming	Non-executive Director	5 December 2023
Zhou Yi	Non-executive Director	5 December 2023
Li Lailong	Non-executive Director	5 December 2023
Cao Xin	Non-executive Director	5 December 2023
Li Haifeng	Non-executive Director	22 December 2020
Ding Xuchun	Non-executive Director	5 December 2023
Wang Jianfeng	Non-executive Director	5 December 2023
Xia Qing	Independent non-executive Director	16 June 2020
He Qiang	Independent non-executive Director	5 December 2023
Zhang Liying	Independent non-executive Director	5 December 2023
Zhang Shouwen	Independent non-executive Director	5 December 2023
Dang Ying	Independent non-executive Director	5 December 2023

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

On 30 June 2021, the Company's Board considered and approved the Amended Management Guidelines Regarding the Holding of the Company's Shares by the Directors, Supervisors and Senior Management of Huaneng Power International, Inc. ("**Management Guidelines**") The standards set out in these guidelines are not less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**"), as set out in Appendix C3 to the Listing Rules. Enquiries have been made with all Directors and Supervisors and each has confirmed compliance with both the Management Guidelines and the Model Code throughout 2024.

DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' RIGHT TO PURCHASE SHARES

For the year ended 31 December 2024, none of the Directors, Chief Executive, Supervisors of the Company or their respective associates had any interests in the shares of the Company or any associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)) which are (a) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; (c) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

For the year ended 31 December 2024, none of the Directors, Chief Executive, Supervisors, senior management of the Company or their spouses and children under the age of 18 was given the right to acquire any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of the SFO).

DIRECTORS' AND SUPERVISORS' INTEREST IN CONTRACTS AND SERVICE CONTRACTS

Save for the service contracts mentioned below, as at the end of 2024, the Directors and Supervisors of the Company did not have any material interests in any contracts entered into by the Company.

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

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

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION OF INDEPENDENCE

Each of the independent non-executive Directors of the Company, namely Mr. Xia Qing, Mr. He Qiang, Ms. Zhang Liying, Mr. Zhang Shouwen and Ms. Dang Ying has signed a confirmation letter regarding their independence as independent non-executive Directors for 2024 on 25 March 2025. The Company considers them to be independent.

PUBLIC FLOAT

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

SHAREHOLDINGS OF MAJOR SHAREHOLDERS

The following table sets out the shareholdings of the top ten shareholders of the Company as at 31 December 2024:

Name of shareholder	Number of shares held as of 31 December 2024	Percentage of shareholding
Huaneng International Power Development Corporation	5,066,662,118	32.28%
HKSCC Nominees Limited	4,203,246,330	26.78%
China Huaneng Group Co., Ltd.	1,555,124,549	9.91%
Hebei Construction & Investment Group Co., Ltd.	493,316,146	3.14%
China Hua Neng Group Hong Kong Limited	472,000,000	3.01%
China Securities Finance Corporation Limited	466,953,720	2.97%
Jiangsu Guoxin Investment Group Limited	258,452,600	1.65%
Dalian City Investment Holding Group Co., Ltd.	253,740,000	1.62%
Liaoning Energy Investment (Group) Limited	244,205,000	1.56%
Hong Kong Securities Clearing Limited	171,616,554	1.09%

REMUNERATION POLICY

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

(1) Salaries and allowances

The basic salary, primarily determined through a job position evaluation and factor analysis, with reference to the salary levels of comparable positions in the labor market, accounts for approximately 20% of the total remuneration.

(2) Discretionary bonus

Discretionary bonuses, which are primarily determined based on the Company's operating results and the performance of Directors, Supervisors and senior management, account for approximately 63% of the total remuneration.

(3) Payments on pension, etc.

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

According to the resolution passed at a general meeting, the Company paid each independent non-executive Director a subsidy of RMB0.3 million (inclusive of tax) in 2024. Reasonable expenses (including travel and office expenses) incurred by the independent non-executive Directors in attending board meetings and general meetings and in fulfilling their duties under the Company Law and the Company's Articles of Association shall be reimbursed by the Company. Apart from these, the Company does not provide any other benefits to the independent non-executive Directors.

For the year ended 31 December 2024, the remuneration of the members of the senior management of the Group, by band, is set out below:

Range of Remuneration	Person(s)
RMB2.01 million to 3.00 million	0
RMB1.01 million to 2.00 million	2
RMB0 to 1.00 million	3

STAFF HOUSING

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

STAFF MEDICAL INSURANCE SCHEME

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

RETIREMENT SCHEMES

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

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

During the financial year ended 31 December 2024, there were no forfeited contributions to the retirement schemes that the Group could utilise to reduce the contributions payable in future years. Accordingly, no forfeited contributions were utilised during the financial year and no forfeited contributions were available as at 31 December 2024 to reduce the level of future contributions to be made by the Group to the retirement schemes.

GENERAL MEETINGS

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

1. The Company's 2023 annual general meeting was held on 25 June 2024. The resolutions passed at the meeting were published in China Securities Journal and Shanghai Securities News on 26 June 2024.
2. The Company's 2024 first extraordinary general meeting was held on 12 December 2024. The resolutions passed at the meeting were published in China Securities Journal and Shanghai Securities News on 13 December 2024.

CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS DURING THE REPORTING PERIOD

As at the date of this announcement, there have been no changes in the information of Directors, Supervisors, and the Chief Executive Officer that are required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

MAJOR EVENTS

In 2024, the Company actively leveraged its financing platform as a listed company to revitalize existing assets and explore financing opportunities through multiple channels and continued to issue equity-type REITs financing products as needed. Five issuances of equity-type REITs financing products were completed in the Shanghai Stock Exchange, bringing in a total of RMB23.051 billion of equity capital for the Company, setting a number of records for the best issuance interest rates and received several industry awards, showcasing the high recognition from the capital markets and establishing a strong market brand image.

CORPORATE GOVERNANCE CODE

During the reporting period, the Company complied with all the code provisions contained in the second part of Appendix C1 to the Listing Rules.

Please refer to the section “Corporate Governance Report” in the annual report for details.

DESIGNATED DEPOSIT

As at 31 December 2024, the Company and its subsidiaries did not have any entrusted deposit placed with any financial institutions within the PRC nor did them any overdue time deposit which could not be recovered.

POVERTY ALLEVIATION EXPENDITURE

In 2024, the expenditure on targeted poverty alleviation in the PRC, in the name of the Company, totaled RMB17.756 million.

LEGAL PROCEEDINGS

As at 31 December 2024, neither the Company nor its subsidiaries were involved in any material litigation or arbitration, nor were there any material litigation or claims pending, threatened, or made against them.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER

As the Company has yet to confirm the date of the 2024 annual general meeting, the record date(s) for determining the eligibility to attend and vote at the 2024 annual general meeting, entitlement to the final dividend and the period(s) for closure of register, the Company will announce such details in the notice of the 2024 annual general meeting once confirmed. The notice is expected to be issued to shareholders by the end of April or in May 2025.

AUDITORS

As approved at the 2023 first extraordinary general meeting, Ernst & Young Hua Ming LLP was appointed as the Company's domestic auditor for 2024, and Ernst & Young, registered public interest entity auditor, was appointed as the Hong Kong auditor of the Company for 2024. The Company did not change its auditors in the past three years.

PUBLICATION OF RESULTS ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND THE COMPANY

This announcement of 2024 annual results of the Company is published on the Hong Kong Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.hpi.com.cn>). The 2024 annual report of the Company, containing all the information required by the Listing Rules, will be made available on the above websites in due course.

REQUIREMENTS UNDER THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE

In 2024, in accordance with the requirements under the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange, the Company has completed the preparation and disclosure of the Environmental, Social and Governance Report in due time, which will be published on the website of the Company (www.hpi.com.cn: Investor Relationship-ESG Report) and the website of Hong Kong Stock Exchange (www.hkex.com.hk) as scheduled. To request a printed copy of the Company's 2024 ESG Report, please contact the Company by emailing zqb@hpi.com.cn.

The Company has successfully prepared and disclosed high-quality ESG reports for nine consecutive years. For the second consecutive year, the Company's ESG practices have been selected by the State-owned Assets Supervision and Administration Commission (SASAC) as "ESG-Pioneer 100 Index of Listed Companies of Central Enterprises (2024)", and have been included in the "Blue Book on Environmental, Social and Governance (ESG) of Listed Companies of Central Enterprises". For the third consecutive year, the Company has been awarded the "2024 Best Sustainability Practice Case of Listed Companies" by the China Association for Public Companies

(CAPCO), recognized with the “ESG Excellent Practice in 2024” by China Media Group (CMG) and China Enterprise Reform and Development Society (CERDS) and featured in the 2024 ESG Excellence Practices Report, honored as an “Outstanding ESG Sustainable Development Case” jointly by CERDS and China Comment, and certified as an “Exemplary Social Responsibility Initiative in Power Industry” by China Electricity Council (CEC). The Company’s ESG achievements have been extensively covered by CCTV and Xinhua News Agency.

