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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)**

## **2025 Interim Results Announcement**

<b>Consolidated operating revenue:</b>	<b>RMB112.032 billion</b>
<b>Net profit attributable to equity holders of the Company:</b>	<b>RMB9.578 billion</b>
<b>Earnings per share:</b>	<b>RMB0.52</b>

### **INTERIM RESULTS**

The board (the “**Board**”) of directors (the “**Director(s)**”) of Huaneng Power International, Inc. (the “**Company**”) announces the unaudited operating results for the six months ended 30 June 2025 and a comparison with the operating results for the same period of last year. For the six months ended 30 June 2025, the Company and its subsidiaries recorded consolidated operating revenue of RMB112.032 billion, representing a decrease of 5.70% compared to the same period of last year. The net profit attributable to equity holders of the Company was RMB9.578 billion, representing an increase of 23.19% compared to the same period of last year. The earnings per share was RMB0.52. The net asset (excluding non-controlling interests and other equity instruments) per share was RMB4.35.

Please refer to the unaudited financial information below for details of the operating results.

## **BUSINESS REVIEW FOR THE FIRST HALF OF THE YEAR**

In the first half of the year, the Company adhered to the theme of high-quality development, closely focused on the annual objectives and tasks, actively forged ahead, and worked hard to overcome challenges, maintaining a stable safety situation. The Company achieved a year-on-year improvement in operating performance, the pace of transformation and development accelerated, and reform and innovation unleashed vitality, presenting an overall positive trend of a strong start and steady progress, making a positive contribution to economic and social development.

### **1. Power Generation**

The Company's total on-grid power generation of the power plants within China on consolidated basis amounted to 205.683 billion kWh, representing a decrease of 2.37% over the same period last year. The average utilization hours of the Company's power plants within China were 1,502 hours, representing a decrease of 178 hours over the same period last year. The Company's market-based power transaction ratio was 84.64%, representing a decrease of 2.27 percentage points over the same period last year.

The Company continues to promote green and low-carbon transformation, which prompted the continued growth in wind power and photovoltaics ("PV") installed capacity and year-on-year rapid increase in new energy power generation. However, due to factors such as overall supply and demand being relatively loose and the growth of new energy installed capacity nationwide, the Company's coal-fired power generation decreased year-on-year, leading to a year-on-year decline in the Company's total power generation.

### **2. Cost Control**

The Company maximized favorable opportunities in the market, scientifically optimized the procurement strategy, coordinated long-term contracts and spot purchases, strived to improve the quality of long-term contract fulfillment, procured low-priced spot coal, improved the portfolio of coal stockpile, and took multiple measures to control coal procurement costs, and effectively controlled the fuel costs with remarkable results. In the first half of the year, the Company purchased a total of 87.14 million tons of coal, representing a year-on-year drop of 10.70% and the cumulative price of standard coal consumed by domestic power plants excluding tax was RMB917.05 yuan/ton, representing a year-on-year drop of 9.23%.

### **3. Energy Conservation and Environmental Protection**

The Company strictly implements the national requirements for ecological and environmental protection. All its power generation enterprises have implemented ultra-low emission upgrades. In key regions, power plants have undergone upgrades to treat wastewater discharge, as well as dust from coal yards and ash yards, ensuring that the pollutant emission levels of relevant power plants meet the requirements of pollution discharge permits and ecological and environmental protection policies. In the first half of the year, the Company's average equivalent availability rate of domestic thermal power units was 93.52%, the coal consumption of production power supply was 288.66g/kWh, and the rate of production auxiliary power consumption was 4.26%, the energy consumption indexes continued to maintain a good level, and the pollutant emission indexes were in line with or better than the national standards.

### **4. Scientific and Technological Innovation**

The Company focuses on serving national strategies, increasing R&D investment in strategic emerging industries and future industries, and proactively laying out multiple fields such as network security, "Technology for Safety Enhancement", offshore wind power, and independent operation and maintenance of gas turbines, while continuously promoting the transformation of high-quality scientific and technological achievements. "An advanced and energy efficient carbon capture technology" was selected for the national key low-carbon technology promotion catalog released by the Ministry of Ecology and Environment. The COAP near-zero emissions technology achievement at the Shandong Linyi Power Plant was appraised as "internationally leading" by the Chinese Society for Electrical Engineering; the 100 MW comprehensive energy innovation demonstration project combining photovoltaic power generation and ecological construction in Anyang, Henan Province, achieved full-capacity grid connection; and the virtual power plant at Hubei Company successfully participated in the first trial operation of power dispatch in the electricity spot market. In the first half of the year, the Company and its affiliated units obtained authorization for 494 invention patents, 45 utility model patents, and 141 international patents.