COMPANY PUBLICATIONS

The Company’s 2024 interim report (A share version and H share version) was published in August 2024 and the 2024 annual report (A share version and H share version) will be published in April 2025. The Company shall, in compliance of the relevant regulations of the Shanghai Stock Exchange, prepare quarterly reports. Copies of the interim and annual reports will be made available at:

Beijing: Huaneng Power International, Inc.
Huaneng Building
6 Fuxingmennei Street, Xicheng District Beijing
The People’s Republic of China

Tel: (8610) 6322 6999
Fax: (8610) 6322 6888

Hong Kong: Wonderful Sky Financial Group Limited
9th Floor, The Centre
99 Queen’s Road Central
Hong Kong

Tel: (852) 2851 1038
Fax: (852) 2815 1352

The Company’s website: <http://www.hpi.com.cn>

By order of the Board
Huaneng Power International, Inc.
Wang Kui
Chairman

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

Wang Kui (*Executive Director*)

Wang Zhijie (*Executive Director*)

Huang Lixin (*Executive Director*)

Du Daming (*Non-executive Director*)

Zhou Yi (*Non-executive Director*)

Li Lailong (*Non-executive Director*)

Cao Xin (*Non-executive Director*)

Li Haifeng (*Non-executive Director*)

Ding Xuchun (*Non-executive Director*)

Wang Jianfeng (*Non-executive Director*)

Xia Qing (*Independent Non-executive Director*)

He Qiang (*Independent Non-executive Director*)

Zhang Liying (*Independent Non-executive Director*)

Zhang Shouwen (*Independent Non-executive Director*)

Dang Ying (*Independent Non-executive Director*)

Beijing, the PRC

26 March 2025

A. FINANCIAL INFORMATION EXTRACTED FROM FINANCIAL STATEMENTS PREPARED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARD (“IFRS”) ACCOUNTING STANDARDS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

(Prepared in accordance with IFRS Accounting Standards)

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

		For the year ended 31 December	
	<i>Notes</i>	<u>2024</u>	<u>2023</u>
Operating revenue	<i>3</i>	245,550,923	254,396,695
Tax and levies on operations		(2,008,686)	(1,634,847)
Operating expenses, net			
Fuel		(142,115,478)	(156,569,158)
Maintenance		(5,056,136)	(4,456,767)
Provision for impairment losses on financial and contract assets		(20,219)	(129,009)
Depreciation	<i>12</i>	(26,301,768)	(25,492,280)
Labour		(18,649,680)	(17,762,377)
Service fees on transmission and transformer facilities of Huaneng International Power Development Company (“HIPDC”)		(47,947)	(47,947)
Purchase of electricity		(9,070,030)	(11,978,026)
Others, net	<i>12</i>	(18,283,466)	(17,765,337)
Total operating expenses		<u>(219,544,724)</u>	<u>(234,200,901)</u>
Profit from operations		<u>23,997,513</u>	<u>18,560,947</u>

		For the year ended	
		31 December	
	<i>Notes</i>	<u>2024</u>	<u>2023</u>
Interest income		605,919	506,878
Financial expenses, net			
Interest expense	<i>12</i>	(7,786,460)	(8,938,084)
Exchange loss and bank charges, net		(260,237)	(437,167)
Total financial expenses, net		<u>(8,046,697)</u>	<u>(9,375,251)</u>
Share of profits less losses of associates and joint ventures		1,259,904	854,156
Other investment gain	<i>12</i>	<u>4,647</u>	<u>1,930,412</u>
Profit before income tax expense	<i>12</i>	17,821,286	12,477,142
Income tax expense	<i>4</i>	<u>(3,815,093)</u>	<u>(3,707,733)</u>
Net profit		<u>14,006,193</u>	<u>8,769,409</u>

	For the year ended	
	31 December	
	2024	2023
Other comprehensive income, net of tax		
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>		
Fair value changes of other equity instrument investments	(53,003)	(54,457)
Share of other comprehensive income of joint ventures and associates	(56,274)	(29,525)
Income tax effect	13,251	13,935
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Share of other comprehensive income of joint ventures and associates	10,530	12,147
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments	378,996	(31,759)
Reclassification adjustments for (losses)/ gains included in profit or loss	(101,943)	162,362
Exchange differences on translation of foreign operations	4,268	(168,052)
Income tax effect	(47,099)	(22,203)
Other comprehensive income, net of tax	148,726	(117,552)
Total comprehensive income	14,154,919	8,651,857

	For the year ended 31 December	
<i>Notes</i>	<u>2024</u>	<u>2023</u>
Net profit attributable to:		
– Equity holders of the Company	10,184,633	8,357,460
– Non-controlling interests	3,821,560	411,949
	<u>14,006,193</u>	<u>8,769,409</u>
Total comprehensive income attributable to:		
– Equity holders of the Company	10,233,398	8,653,954
– Non-controlling interests	3,921,521	(2,097)
	<u>14,154,919</u>	<u>8,651,857</u>
Earnings per share attributable to the shareholders of the Company (expressed in RMB per share)		
– Basic and diluted	<i>13</i> <u>0.46</u>	<u>0.35</u>

Consolidated Statement of Financial Position

As at 31 December 2024

(Prepared in accordance with IFRS Accounting Standards)

(Amounts expressed in thousands of RMB)

		As at 31 December	
	Notes	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment		402,936,461	368,675,819
Right-of-use assets		24,682,142	21,024,661
Investments in associates and joint ventures		24,672,883	22,712,467
Investment properties		591,512	626,239
Other equity instrument investments		589,920	642,923
Power generation licence		4,267,763	4,312,514
Mining rights		1,609,115	1,609,115
Deferred income tax assets		3,155,100	4,150,104
Derivative financial assets		38,105	616
Goodwill		14,389,046	14,509,739
Other non-current assets	5	22,345,178	21,307,658
Total non-current assets		499,277,225	459,571,855
Current assets			
Inventories		13,444,394	11,899,339
Other receivables and assets		14,546,074	14,750,293
Accounts and notes receivables	6	48,073,224	47,140,674
Contract assets		47,863	44,583
Derivative financial assets		256,065	59,411
Bank balances and cash		19,932,035	16,849,858
Total current assets		96,299,655	90,744,158
Total assets		595,576,880	550,316,013

		As at 31 December	
	<i>Notes</i>	<u>2024</u>	<u>2023</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		15,698,093	15,698,093
Other equity instruments	<i>10</i>	80,170,696	79,626,169
Capital surplus		23,710,857	23,571,376
Surplus reserves		8,140,030	8,140,030
Reserve funds		771,124	479,264
Currency translation differences		(457,669)	(366,687)
Retained earnings		15,761,198	11,614,870
		143,794,329	138,763,115
Non-controlling interests		66,784,717	40,591,363
Total equity		210,579,046	179,354,478
Non-current liabilities			
Long-term loans		151,827,548	162,347,839
Long-term bonds	<i>8</i>	37,248,235	28,038,374
Lease liabilities		7,429,666	6,714,600
Deferred income tax liabilities		3,010,015	2,593,143
Derivative financial liabilities		271,621	454,637
Other non-current liabilities		6,472,682	6,813,588
Total non-current liabilities		206,259,767	206,962,181

		As at 31 December	
	<i>Notes</i>	<u>2024</u>	<u>2023</u>
Current liabilities			
Accounts payable and other liabilities	9	62,033,482	59,851,144
Contract liabilities		3,528,664	3,380,245
Taxes payable		2,235,283	2,363,028
Dividends payable		428,446	554,684
Derivative financial liabilities		176,614	240,177
Short-term bonds		8,017,110	6,110,228
Short-term loans		61,165,908	57,232,729
Current portion of long-term loans		31,950,932	21,076,582
Current portion of long-term bonds	8	8,447,643	11,829,844
Current portion of lease liabilities		670,924	1,279,447
Current portion of other non-current liabilities		83,061	81,246
Total current liabilities		<u>178,738,067</u>	<u>163,999,354</u>
Total liabilities		<u>384,997,834</u>	<u>370,961,535</u>
Total equity and liabilities		<u><u>595,576,880</u></u>	<u><u>550,316,013</u></u>

NOTES TO THE FINANCIAL INFORMATION EXTRACTED FROM FINANCIAL STATEMENTS PREPARED UNDER IFRS ACCOUNTING STANDARDS

(Amounts expressed in thousands of RMB unless otherwise stated)

1 Basis of preparation

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

As at 31 December 2024, the Group had net current liabilities of approximately RMB82.44 billion. Taking into consideration the unutilised banking facilities of exceeding approximately RMB370.0 billion as at 31 December 2024, the Group is expected to refinance certain of its short-term loans and bonds and also to consider alternative sources of financing, where applicable and when needed. Therefore, the directors of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and accordingly, these consolidated financial statements are prepared on a going concern basis.

2 Material accounting policies

Changes in accounting policies

The Group has adopted the following revised IFRS accounting standards for the first time for the current year’s consolidated financial statements.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

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

(i) Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(ii) Amendments to IAS 1 the 2020 Amendments and the 2022 Amendments

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

3 Revenue and segment information

(a) Disaggregation of revenue

In the following table, revenue is disaggregated by major products and/or service lines of revenue recognition. The table also includes a reconciliation of the disaggregated operating revenue to the Group's reportable segments (Note 3(b)).

For the year ended 31 December 2024	PRC power segment	Overseas power segment	All other segments	Inter- segment revenue	Total
		<i>Note 1</i>			
– Sales of power and heat	216,074,348	21,479,550	–	–	237,553,898
– Sales of coal ash, coal and raw materials	1,391,546	3,136	–	–	1,394,682
– Port service	–	–	736,370	(519,439)	216,931
– Transportation service	–	–	216,500	(144,321)	72,179
– Lease income	77,615	1,334,092	–	–	1,411,707
– Others	2,489,244	2,401,171	33,502	(22,391)	4,901,526
Total	<u>220,032,753</u>	<u>25,217,949</u>	<u>986,372</u>	<u>(686,151)</u>	<u>245,550,923</u>
Revenue:					
– From contracts with customers within the scope of IFRS 15					244,139,216
– From other sources					1,411,707

For the year ended 31 December 2023	PRC power segment	Overseas power segment <i>Note 1</i>	All other segments	Inter- segment revenue	Total
– Sales of power and heat	219,284,800	26,871,236	–	–	246,156,036
– Sales of coal ash, coal and raw materials	1,407,527	1,852	–	–	1,409,379
– Port service	–	–	663,581	(420,442)	243,139
– Transportation service	–	–	209,485	(145,948)	63,537
– Lease income	83,800	1,402,779	–	–	1,486,579
– Others	2,181,284	2,846,123	32,878	(22,260)	5,038,025
Total	<u>222,957,411</u>	<u>31,121,990</u>	<u>905,944</u>	<u>(588,650)</u>	<u>254,396,695</u>

Revenue:

– From contracts with customers within the scope of IFRS 15	252,910,116
– From other sources	1,486,579

Note 1: The overseas power segment mainly consists of the operations in Singapore and Pakistan.

The revenue from the sale of power and heat and the sale of coal ash, coal and raw materials is recognised at the point in time upon the transfer of products, whereas the revenue from port service, transportation service, maintenance service, and heating pipeline service is recognised over time during the provision of such services. Lease income is recognised over the lease term.

(b) Segment information

Directors and certain senior management of the Company perform the function as the chief operating decision maker (collectively referred to as the “**senior management**”). The senior management reviews the internal reporting of the Group in order to assess performance and allocate resources. The Company has determined the operating segments based on these reports. The reportable segments of the Group are the PRC power segment, overseas power segment and all other segments (mainly including port and transportation operations). No operating segments have been aggregated to form a reportable segment.

Senior management assesses the performance of the operating segments based on a measure of profit before income tax expense under China Accounting Standards for Business Enterprises (“**PRC GAAP**”) excluding dividend income received from other equity instrument investments, share of profits of China Huaneng Finance Co., Ltd. (“**Huaneng Finance**”) and operating results of the centrally managed and resource allocation functions of headquarters (“**segment results**”). Other information provided, except as noted below, to the senior management of the Company is measured under PRC GAAP.

Segment assets exclude prepaid income tax, deferred income tax assets, other equity instrument investments, investment in Huaneng Finance and assets related to the centrally managed and resource allocation functions of the headquarters that are not attributable to any operating segment (“**corporate assets**”). Segment liabilities exclude current income tax liabilities, deferred income tax liabilities and liabilities related to the centrally managed and resource allocation functions of the headquarters that are not attributable to any operating segment (“**corporate liabilities**”). These are part of the reconciliation to total assets and liabilities of the consolidated statement of financial position.

All sales among the operating segments have been eliminated as internal transactions when preparing the consolidated financial statements.

(Under PRC GAAP)

	<u>PRC power segment</u>	<u>Overseas power segment</u>	<u>All other segments</u>	<u>Total</u>
For the year ended				
31 December 2024				
Total revenue	220,032,753	25,217,949	986,372	246,237,074
Intersegment revenue	–	–	(686,151)	(686,151)
External revenue	<u>220,032,753</u>	<u>25,217,949</u>	<u>300,221</u>	<u>245,550,923</u>
Segment results	<u>14,119,298</u>	<u>3,657,056</u>	<u>377,483</u>	<u>18,153,837</u>
Interest income	198,389	403,129	4,401	605,919
Interest expense	(6,743,867)	(952,217)	(90,376)	(7,786,460)
Impairment loss	(1,628,629)	(85,511)	–	(1,714,140)
Reversal of/(provision) for credit loss	28,423	24,584	(39,226)	13,781
Depreciation and amortisation	(24,810,209)	(742,928)	(284,218)	(25,837,355)
Net loss on disposal of non-current assets	(584,141)	(1,446)	(23)	(585,610)
Share of profits less losses of associates and joint ventures	755,079	–	299,524	1,054,603
Income tax expense	<u>(3,369,477)</u>	<u>(594,571)</u>	<u>(12,518)</u>	<u>(3,976,566)</u>

	PRC power segment	Overseas power segment	All other segments	Total
For the year ended				
31 December 2023				
Total revenue	222,957,411	31,121,990	905,944	254,985,345
Intersegment revenue	–	–	(588,650)	(588,650)
External revenue	<u>222,957,411</u>	<u>31,121,990</u>	<u>317,294</u>	<u>254,396,695</u>
Segment results	<u>8,147,698</u>	<u>4,987,181</u>	<u>115,510</u>	<u>13,250,389</u>
Interest income	194,896	310,227	1,755	506,878
Interest expense	(7,645,067)	(1,154,473)	(114,778)	(8,914,318)
Impairment loss	(2,968,495)	(3,698)	–	(2,972,193)
Credit loss	(26,773)	(51,089)	(49,012)	(126,874)
Depreciation and amortisation	(24,099,983)	(707,643)	(257,549)	(25,065,175)
Net (loss)/gain on disposal of non-current assets	(314,464)	482	(11)	(313,993)
Share of profits less losses of associates and joint ventures	636,743	–	90,825	727,568
Income tax expense	<u>(3,087,238)</u>	<u>(810,683)</u>	<u>(21,447)</u>	<u>(3,919,368)</u>

(Under PRC GAAP)

	<u>PRC power segment</u>	<u>Overseas power segment</u>	<u>All other segments</u>	<u>Total</u>
31 December 2024				
Segment assets	<u>528,529,486</u>	<u>41,577,645</u>	<u>10,530,303</u>	<u>580,637,434</u>
Including:				
Additions to non-current assets (excluding financial assets and deferred income tax assets)	69,243,347	274,749	45,346	69,563,442
Investments in associates	14,160,764	–	5,575,405	19,736,169
Investments in joint ventures	1,962,702	–	961,959	2,924,661
Segment liabilities	<u>(360,122,762)</u>	<u>(18,846,796)</u>	<u>(1,819,180)</u>	<u>(380,788,738)</u>
31 December 2023				
Segment assets	<u>481,211,396</u>	<u>42,142,777</u>	<u>10,483,831</u>	<u>533,838,004</u>
Including:				
Additions to non-current assets (excluding financial assets and deferred income tax assets)	68,329,270	235,865	101,597	68,666,732
Investments in associates	13,100,088	–	5,501,131	18,601,219
Investments in joint ventures	1,320,945	–	893,971	2,214,916
Segment liabilities	<u>(343,289,950)</u>	<u>(21,690,531)</u>	<u>(1,876,151)</u>	<u>(366,856,632)</u>

A reconciliation of external revenue to operating revenue is provided as follows:

	For the year ended 31 December	
	2024	2023
External revenue (PRC GAAP)	245,550,923	254,396,695
Operating revenue per IFRS accounting standards consolidated statement of profit or loss and other comprehensive income	<u>245,550,923</u>	<u>254,396,695</u>

A reconciliation of segment results to profit before income tax expense is provided as follows:

	For the year ended 31 December	
	2024	2023
Segment results (PRC GAAP)	18,153,837	13,250,389
<i>Reconciling items</i> (PRC GAAP):		
Loss related to the headquarters	(252,206)	(342,414)
Share of profits of Huaneng Finance	183,721	93,024
Dividend income of other equity instrument investments	761	835
Subtotal	<u>18,086,113</u>	<u>13,001,834</u>
Impact of IFRS accounting standards adjustments*	<u>(264,827)</u>	<u>(524,692)</u>
Profit before income tax expense per IFRS accounting standards consolidated statement of profit or loss and other comprehensive income	<u>17,821,286</u>	<u>12,477,142</u>

Reportable segment assets are reconciled to total assets as follows:

	As at 31 December	
	2024	2023
Total segment assets (PRC GAAP)	580,637,434	533,838,004
<i>Reconciling items</i> (PRC GAAP):		
Investment in Huaneng Finance	1,985,070	1,869,349
Deferred income tax assets	3,256,059	4,401,902
Prepaid income tax	149,539	148,075
Other equity instrument investments	589,920	642,923
Corporate assets	224,731	259,028
Subtotal	<u>586,842,753</u>	<u>541,159,281</u>
Impact of IFRS accounting standards adjustments*	<u>8,734,127</u>	<u>9,156,732</u>
Total assets per IFRS accounting standards consolidated statement of financial position	<u>595,576,880</u>	<u>550,316,013</u>

Reportable segment liabilities are reconciled to total liabilities as follows:

	As at 31 December	
	2024	2023
Total segment liabilities (PRC GAAP)	(380,788,738)	(366,856,632)
<i>Reconciling items</i> (PRC GAAP):		
Current income tax liabilities	(872,057)	(940,307)
Deferred income tax liabilities	(1,711,662)	(1,284,155)
Corporate liabilities	(422,469)	(715,626)
Subtotal	<u>(383,794,926)</u>	<u>(369,796,720)</u>
Impact of IFRS accounting standards adjustments*	<u>(1,202,908)</u>	<u>(1,164,815)</u>
Total liabilities per IFRS accounting standards consolidated statement of financial position	<u>(384,997,834)</u>	<u>(370,961,535)</u>

Other material items:

	Reportable segment total	Headquarters	Share of profits of Huaneng Finance	Impact of IFRS accounting standards adjustments*	Total
For the year ended					
31 December 2024					
Total revenue	245,550,923	-	-	-	245,550,923
Interest expense	(7,786,460)	-	-	-	(7,786,460)
Depreciation and amortisation	(25,837,355)	(38,704)	-	(540,602)	(26,416,661)
Impairment loss	(1,714,140)	-	-	-	(1,714,140)
Reversal of/(provision) for credit loss	13,781	-	-	(34,000)	(20,219)
Share of profits less losses of associates and joint ventures	1,054,603	-	183,721	21,580	1,259,904
Net loss on disposal of non-current assets	(585,610)	-	-	(8,767)	(594,377)
Income tax expense	(3,976,566)	-	-	161,473	(3,815,093)
For the year ended					
31 December 2023					
Total revenue	254,396,695	-	-	-	254,396,695
Interest expense	(8,914,318)	(23,766)	-	-	(8,938,084)
Depreciation and amortisation	(25,065,175)	(65,752)	-	(600,833)	(25,731,760)
Impairment loss	(2,972,193)	-	-	(164,709)	(3,136,902)
Credit loss	(126,874)	-	-	(2,135)	(129,009)
Share of profits less losses of associates and joint ventures	727,568	-	93,024	33,564	854,156
Net loss on disposal of non-current assets	(313,993)	-	-	(40,819)	(354,812)
Income tax expense	(3,919,368)	-	-	211,635	(3,707,733)

* IFRS accounting standards adjustments above primarily represented the reclassification adjustments and adjustments related to business combination, borrowing cost and reserve fund. Other than the reclassification adjustments, the differences will be gradually eliminated following subsequent depreciation and amortisation of related assets or the extinguishment of liabilities.

Geographical information (Under IFRS accounting standards):

(i) External revenue generated from the following countries:

	For the year ended 31 December	
	2024	2023
PRC	220,332,974	223,274,705
Overseas	25,217,949	31,121,990
Total	<u>245,550,923</u>	<u>254,396,695</u>

The geographical locations of customers are based on the locations at which the electricity was transferred, goods were delivered, and services were provided.

(ii) Non-current assets (excluding financial assets and deferred income tax assets) are located in the following countries:

	As at 31 December	
	2024	2023
PRC	465,319,492	422,749,621
Overseas	22,007,431	22,934,605
Total	<u>487,326,923</u>	<u>445,684,226</u>

The non-current asset information above is based on the locations of the assets.

The information on sales to major customers of the Group which accounted for 10% or more of external revenue is as follows:

In 2024, the revenue from grid companies under common control of State Grid Corporation of China within the PRC power segment in total accounted for 81% of external revenue (2023: 79%). The sales to a subsidiary of State Grid Corporation of China which accounted for 10% or more of external revenue are as follows:

	For the year ended 31 December			
	2024		2023	
	<u>Amount</u>	<u>Proportion</u>	<u>Amount</u>	<u>Proportion</u>
State Grid Shandong Electric Power Company	<u>34,219,109</u>	<u>14%</u>	<u>36,748,949</u>	<u>14%</u>

(c) Contract assets and liabilities

The contract assets primarily relate to the Group's rights to consideration for service completed but not billed at end of the year. The contract assets are transferred to receivables when the rights become unconditional according to the contract.