## 5. Project Development and Construction

The Company is seizing the policy window for the marketization of the new energy sector, scientifically scheduling construction timelines, and fully advancing new energy project development while ensuring safety compliance and maintaining both quality and cost-effectiveness. During the first half of the year, the Company had additional grid-connected controllable power generation capacity of 7,987.31 megawatts (“MW”), including 1,724.40 MW of thermal power controllable power generation capacity, 1,928.45 MW of wind power controllable power generation capacity and 4,334.46 MW of solar power controllable power generation capacity. As of 30 June 2025, the Company’s controllable installed power generation capacity was 152,992 MW, with the installed capacity of low-carbon and clean energy sources (such as wind power, solar power, hydropower, gas turbines and biomass power generation) accounting for 39.12%.

## 6. Overseas Business

Tuas Power Limited (the “**Tuas Power**”) in Singapore, a wholly-owned subsidiary of the Company, contributed to 18.61% of the power generation in Singapore market cumulatively, representing a decrease of 1.79 percentage points over the same period last year. The pre-tax profit of Company’s business in Singapore was RMB1.363 billion, representing a decrease in pretax profit of RMB360 million over the same period last year, which was mainly due to the overall electricity market demand in Singapore stabilizing, more abundant supply in the power generation market, and overall electricity market prices falling significantly year-on-year.

The pre-tax profit of the operations of the Company in Pakistan was RMB436 million, representing an increase of RMB7 million compared to the same period last year.

## PROSPECT FOR THE SECOND HALF OF THE YEAR

In the second half of the year, the Company will place greater emphasis on maintaining high-quality and stable growth in a more prominent position, closely focus on the strategic goal of accelerating the construction of a world-class enterprise, further consolidate the foundation for energy supply, proactively promote excellent operation, increase the intensity of scientific and technological innovation, accelerate the pace of green development, improve the governance of listed companies, continuously optimize the structure of assets and the structure of power supply and complete the Company’s annual goals and tasks with high quality, striving to achieve the Company’s goals during the “14th Five-Year Plan”.

**With respect to the power market,** the overall supply-demand situation continued to deepen, with some regions facing growing pressure to consume renewable energy. As renewable energy sources fully enter the market for trading and the spot market expands across the board, coupled with the continued growth in renewable energy capacity, this will exert a certain impact on market prices, and the competition will become more complicated. The Company will strengthen the research on climate changes and power supply and demand in various regions, make the most of the summer and winter seasons when the demand is high and sufficient power supply is crucial and optimize the timing and structure of power generation and endeavors to make the best of the high-priced hours to generate more power and hence improve efficiency.

**With respect to the coal market,** during peak electricity consumption periods such as the summer and winter peak demand periods, as well as extreme weather conditions, thermal power will continue to play a role in ensuring energy security, leading to a seasonal increase in coal demand and a change in the overly relaxed supply and demand situation. The Company will closely monitor changes in the coal market, implement national policy requirements, and continuously optimize its procurement structure; give full play to the role of a stabilizer of those long-term contracts to improve contract fulfillment quality; seize market opportunities to optimize spot coal procurement; strengthen inventory management, and make the best use of the strategy of stocking up in off seasons and generating power at full capacity in peak seasons, stocking up at low price and generating power at high price. The Company will control the cost of coal purchases through those various measures.

**With respect to the capital market,** in accordance with the spirit of the relevant national meetings, efforts will be made in 2025 to promote sustained economic recovery and improvement. A moderately loose monetary policy will be implemented, with a focus on better leveraging the dual functions of monetary policy tools in terms of both aggregate and structural adjustments. Coordination and collaboration between monetary and fiscal policies will be strengthened. The Company will further strengthen its analysis and research on policies, market conditions, and the capital market, pay close attention to changes in the domestic and overseas capital markets, actively respond to national support policies such as the initiatives of large-scale equipment renewals and trade-in of old consumer goods, fully utilize the special bonds for stabilizing growth and expanding investment, continuously optimize the financing structure, further expand financing channels, and ensure the funding needs for energy security supply and green and low-carbon transformation.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Prepared under International Financial Reporting Standards (“IFRSs”))

### General

The principal activities of the Company are construction, operation and management of power plants within China. The Company is among the largest listed power companies in China. As of 30 June 2025, the Company had a controlled installed capacity of 152,992 MW, approximately 39.12% of which was from low-carbon and clean energy sources (natural gas, solar power, wind, hydro, biomass power generation). The Company's power plants are located in 26 provinces, autonomous regions and municipalities within China. The Company is also the sole owner of a power enterprise in Singapore and has invested in a power company located in Pakistan.