The contract liabilities primarily relate to the advance received from customers for heat sales and heating pipeline upfront fees. The contract liabilities of RMB299 million (2023: RMB309 million) at the beginning of the year has been recognised as revenue of heating pipeline service in 2024. The contract liabilities of RMB2,930 million (2023: RMB2,745 million) at the beginning of the year has been recognised as revenue of heat sales in 2024.

- (i) The transaction prices allocated to remaining performance obligations (unsatisfied or partially unsatisfied) related to heating pipeline upfront fees are as follows:

	As at 31 December	
	2024	2023
Within 1 year	279,892	327,640
Over 1 year	3,171,583	2,478,695
Total	<u>3,451,475</u>	<u>2,806,335</u>

The transaction prices allocated to the above remaining performance obligations expected to be recognised in more than one year relate to the provision of heating pipeline services, of which the performance obligations are to be satisfied within 17 years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amount disclosed above does not include variable consideration which is constrained.

- (ii) Performance obligations

The Group has elected the practical expedient of not disclosing the remaining obligation excluding heating pipeline upfront fees. As allowed by IFRS 15, no information is provided about the performance obligations at 31 December 2024 that have an original expected duration of one year or less.

4 Income tax expense

	For the year ended 31 December	
	2024	2023
Current income tax expense	2,422,705	1,848,057
Deferred income tax	1,392,388	1,859,676
Total	<u>3,815,093</u>	<u>3,707,733</u>

No Hong Kong profits tax has been provided as there were no estimated assessable profits in Hong Kong in 2024 (2023: Nil).

The Company and its PRC branches and subsidiaries are subject to income tax at 25%, except for certain PRC branches and subsidiaries that are tax exempted or taxed at preferential tax rates, as determined in accordance with the relevant PRC income tax rules and regulations for the years ended 31 December 2024 and 2023.

Electricity income in Pakistan is entitled to an income tax exemption according to Income Tax Ordinance 2001, while other income is taxable. The tax liability of subsidiaries in Pakistan would be calculated at the highest of: (i) Normal tax at the rate of 29% of taxable profit (“**Normal tax**”); (ii) Alternative Corporate Tax (ACT) at the rate of 17% of accounting profit; and (iii) Turnover tax at 1.25% of Revenue (“**Turnover tax**”). If the income tax calculated is above Normal tax, it would be carried forward to subsequent years (i) 10 years for the portion of ACT exceeding Normal tax; (ii) 3 years for the portion of Turnover tax exceeding Normal tax. A super tax is levied on high earning persons (“**taxable income**”), with a tax rate of 0% to 10%, applicable on incomes defined in section 4C of Income Tax Ordinance 2001. The tax rate is 10% while income exceeds PKR 500 million.

The reconciliation of the effective income tax rate from the notional income tax rate is as follows:

	For the year ended 31 December	
	<u>2024</u>	<u>2023</u>
PRC statutory enterprise income tax rate	25.00%	25.00%
Effect of different tax rates of certain subsidiaries	(11.73%)	(13.65%)
Utilisation of previously unrecognised tax losses and deductible temporary differences	(3.16%)	(3.67%)
Unrecognised tax losses for the year	9.04%	15.72%
Unrecognised deductible temporary differences	3.95%	5.54%
Effect of non-taxable income	(1.71%)	0.32%
Effect of non-deductible expenses	1.12%	1.79%
Others	(1.10%)	(1.33%)
Effective tax rate	<u>21.41%</u>	<u>29.72%</u>

For the years ended 31 December 2024 and 31 December 2023, the effective tax rate was proportioned by income tax expense to profit before tax.

5 Other non-current assets

Details of other non-current assets are as follows:

	As at 31 December	
	2024	2023
Finance lease receivables (i)	7,115,271	7,887,747
VAT recoverable	8,976,289	6,992,811
Pre-construction cost (ii)	1,068,630	1,780,828
Intangible assets (iii)	832,572	699,056
Prepaid connection fees	15,270	19,713
Contract assets	1,051,906	1,073,544
Others	3,285,240	2,853,959
Total	22,345,178	21,307,658

Notes:

- (i) Huaneng Shandong Ruyi (Pakistan) Energy (Private) Co., Ltd. (“**Ruyi Pakistan Energy**”) entered into a power purchase agreement with Central Power Purchasing Agency (Guarantee) Limited (“**CPPA-G**”) to sell all of the electricity produced with a regulated tariff mechanism approved by the National Electric Power Regulatory Authority. In accordance with the power purchase agreement and tariff mechanism, almost all the risks and rewards in relation to the power assets were in substance transferred to CPPA-G and therefore were accounted for as a finance lease to CPPA-G.
- (ii) In 2024, for early-stage projects with indicators of impairment due to project suspension or postponement, the Group estimated their recoverable amount based on the net amount of fair value less costs to sell. When determining the recoverable amount, the Group evaluated whether the formed pre-construction results could continue to be utilised or sold separately, and determined their fair value based on the carrying amount or similar market prices. According to the impairment assessment results, the Group had provided an impairment loss of RMB36.29 million for pre-construction cost of the early-stage projects that were under suspension or postponement.
- (iii) The intangible assets primarily consist of software, patented technologies, etc. In 2024, an impairment loss of RMB1.39 million was provided for the intangible assets (2023: Nil).

6 Accounts and notes receivables

Accounts and notes receivables comprised the following:

	As at 31 December	
	2024	2023
Accounts receivable	47,802,397	45,956,773
Notes receivable	419,949	1,314,425
	48,222,346	47,271,198
Less: Loss allowance	149,122	130,524
Total	48,073,224	47,140,674
Analysed into:		
Accounts receivable		
– At amortised cost	47,802,397	45,956,773
Notes receivable		
– At amortised cost	419,949	1,314,425

The gross amounts of accounts receivable and notes receivable are denominated in the following currencies:

	As at 31 December	
	2024	2023
RMB	45,622,075	43,345,176
S\$ (RMB equivalent)	1,153,479	1,744,400
US\$ (RMB equivalent)	30,572	59,716
PKR (RMB equivalent)	1,416,220	2,121,906
Total	<u>48,222,346</u>	<u>47,271,198</u>

The Group usually grants credit periods of about one month to domestic local power grid customers from the end of the month in which the sales are made. SinoSing Power Pte Ltd. (“**SinoSing Power**”) provides credit periods that range from 5 to 60 days from the dates of billing. Certain accounts receivable of Singapore subsidiaries are backed by bankers’ guarantees and/or deposits from customers. It is not practicable to determine the fair value of the collateral that corresponds to these accounts receivable. Ruyi Pakistan Energy’s accounts receivable from CPPA-G are usually recovered within 5 months under the power purchase agreement signed with CPPA-G.

The Group, except for Singapore subsidiaries, does not hold any collateral or other credit enhancements over its accounts receivable. The accounts receivable are non-interest-bearing.

Movements of provision for loss allowance during the years are analysed as follows:

	2024	2023
Beginning of the year	(130,524)	(124,254)
Provision	(19,861)	(9,043)
Reversal	885	2,487
Write-off	308	442
Currency translation differences	70	(156)
End of the year	<u>(149,122)</u>	<u>(130,524)</u>

An ageing analysis of accounts and notes receivable based on the invoice date was as follows:

	As at 31 December	
	2024	2023
Within 1 year	46,977,508	46,235,487
Between 1 and 2 years	401,481	694,239
Between 2 and 3 years	588,608	152,760
Over 3 years	254,749	188,712
Total	<u>48,222,346</u>	<u>47,271,198</u>

As at 31 December 2024, the maturity period of the notes receivable ranged from 1 to 12 months (31 December 2023: from 1 to 12 months).

7 Dividends of ordinary shares and cumulative distribution of other equity instruments

(a) Dividends of ordinary shares

On 25 June 2024, upon the approval from shareholders at the annual general meeting, the Company declared a cash dividend of RMB0.20 (inclusive of tax) for each ordinary share amounting to RMB3,140 million for the year of 2023 (2022: nil).

On 25 March 2025, the Board of Directors proposed a cash dividend of RMB0.27 (inclusive of tax) for each ordinary share amounting to RMB4,238 million for the year of 2024. This proposal is subject to the approval of the shareholders at the annual general meeting.

(b) Cumulative distribution of other equity instruments

The other equity instruments were recorded as equity in the consolidated financial statements. For the year ended 31 December 2024, the net profit attributable to holders of other equity instruments, based on the applicable interest rates, was RMB2,924 million, and the cumulative distribution paid in 2024 was RMB2,931 million.

8 Long-term bonds

Outstanding corporate bonds, medium-term notes and debt financing instruments (including long-term bonds due within one year) of the Group as at 31 December 2024 are summarised as follows:

Type of Instruments	Face Value		Issuance Date	Initial Period	Initial Distribution Rate	Effective Rate	Issue Price	Balance as at		Issued Amount	Interest Amortisation	Repayment	Foreign Currency		Interest Payable	Balance as at 31 December 2024
	Value	31 December 2023						Gain	Translation Differences							
													2023	2024		
2016 1st corporate bonds (10 years)	1,200,000	1,226,393	June 2016	10 years	3.98%	3.98%	1,200,000	-	47,832	11	47,760	-	-	-	26,432	1,226,476
2018 2nd corporate bonds (10 years)	5,000,000	5,078,071	September 2018	10 years	5.05%	5.05%	5,000,000	-	252,714	30	252,500	-	-	-	78,171	5,078,315
2019 1st corporate bonds (10 years)	2,300,000	2,374,770	April 2019	10 years	4.70%	4.70%	2,300,000	-	108,305	14	108,100	-	-	-	74,930	2,374,989
2019 1st medium-term notes (5 years)	1,500,000	1,525,395	July 2019	5 years	3.85%	3.96%	1,500,000	-	31,557	798	1,557,750	-	-	-	-	-
2020 SinoSing oversea bonds (5 years)	2,108,865	2,141,288	February 2020	5 years	2.25%	2.32%	2,108,865	-	48,618	2,540	48,301	67,746	(22,447)	17,942	2,189,444	
2020 SinoSing oversea bonds (10 years)	2,108,865	2,133,796	February 2020	10 years	2.63%	2.72%	2,108,865	-	56,721	2,017	56,351	67,746	(22,368)	20,931	2,181,561	
2021 1st green medium-term notes (3 years)	1,000,000	1,034,386	February 2021	3 years	3.45%	3.66%	1,000,000	-	3,686	(3,572)	1,034,500	-	-	-	-	-
2021 2nd green medium-term notes (3 years)	2,500,000	2,560,568	April 2021	3 years	3.35%	3.40%	2,500,000	-	24,255	(1,073)	2,583,750	-	-	-	-	-
2021 1st corporate bonds (3 years)	500,000	510,209	May 2021	3 years	3.35%	3.35%	500,000	-	6,563	(22)	516,750	-	-	-	-	-
2021 1st corporate bonds (10 years)	1,500,000	1,536,230	May 2021	10 years	3.97%	3.97%	1,500,000	-	59,550	9	59,550	-	-	36,219	1,536,239	
2021 2nd corporate bonds (3 years)	500,000	509,509	June 2021	3 years	3.33%	3.33%	500,000	-	7,162	(21)	516,650	-	-	-	-	-
2021 2nd corporate bonds (10 years)	3,500,000	3,579,205	June 2021	10 years	3.97%	3.97%	3,500,000	-	138,950	21	138,950	-	-	79,182	3,579,226	
2021 3rd corporate bonds (10 years)	1,800,000	1,838,184	June 2021	10 years	3.99%	3.99%	1,800,000	-	71,820	11	71,820	-	-	38,173	1,838,195	
2021 1st medium-term notes (3 years)	2,000,000	2,022,076	August 2021	3 years	2.99%	3.01%	2,000,000	-	37,579	145	2,059,800	-	-	-	-	-
2021 2nd medium-term notes (3 years)	2,000,000	2,006,221	November 2021	3 years	3.07%	3.07%	2,000,000	-	55,193	(14)	2,061,400	-	-	-	-	-
2021 1st medium-term bonds (JiangSu 3 years)	300,000	300,121	December 2021	3 years	2.95%	2.95%	300,000	-	8,729	-	308,850	-	-	-	-	-
2022 1st medium-term bonds (10 years)	1,500,000	1,548,889	February 2022	10 years	3.74%	3.80%	1,500,000	-	56,123	(6,358)	56,100	-	-	47,670	1,542,554	
2022 2nd medium-term bonds (3 years)	3,000,000	3,068,840	March 2022	3 years	2.84%	2.89%	3,000,000	-	85,393	1,491	85,200	-	-	70,727	3,070,524	
2022 3rd medium-term bonds (10 years)	1,500,000	1,539,649	April 2022	10 years	3.70%	3.76%	1,500,000	-	55,606	(6,359)	55,500	-	-	38,622	1,533,396	

Type of Instruments	Face Value	Issuance Date	Initial Period	Initial Distribution Rate	Effective Rate	Issue Price	Balance as at		Interest Amortisation	Repayment	Foreign Currency		Interest Payable	Balance as at 31 December 2024
							31 December 2023	Issued Amount			Exchange Gain	Translation Differences		
2022 1st medium-term notes	500,000	April 2022	3 years	2.92%	2.92%	500,000	510,000	-	14,600	-	-	-	10,000	510,000
(JiangSu 3 years)														
2022 4th medium-term notes (2 years)	300,000	June 2022	2 years	2.37%	2.40%	300,000	303,834	(104)	307,110	3,380	-	-	-	-
2022 6th medium-term notes (3 years)	2,000,000	August 2022	3 years	2.40%	2.51%	2,000,000	2,016,484	1,926	48,000	48,054	-	-	19,595	2,018,464
2022 7th medium-term notes (2 years)	500,000	August 2022	2 years	2.14%	2.17%	500,000	504,100	(153)	510,700	6,753	-	-	-	-
2024 1st medium-term notes (10 years)	1,000,000	January 2024	10 years	2.91%	2.97%	1,000,000	-	1,000,000	27,431	397	-	-	27,430	1,027,828
2024 1st green medium-term notes (3 years)	2,500,000	April 2024	3 years	2.20%	2.21%	2,500,000	-	2,500,000	39,781	99	-	-	39,781	2,539,880
2024 2nd medium-term notes (20 years)	1,000,000	May 2024	20 years	2.74%	2.77%	1,000,000	-	1,000,000	17,716	(1,620)	-	-	17,716	1,016,096
2024 3th medium-term notes (10 years)	2,000,000	May 2024	10 years	2.68%	2.69%	2,000,000	-	2,000,000	33,776	30	-	-	33,775	2,033,806
2024 4th medium-term notes (15 years)	2,000,000	July 2024	15 years	2.50%	2.51%	2,000,000	-	2,000,000	24,657	2	-	-	24,658	2,024,659
2024 5th medium-term notes (15 years)	2,000,000	July 2024	15 years	2.54%	2.55%	2,000,000	-	2,000,000	24,078	12	-	-	24,078	2,024,090
2024 6th medium-term notes (15 years)	2,000,000	July 2024	15 years	2.44%	2.45%	2,000,000	-	2,000,000	21,258	(9)	-	-	21,258	2,021,249
2024 7th medium-term notes (10 years)	1,500,000	August 2024	10 years	2.26%	2.27%	1,500,000	-	1,500,000	13,560	57	-	-	13,560	1,513,617
2024 8th medium-term notes (10 years)	1,300,000	August 2024	10 years	2.36%	2.37%	1,300,000	-	1,300,000	11,683	47	-	-	11,684	1,311,730
2024 9th medium-term notes (3 years)	1,500,000	November 2024	3 years	2.09%	2.10%	1,500,000	-	1,500,000	3,608	(68)	-	-	3,607	1,503,540
Total						55,917,730	39,868,218	16,800,000	1,446,691	(9,716)	12,499,992	135,492	776,141	45,695,878

As at 31 December 2024, the Company provided guarantees for long-term bonds of approximately RMB4,313 million (31 December 2023: RMB4,250 million) of the Company's overseas subsidiary.

The maturity profile of the Group's long-term bonds as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December	
	2024	2023
Within 1 year	9,797,896	13,239,426
After 1 year but within 2 years	2,375,746	6,645,322
After 2 years but within 5 years	14,324,627	10,723,061
After 5 years	28,369,300	15,701,706
Total	<u>54,867,569</u>	<u>46,309,515</u>

9 Accounts payable and other liabilities

Accounts payable and other liabilities comprised of:

	As at 31 December	
	2024	2023
Accounts and notes payables	19,174,888	22,562,908
Payables to contractors for construction	31,222,084	28,239,563
Retention payables to contractors	2,020,874	2,015,050
Consideration payables for acquiring a subsidiary	–	22,842
Refund of government subsidies*	1,500,000	–
Others	8,115,636	7,010,781
Total	<u>62,033,482</u>	<u>59,851,144</u>

* As at 31 December 2024, the payable for the refund of government subsidies was RMB1.5 billion, which represented the demolition and relocation compensation for Huaneng Power International, Inc. Jining Power Plant (“**Jining Power Plant**”) and should be paid by a subsidiary of the Company, Huaneng Shandong Power Generation Co., Ltd. (“**Shandong Power**”) to Jining Municipal Government. In 2021, Shandong Power received the demolition and relocation compensation of RMB1.5 billion for Jining Power Plant, which was recorded as other non-current liabilities and amortised into other income in subsequent years. In 2024, Jining Municipal Government sent a letter of notice to Shandong Power about the proposed termination of the former agreement with Shandong Power regarding

to the demolition and relocation of Jining Power Plant as it believed that the demolition and relocation of Jining Power Plant could not be achieved due to various reasons. Meanwhile, Jining Municipal Government also requested Shandong Power to return the compensation of demolition and relocation of RMB1.5 billion. After friendly negotiations with Jining Municipal Government, the Company will refund the demolition and relocation compensation of RMB1.5 billion, of which RMB0.403 billion was offset against the balance of other non-current liabilities and RMB1.097 billion was offset against other income.

As at 31 December 2024 and 31 December 2023, the accounts and notes payables and other liabilities were non-interest-bearing.

The carrying amounts of accounts payable and other liabilities are denominated in the following currencies:

	As at 31 December	
	2024	2023
RMB	58,530,352	55,767,881
S\$ (RMB equivalent)	1,642,594	1,327,085
US\$ (RMB equivalent)	923,792	1,959,873
JPY (RMB equivalent)	50,066	109,147
PKR (RMB equivalent)	886,298	687,144
HKD (RMB equivalent)	252	–
EUR (RMB equivalent)	114	–
GBP (RMB equivalent)	14	14
Total	<u>62,033,482</u>	<u>59,851,144</u>

The ageing analysis of accounts and notes payable, based on the invoice date, was as follows:

	As at 31 December	
	2024	2023
Within 1 year	18,710,816	20,595,605
Between 1 to 2 years	135,151	1,630,731
Over 2 years	328,921	336,572
Total	<u>19,174,888</u>	<u>22,562,908</u>

10 Other equity instruments

(a) Other equity instruments as at 31 December 2024

Type of Instruments	Issuance Date	Category	Initial Distribution Rate	Issue Price	Number	Par Value	Initial Period	Conversion Condition	Conversion Result
Yingda Insurance Financing Plan (1st)	September 2018	Equity Instrument	5.79%	-	-	3,283,000	8 years	None	None
Yingda Insurance Financing Plan (2nd)	September 2018	Equity Instrument	5.79%	-	-	827,000	8 years	None	None
Yingda Insurance Financing Plan (3rd)	September 2018	Equity Instrument	5.79%	-	-	890,000	8 years	None	None
China Life Financing Plan (1st)	September 2019	Equity Instrument	5.05%	-	-	2,070,000	8 years	None	None
PICC Financing Plan (1st)	September 2019	Equity Instrument	5.10%	-	-	930,000	10 years	None	None
China Life Financing Plan (2nd)	October 2019	Equity Instrument	5.05%	-	-	2,260,000	8 years	None	None
PICC Financing Plan (2nd)	October 2019	Equity Instrument	5.10%	-	-	1,740,000	10 years	None	None
2020 Perpetual Corporate Bond (1st) (type II)	March 2020	Equity Instrument	3.85%	0.1	10,000,000	1,000,000	5 years	None	None
China Life Financing Plan (3rd)	April 2020	Equity Instrument	4.75%	-	-	3,570,000	8 years	None	None
PICC Financing Plan (3rd)	April 2020	Equity Instrument	4.75%	-	-	930,000	10 years	None	None
PICC Financing Plan (4th)	August 2020	Equity Instrument	4.60%	-	-	3,000,000	10 years	None	None
2022 medium-term notes (5th)	July 2022	Equity Instrument	2.93%	0.1	20,000,000	2,000,000	3 years	None	None
2022 medium-term notes (8th)	September 2022	Equity Instrument	2.78%	0.1	5,000,000	500,000	3 years	None	None
Huaneng Trust (1st)	September 2022	Equity Instrument	2.91%	-	-	2,500,000	5 years	None	None
Huaneng Trust (2nd)	October 2022	Equity Instrument	3.06%	-	-	3,050,000	5 years	None	None
2022 medium-term notes (9th)	October 2022	Equity Instrument	2.78%	0.1	20,000,000	2,000,000	3 years	None	None
2022 medium-term notes (10th)	October 2022	Equity Instrument	2.72%	0.1	20,000,000	2,000,000	3 years	None	None
2022 medium-term notes (11th)	November 2022	Equity Instrument	2.66%	0.1	25,000,000	2,500,000	3 years	None	None
Huaneng Trust (3rd)	November 2022	Equity Instrument	3.11%	-	-	4,000,000	5 years	None	None
Huaneng Trust (4th)	November 2022	Equity Instrument	3.11%	-	-	4,000,000	5 years	None	None

<u>Type of Instruments</u>	<u>Issuance Date</u>	<u>Category</u>	<u>Initial Distribution Rate</u>	<u>Issue Price</u>	<u>Number</u>	<u>Par Value</u>	<u>Initial Period</u>	<u>Conversion Condition</u>	<u>Conversion Result</u>
2023 medium-term notes (1st Energy Supply Bond)	January 2023	Equity Instrument	3.93%	0.1	30,000,000	3,000,000	3 years	None	None
2023 medium-term notes (2nd Energy Supply Bond)	February 2023	Equity Instrument	3.74%	0.1	30,000,000	3,000,000	3 years	None	None
2023 medium-term notes (3rd Energy Supply Bond)	February 2023	Equity Instrument	3.55%	0.1	30,000,000	3,000,000	3 years	None	None
2023 medium-term notes (4th Energy Supply Bond)	February 2023	Equity Instrument	3.58%	0.1	25,000,000	2,500,000	3 years	None	None
2023 medium-term notes (5th Energy Supply Bond)	March 2023	Equity Instrument	3.61%	0.1	30,000,000	3,000,000	3 years	None	None
2023 medium-term notes (6th)	March 2023	Equity Instrument	3.38%	0.1	20,000,000	2,000,000	2 years	None	None
2023 medium-term notes (7th Energy Supply Bond)	March 2023	Equity Instrument	3.53%	0.1	25,000,000	2,500,000	3 years	None	None
2023 medium-term notes (8th)	April 2023	Equity Instrument	3.23%	0.1	20,000,000	2,000,000	2 years	None	None
2023 medium-term notes (9th)	April 2023	Equity Instrument	3.21%	0.1	20,000,000	2,000,000	2 years	None	None
2023 medium-term notes (10th)	April 2023	Equity Instrument	3.14%	0.1	15,000,000	1,500,000	2 years	None	None
2023 medium-term notes (11th)	June 2023	Equity Instrument	2.96%	0.1	20,000,000	2,000,000	2 years	None	None
2023 medium-term notes (12th)	June 2023	Equity Instrument	2.92%	0.1	15,000,000	1,500,000	2 years	None	None
2023 medium-term notes (13th)	August 2023	Equity Instrument	2.75%	0.1	20,000,000	2,000,000	2 years	None	None
2023 medium-term notes (14th)	September 2023	Equity Instrument	3.05%	0.1	20,000,000	2,000,000	2 years	None	None
2023 medium-term notes (15th)	September 2023	Equity Instrument	3.08%	0.1	20,000,000	2,000,000	2 years	None	None
Huaneng Trust (5th)	December 2024	Equity Instrument	2.40%	-	-	<u>2,051,000</u>	5 years	None	None
Total						<u><u>79,101,000</u></u>			

(b) Changes of other equity instruments during 2024

Type of Instruments	As at 1 January 2024		Issuance		Cumulative distributions				As at 31 December 2024	
	Number	Amount	Number	Amount	Accrued distribution	Distribution payment	Redemption value	Other reduction	Number	Amount
Yingda Insurance Financing Plan (1st)	-	3,288,808	-	-	193,254	193,254	-	-	-	3,288,808
Yingda Insurance Financing Plan (2nd)	-	828,463	-	-	48,681	48,681	-	-	-	828,463
Yingda Insurance Financing Plan (3rd)	-	891,575	-	-	52,390	52,390	-	-	-	891,575
China Life Financing Plan (1st)	-	2,031,091	-	-	106,277	106,277	-	-	-	2,031,091
PICC Financing Plan (1st)	-	930,923	-	-	48,221	48,221	-	-	-	930,923
China Life Financing Plan (2nd)	-	2,249,983	-	-	116,032	116,032	-	-	-	2,249,983
PICC Financing Plan (2nd)	-	1,741,726	-	-	90,219	90,219	-	-	-	1,741,726
2019 medium-term notes (4th)	15,000,000	1,510,582	-	-	57,368	67,950	1,500,000	-	-	-
2020 Perpetual Corporate Bond (1st) (type II)	10,000,000	1,029,956	-	-	38,500	38,500	-	-	10,000,000	1,029,956
China Life Financing Plan (3rd)	-	3,631,868	-	-	172,401	172,401	-	-	-	3,631,868
PICC Financing Plan (3rd)	-	930,859	-	-	44,911	44,911	-	-	-	930,859
PICC Financing Plan (4th)	-	3,002,683	-	-	140,300	140,300	-	-	-	3,002,683
2022 medium-term notes (5th)	20,000,000	2,026,098	-	-	58,671	58,600	-	-	20,000,000	2,026,169
2022 medium-term notes (8th)	5,000,000	504,595	-	-	13,913	13,900	-	-	5,000,000	504,608
Huaneng Trust (1st)	-	2,525,113	-	-	72,949	72,949	-	-	-	2,525,113
Huaneng Trust (2nd)	-	3,076,848	-	-	93,586	93,586	-	-	-	3,076,848
2022 medium-term notes (9th)	20,000,000	2,012,001	-	-	55,633	55,600	-	-	20,000,000	2,012,034
2022 medium-term notes (10th)	20,000,000	2,010,257	-	-	54,428	54,400	-	-	20,000,000	2,010,285
2022 medium-term notes (11th)	25,000,000	2,510,720	-	-	66,529	66,500	-	-	25,000,000	2,510,749
Huaneng Trust (3rd)	-	4,023,857	-	-	124,741	124,741	-	-	-	4,023,857
Huaneng Trust (4th)	-	4,028,629	-	-	124,741	124,741	-	-	-	4,028,629
2023 medium-term notes (1st Energy Supply Bond)	30,000,000	3,112,732	-	-	117,914	117,900	-	-	30,000,000	3,112,746

Type of Instruments	As at 1 January 2024		Issuance		Cumulative distributions				As at 31 December 2024	
	Number	Amount	Number	Amount	Accrued	Distribution	Redemption	Other	Number	Amount
					distribution	payment	value	reduction		
2023 medium-term notes										
(2nd Energy Supply Bond)	30,000,000	3,100,212	-	-	112,232	112,200	-	-	30,000,000	3,100,244
2023 medium-term notes										
(3rd Energy Supply Bond)	30,000,000	3,092,786	-	-	106,538	106,500	-	-	30,000,000	3,092,824
2023 medium-term notes										
(4th Energy Supply Bond)	25,000,000	2,576,504	-	-	89,536	89,500	-	-	25,000,000	2,576,540
2023 medium-term notes										
(5th Energy Supply Bond)	30,000,000	3,089,954	-	-	108,547	108,300	-	-	30,000,000	3,090,201
2023 medium-term notes (6th)	20,000,000	2,055,410	-	-	67,752	67,600	-	-	20,000,000	2,055,562
2023 medium-term notes										
(7th Energy Supply Bond)	25,000,000	2,571,613	-	-	88,446	88,250	-	-	25,000,000	2,571,809
2023 medium-term notes (8th)	20,000,000	2,046,773	-	-	64,728	64,600	-	-	20,000,000	2,046,901
2023 medium-term notes (9th)	20,000,000	2,045,957	-	-	64,326	64,200	-	-	20,000,000	2,046,083
2023 medium-term notes (10th)	15,000,000	1,532,816	-	-	47,189	47,100	-	-	15,000,000	1,532,905
2023 medium-term notes (11th)	20,000,000	2,033,805	-	-	59,293	59,200	-	-	20,000,000	2,033,898
2023 medium-term notes (12th)	15,000,000	1,524,652	-	-	43,868	43,800	-	-	15,000,000	1,524,720
2023 medium-term notes (13th)	20,000,000	2,019,986	-	-	55,055	55,000	-	-	20,000,000	2,020,041
2023 medium-term notes (14th)	20,000,000	2,019,167	-	-	61,052	61,000	-	-	20,000,000	2,019,219
2023 medium-term notes (15th)	20,000,000	2,017,167	-	-	61,647	61,600	-	-	20,000,000	2,017,214
Huaneng Trust (5th)	-	-	-	2,051,000	2,562	-	-	-	-	2,053,562
Total	<u>455,000,000</u>	<u>79,626,169</u>	<u>-</u>	<u>2,051,000</u>	<u>2,924,430</u>	<u>2,930,903</u>	<u>1,500,000</u>	<u>-</u>	<u>440,000,000</u>	<u>80,170,696</u>

11 Additional financial information to the consolidated statement of financial position

As at 31 December 2024, the net current liabilities of the Group amounted to approximately RMB82,438 million (31 December 2023: RMB73,255 million). On the same date, total assets less current liabilities were approximately RMB416,839 million (31 December 2023: RMB386,317 million).

12 Profit before income tax expense

Profit before income tax expense was determined after charging/(crediting) the following:

	For the year ended 31 December	
	2024	2023
Total interest expense	8,658,252	9,626,031
Less: amounts capitalised in PPE	871,792	687,947
Interest expense charged to the consolidated statement of profit or loss and other comprehensive income	7,786,460	8,938,084
Including: Interest expense on lease liabilities	296,106	255,306
Depreciation of property, plant and equipment	25,184,490	24,679,041
Depreciation of investment properties	26,059	24,541
Depreciation of right-of-use assets	1,091,219	788,698
	26,301,768	25,492,280
Included in other investment gain		
– Loss/(gain) from disposal of investments in associates and subsidiaries	4,103	(1,926,775)
– Dividends on other equity instrument investments	(761)	(835)
– Others	(7,989)	(2,802)
	(4,647)	(1,930,412)

	For the year ended	
	31 December	
	2024	2023
Included in other operating expenses:		
– Operating expense of Ruyi Pakistan Energy	1,925,195	2,365,674
– Service concession construction cost	–	3,802
– Other materials expense	1,584,670	1,805,231
– Electricity charges	840,774	919,282
– Cost of sales of raw materials	1,166,569	758,320
– Water charges	583,581	577,699
– Insurance expense	546,510	483,186
– Cleaning, greening and fire protection expense	412,926	399,362
– Purchase of power generation quota	–	29,338
– Transportation allowance	207,237	208,975
– Pollutant charge and carbon emission trading cost*	387,035	85,528
– Water conservancy fund and disabled security fund	134,229	118,746
– Test and inspection expense	386,804	310,665
– Service charge	1,086,861	961,806
– Heating pipeline related cost	159,397	147,874
– Auditors’ remuneration-audit services	56,033	44,025
– Other consulting expense	148,899	131,176
– Office expense	241,620	303,218
– Minimum lease payments under operating leases, lease payments not included in the measurement of lease liabilities	530,499	294,148
– Amortisation of other non-current assets	114,893	239,480
– Property management expense	139,258	145,124
– Information technology maintenance expense	133,975	278,885
– Travel expense	198,512	181,276
– Business entertainment expense	32,741	36,476
– Research and development expenditure	1,524,082	1,321,050
– Net loss on disposal of non-current assets	594,377	354,812
– Recognition of provision for inventory obsolescence	43,076	40,781
– Impairment loss on property, plant and equipment	1,610,720	2,735,886

	For the year ended	
	31 December	
	2024	2023
Included in other operating expenses: <i>(continued)</i>		
– Impairment loss on goodwill	–	295,001
– Impairment loss on other non-current assets**	60,344	65,234
– Gain on Three Supplies and Property Management	–	(11,048)
– Government grants***	(120,719)	(1,231,671)
– Donations	65,165	73,310
– Penalty	106,020	94,555
– Safety production expense	1,640,000	1,527,681
– Others	1,742,183	1,670,450
Total	<u>18,283,466</u>	<u>17,765,337</u>

* The Group receives free quotas of carbon emission rights from the government on an annual basis and recognises the received free quota at the nominal amount (i.e., nil). When the annual actual emissions exceed the free quota of carbon emission rights, the Group should purchase the quota of carbon emission rights from other parties and recognises the emission costs as other operating expenses.

** In 2024, the impairment loss on other non-current assets included impairment losses of RMB36.29 million on pre-construction cost and an impairment loss of RMB4.91 million on the Company's investment in an associate, an impairment loss of RMB17.75 million on right-of-use assets and an impairment loss of RMB1.39 million on intangible assets recognised in other non-current assets.

*** In 2024, the government grants related to income mainly included heat supply subsidy of RMB304 million (2023: RMB234 million), thermal coal subsidy of RMB315 million (2023: RMB368 million), VAT reduction and rebate of RMB164 million (2023: RMB165 million) and environmental subsidy of RMB144 million (2023: RMB126 million). In 2024, the government grant recognised in prior years that is expected to be returned by Jining Power Plant is RMB1,097 million (2023: Nil). Please refer to Note 9 for details.

13 Earnings per share

The basic earnings per share is calculated by dividing the consolidated net profit attributable to the equity holders of the Company excluding distribution of other equity instruments by the weighted average number of the Company's outstanding ordinary shares during the year:

	For the year ended 31 December	
	2024	2023
Consolidated net profit attributable to equity holders of the Company	10,184,633	8,357,460
Less: distribution of other equity instruments	2,924,430	2,916,280
Consolidated net profit attributable to ordinary shareholders of the Company	<u>7,260,203</u>	<u>5,441,180</u>
Weighted average number of the Company's outstanding ordinary shares ('000) *	<u>15,698,093</u>	<u>15,698,093</u>
Basic and diluted earnings per share (RMB)	<u>0.46</u>	<u>0.35</u>
* Weighted average number of ordinary shares:		
	2024	2023
	'000	'000
Issued ordinary shares at 1 January	<u>15,698,093</u>	<u>15,698,093</u>
Weighted average number of ordinary shares at 31 December	<u>15,698,093</u>	<u>15,698,093</u>

* There was no dilutive effect on earnings per share since the Company had no dilutive potential ordinary shares for the years ended 31 December 2024 and 2023.

14 Contingent liabilities

Disputes over responsibilities for damage caused by vessel collision over the 400MW Offshore Wind Power Project of Shengdong Rudong Offshore Wind power Co., Ltd. (“**Shengdong Rudong**”).

Shengdong Rudong, a subsidiary of the Company, was in charge of the construction and operation of a 400MW Offshore Wind-power Project. As stipulated by the construction contract signed between Shengdong Rudong and CCCC Third Harbor Engineering Bureau Co., Ltd. (“**CCCC Third Harbor Bureau**”) on 18 April 2019, CCCC Third Harbor Bureau was responsible for the construction of the offshore wind farm and related construction safety management. On 1 August 2019, a vessel chartering contract was signed between CCCC Third Harbor Bureau and Nantong Ocean Water Construction Engineering Co., Ltd. (“**Nantong Water Construction**”). As stipulated by the contract, Vessel “Wen Qiang 8”, which was owned by Nantong Water Construction, would be chartered by CCCC Third Harbor Bureau as the construction operation vessel. During the chartering period, Nantong Water Construction was responsible for the safety of Vessel “Wen Qiang 8” and the security of the personnel on board.

On 22 September 2019, in order to evade typhoon, Vessel “Wen Qiang 8” anchored nearby the 32# wind turbine pile foundation of Shengdong Rudong 400MW Offshore Wind-farm located around Nantong coastal area. Affected by strong wind, violent waves and big tides, the anchor steel cable was broken, leading to dragging-of-anchor of Vessel “Wen Qiang 8”, and collision with the pipeline bridge of land-island access of Nantong Gang Yangkou Port. The pipeline bridge, bearing line pipes, and Vessel “WenQiang 8” all suffered damages from this collision accident, constituting a relatively large level of water traffic accident.

The above accident has resulted in three lawsuits, with the litigation claiming amount being approximately RMB703 million in total. Shengdong Rudong, together with other several entities, were joint defendants. The second court hearing has been held by the court in December 2023, according to the situation of prior two court hearings, considering the large amount of litigation, and joint defendants may benefit the limitation of liability for maritime claims, etc., a provision of RMB70 million was recognised in other operating expenses in 2023 by Shengdong Rudong.

In April 2024, the Shanghai Maritime Court made a first-instance judgement in this case, ruling that Shengdong Rudong had no liability. The plaintiff, dissatisfied with the first-instance judgement, filed an appeal for a second-instance trial. In September 2024, the Shanghai Higher People’s Court made a second-instance judgement, ruling to dismiss the appeal and uphold the original judgement.

Based on the professional advice of legal counsel, Shengdong Rudong believes that the plaintiff, considering various factors, may choose to file a retrial with the Supreme People’s Court or the second-instance court. In light of the expectation that the plaintiff may apply for a retrial, there remains significant uncertainty regarding the case. Therefore, Shengdong Rudong has decided not to reverse the provision for estimated liabilities that were accrued in 2023. As of the date of the announcement, Shengdong Rudong has not yet received any legal documents or notifications from the plaintiff initiating the retrial procedure.

B. FINANCIAL INFORMATION EXTRACTED FROM CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER PRC GAAP

(Amount expressed in units of RMB unless otherwise stated)

1 Financial Highlights and Financial Ratios

	Unit	2024	2023	Fluctuation %
	_____	_____	_____	_____
Operating revenue	RMB	245,550,923,498	254,396,694,532	(3.48)
Profit before income tax expense	RMB	18,086,112,274	13,001,834,461	39.10
Net profit attributable to equity holders of the Company	RMB	10,135,493,813	8,445,560,446	20.01
Net profit attributable to equity holders of the Company less non-recurring items	RMB	10,521,564,395	5,611,405,323	87.5
Basic and diluted earnings per share	RMB/share	0.46	0.35	31.43
Basic earnings per share less non-recurring items	RMB/share	0.48	0.17	182.35
Weighted average of return on equity	%	13.14	11.25	Increase of 1.89 percentage points
Weighted average of return on equity less non-recurring items	%	13.84	5.48	Increase of 8.36 percentage points
Net cash flow provided by operating activities	RMB	50,530,261,245	45,497,117,051	11.06
Total assets	RMB	586,842,753,960	541,159,281,130	8.44
Equity attributable to equity holders of the Company	RMB	137,414,784,587	132,138,663,588	3.99

Note: The formula of financial ratio:

Earnings per share = $\frac{\text{Consolidated net profit attributable to ordinary shareholders of the Company}}{\text{Weighted average number of the Company's outstanding ordinary shares}}$

Weighted average of the return on equity = $\frac{\text{Consolidated net profit attributable to equity holders of the Company}}{\text{Weighted average number of equity attributable to equity holders of the Company (exclusive of non-controlling interests)}} \times 100\%$

2 ITEMS AND AMOUNTS OF NON-RECURRING ITEMS

	For the year ended 31 December 2024
Net gain on disposal of non-current assets, including the reversal of impairment loss on assets	(585,610,496)
Government grants recognized in profit or loss for the current period (except for government grants that are closely related to normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a sustained impact on profit or loss) (<i>Note 1</i>)	(7,889,328)
Profit and loss from entrusting others to invest or manage assets	(20,077,434)
Custody fee income obtained from entrusted operation	208,022,263
Reversal of loss allowances for receivables and contract assets individually tested for impairments	63,605,838
Profits and losses from entrusted loans	3,531,057
Profits and losses from debt restructuring	3,901,467
Non-operating income and expenses besides items above	232,002,157
Other items recorded in the profit and loss in accordance with the definition of non-recurring items	<u>(3,342,306)</u>
Impact of income tax	(61,574,177)
Impact of non-controlling interests (net of tax)	<u>(218,639,623)</u>
	<u><u>(386,070,582)</u></u>

Note 1: The Company and its subsidiaries recognised non-recurring profit and loss items in accordance with the requirement of *Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public_ Non-recurring Profit and Loss* (CSRC announcement [2023] No. 65).

The items not listed in the *Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Their Securities to the Public – Non recurring Profit and Loss* are recognized as non recurring profit and loss items with significant amounts, and the non recurring profit and loss items listed in the *Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Their Securities to the Public – Non recurring Profit and Loss* are defined as recurring profit and loss items as follows:

	The Amount of 2024	Reason
Value-added tax levied immediately returned and refund of individual income tax handling fee	208,843,039	Closely related to the normal business of the Company
Carbon emissions trading costs	360,587,251	Closely related to the normal business of the Company
Carbon emissions trading incomes	49,401,321	Closely related to the normal business of the Company

3 INCOME STATEMENTS

	For the year ended 31 December			
	2024	2023	2024	2023
	Consolidated	Consolidated	Company	Company
Operating revenue	245,550,923,498	254,396,694,532	28,680,844,219	29,623,158,998
Less: Operating cost	208,363,182,422	223,574,929,497	26,192,327,917	27,657,925,010
Taxes and surcharges	2,008,686,296	1,634,846,622	359,826,170	272,673,036
Selling expenses	267,175,475	237,955,309	4,357,517	16,054,906
General and administrative expenses	6,805,380,322	6,447,634,613	1,778,717,131	1,761,929,333
Research and development expenses	1,658,380,654	1,532,920,880	142,348,032	115,338,026
Financial expenses	7,440,778,109	8,868,372,728	1,988,709,343	1,970,743,746
Including: Interest expenses	7,786,459,958	8,938,083,718	2,110,750,937	2,294,675,104
Interest income	605,918,637	506,877,851	145,527,402	327,342,606
Add: Other income	193,140,697	1,347,448,170	(982,178,720)	147,855,455
Investment income	1,242,971,766	2,796,910,370	5,793,320,678	9,434,920,068
Including: investment income from associates and joint ventures	1,238,324,558	820,591,826	999,455,331	733,113,482
Credit losses	13,781,224	(126,874,320)	(40,624,723)	(293,935,451)
Impairment losses	(1,714,140,378)	(2,972,193,011)	(1,425,192,679)	(3,441,170,489)
Gain on disposal of non-current assets	291,347	100,180,125	32,349	(52,351)
Operating profit	18,743,384,876	13,245,506,217	1,559,915,014	3,676,112,173
Add: Non-operating income	553,834,859	570,833,059	89,338,282	177,172,741
Less: Non-operating expenses	1,211,107,461	814,504,815	190,430,425	198,653,587
Profit before income tax expense	18,086,112,274	13,001,834,461	1,458,822,871	3,654,631,327
Less: Income tax expense	3,976,566,330	3,919,368,262	144,795,190	363,077,751
Net profit	14,109,545,944	9,082,466,199	1,314,027,681	3,291,553,576
(1) Classification according to the continuity of operation				
– Continuous operating net profit	14,109,545,944	9,082,466,199	1,314,027,681	3,291,553,576
(2) Classification according to ownership				
– Net profit to equity holders of the Company	10,135,493,813	8,445,560,446		
– Net profit to non-controlling interests	3,974,052,131	636,905,753		

	For the year ended 31 December			
	2024 Consolidated	2023 Consolidated	2024 Company	2023 Company
Other comprehensive income, net of tax	148,724,387	(117,551,857)	(85,496,717)	(60,623,493)
Other comprehensive income attributable to equity holders of the Company, net of tax	48,763,104	296,494,469	(85,496,717)	(60,623,493)
(1) Items that will not be reclassified to profit or loss:				
Share of other comprehensive loss of investees accounted for under the equity method (non-recycling)	(56,273,834)	(29,525,261)	(56,273,833)	(29,525,261)
Fair value changes of other equity instrument investments	(39,752,661)	(40,522,258)	(39,752,661)	(43,245,298)
(2) Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income of investees accounted for under the equity method (recycling)	10,529,777	12,147,066	10,529,777	12,147,066
Effective portion of cash flow hedges	225,242,143	118,259,066	–	–
Translation differences of the financial statements of foreign operations	(90,982,321)	236,135,856	–	–
Other comprehensive income attributable to non-controlling interests, net of tax	99,961,283	(414,046,326)	–	–
Total comprehensive income	14,258,270,331	8,964,914,342	1,228,530,964	3,230,930,083
Attributable to:				
– Equity holders of the Company	10,184,256,917	8,742,054,915		
– Non-controlling interests	4,074,013,414	222,859,427		
Earnings per share				
– Basic (RMB/share)	0.46	0.35		
– Diluted (RMB/share)	0.46	0.35		

4 CONSOLIDATED FINANCIAL STATEMENTS RECONCILIATION BETWEEN PRC GAAP AND IFRS ACCOUNTING STANDARDS

The financial statements, which have been prepared by the Group in conformity with PRC GAAP, differ in certain respects from those of IFRS accounting standards. The major impact of adjustments for IFRS accounting standards, on the consolidated net profit to equity holders of the Company, is summarised as follows:

	For the year ended 31 December	
	<u>2024</u>	<u>2023</u>
Consolidated net profit attributable to equity holders of the Company under PRC GAAP	10,135,493,813	8,445,560,446
Impact of IFRS accounting standards adjustments:		
Differences in accounting treatment on business combinations under common control, depreciation, amortisation, disposal and impairment of assets acquired in business combinations under common control (a)	(601,352,337)	(872,451,882)
Difference on depreciation related to borrowing costs capitalised in previous years (b)	(5,814,895)	(16,112,045)
Difference on reserve funds (c)	378,689,381	419,686,097
Others	(36,349,629)	(55,815,801)
Applicable deferred income tax impact on the GAAP differences above (d)	161,473,170	211,635,688
Profit attributable to non-controlling interests on the adjustments above	152,493,061	224,956,934
Consolidated net profit attributable to equity holders of the Company under IFRS accounting standards	<u>10,184,632,564</u>	<u>8,357,459,437</u>

(a) Differences in accounting treatment on business combinations under common control and depreciation, amortisation, disposal and impairment under common control

Huaneng Group is the parent company of HIPDC, which in turn is also the ultimate parent of the Company. The Company has carried out a series of acquisitions from Huaneng Group and HIPDC in recent years. As the acquired power companies and plants and the Company were under common control of Huaneng Group before and after the acquisitions, such acquisitions were regarded as business combinations under common control.

In accordance with PRC GAAP, for business combinations under common control, the assets and liabilities acquired in business combinations are measured at the carrying amounts of the acquirees in the consolidated financial statements of the ultimate controlling party on the acquisition date. The difference between the carrying amounts of the net assets acquired and the consideration paid is adjusted to the equity account of the acquirer. The operating results for all periods presented are retrospectively restated as if the current structure and operations resulting from the acquisition had been in existence since the beginning of the earliest year presented, with financial data of previously separate entities consolidated. The cash consideration paid by the Company is treated as an equity transaction in the year of acquisition. The subsequent adjustment of contingent consideration after the acquisition date is also accounted for as an equity transaction.

For business combinations occurred prior to 1 January 2007, in accordance with the previous PRC GAAP, when equity interests acquired were less than 100%, the assets and liabilities of the acquirees were measured at their carrying amounts. The excess of the consideration over the proportionate share of the carrying amounts of the net assets acquired was recorded as an equity investment difference and amortised on a straight-line basis for not more than 10 years. When acquiring the entire equity, the entire assets and liabilities are accounted for in a manner similar to purchase accounting. Goodwill arising from such transactions was amortised over the estimated useful lives on a straight-line basis. On 1 January 2007, in accordance with PRC GAAP, the unamortised equity investment differences and goodwill arising from business combinations under common control were written off against undistributed profits.

Under IFRS accounting standards, the Company and its subsidiaries have adopted the purchase method to account for the acquisitions above. The assets and liabilities acquired in acquisitions were recorded at fair value by the acquirer. The excess of the acquisition cost over the proportionate share of fair value of net identifiable assets acquired was recorded as goodwill. Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses. The operating results of the acquirees are consolidated in the operating results of the Company and its subsidiaries from the acquisition dates onwards. The contingent consideration not classified as equity is measured at fair value at each reporting date with the changes in fair value recognised in profit or loss, if such changes are not measurement period adjustments.

As mentioned above, the differences in the accounting treatment under PRC GAAP and IFRS accounting standards on business combinations under common control affect both equity and profit. Meanwhile, due to different measurement bases of the assets acquired, depreciation and amortisation in the period subsequent to the acquisition will be affected which will also affect the equity and profit or loss upon subsequent disposals and impairment of such investments. Such differences will be gradually eliminated following subsequent depreciation, amortisation and disposal of the related assets.

(b) Effect of depreciation on the capitalisation of borrowing costs in previous years

In previous years, under the previous PRC GAAP, the scope of capitalisation of borrowing costs was limited to specific borrowings, and thus, borrowing costs arising from general borrowings were not capitalised. In accordance with IFRS accounting standards, the Company and its subsidiaries capitalised borrowing costs on general borrowings used for the purpose of obtaining qualifying assets in addition to the capitalisation of borrowing costs on specific borrowings. From 1 January 2007 onwards, the Company and its subsidiaries adopted PRC GAAP No.17 prospectively. The current adjustments represent the related depreciation on capitalised borrowing costs included in the cost of the related assets under IFRS accounting standards in previous years.

(c) Effect of reserve funds

Reserve funds represent safety funds. In accordance with PRC GAAP, appropriation of safety funds is recognized in profit or loss and to reserve funds. In accordance with IFRS accounting standards, unutilized safety funds are treated as appropriation from retained earnings to reserve funds and the relevant expenses are recognized in profit or loss only when it is incurred.

(d) Deferred income tax impact on GAAP differences

This represents related deferred income tax impact on the GAAP differences above where applicable.