For the six months ended 30 June 2025, the operating revenue of the Company amounted to RMB112.032 billion, representing a decrease of 5.70% compared to the revenue of RMB118.806 billion for the same period of last year. The net profit attributable to equity holders of the Company was RMB9.578 billion, an increase of 23.19% from 7.775 billion for the corresponding period in the previous year. The earnings per share was RMB0.52, representing an increase of RMB0.12.

### A. Operating Results

#### 1. Operating results for the first half of 2025

The Company's domestic on-grid electricity (in 100 millions of kWh) sold in the first half of 2025, by regions, is presented in the table below:

Types of generation/Region	Electricity Sold			
	April to June of 2025	Year-on-Year Change	January to June of 2025	Year-on-Year Change
Coal-fired	754.26	-3.46%	1,583.63	-7.06%
Combined cycle	56.54	9.16%	132.55	7.47%
Wind-power	101.19	14.32%	210.31	11.39%
PV	73.71	48.06%	122.43	49.33%
Hydro-power	2.87	-9.37%	3.89	-22.13%
Biomass power	1.92	3.78%	4.02	9.83%

Types of generation/Region	Electricity Sold			
	April to June of 2025	Year-on-Year Change	January to June of 2025	Year-on-Year Change
<b>Heilongjiang Province</b>	29.36	6.37%	61.58	3.89%
Coal-fired	19.86	3.82%	44.62	4.26%
Wind-power	8.23	10.52%	14.63	3.30%
PV	0.73	-8.19%	1.33	-14.52%
Biomass power	0.54	135.66%	1.00	31.34%
<b>Jilin Province</b>	26.14	-2.11%	58.55	5.28%
Coal-fired	12.49	-13.97%	30.76	-5.78%
Wind-power	11.62	7.25%	23.98	16.92%
Hydro-power	0.38	49.92%	0.44	42.54%
PV	1.20	97.92%	2.17	77.44%
Biomass power	0.45	-8.18%	1.19	29.53%
<b>Liaoning Province</b>	36.69	14.60%	82.92	10.05%
Coal-fired	28.21	7.56%	64.95	5.35%
Wind-power	7.53	49.41%	16.42	32.39%
Hydro-power	0.13	202.72%	0.17	250.14%
PV	0.82	16.63%	1.37	11.03%
<b>Inner Mongolia</b>	1.89	-4.93%	3.74	-7.94%
Wind-power	1.78	-10.60%	3.58	-11.91%
PV	0.11	5177.06%	0.16	7385.70%
<b>Hebei Province</b>	34.88	18.87%	72.22	13.06%
Coal-fired	22.69	5.92%	51.10	1.43%
Wind-power	2.22	76.48%	4.40	64.74%
PV	9.98	49.63%	16.73	54.44%
<b>Gansu Province</b>	22.76	-6.95%	55.46	-4.55%
Coal-fired	17.46	-2.42%	45.51	-3.38%
Wind-power	5.30	-19.28%	9.95	-9.57%
<b>Ningxia</b>	0.07	-6.84%	0.11	-1.33%
PV	0.07	-6.84%	0.11	-1.33%



Types of generation/Region	Electricity Sold			
	April to June of 2025	Year-on-Year Change	January to June of 2025	Year-on-Year Change
<b>Beijing</b>	15.87	-0.55%	37.49	-2.11%
Coal-fired	–	–	0.52	-54.25%
Combined cycle	15.87	-0.55%	36.97	-0.53%
<b>Tianjin</b>	9.68	-20.02%	23.39	-15.36%
Coal-fired	7.04	-28.46%	18.61	-14.72%
Combined cycle	2.05	-4.18%	3.85	-31.63%
Wind-power	0.25	–	0.48	–
PV	0.34	187.94%	0.45	153.29%
<b>Shanxi Province</b>	19.77	-13.56%	49.15	-5.55%
Coal-fired	11.06	-31.56%	22.27	-24.26%
Combined cycle	0.08	-49.01%	11.45	4.08%
Wind-power	1.88	28.06%	4.01	20.33%
PV	6.75	32.86%	11.41	37.65%
<b>Shandong Province</b>	144.89	-17.22%	311.20	-16.78%
Coal-fired	124.18	-22.00%	272.59	-20.56%
Wind-power	9.76	25.00%	20.59	14.76%
PV	10.01	45.39%	16.19	49.23%
Biomass power	0.93	-17.61%	1.83	-7.60%
<b>Henan Province</b>	53.80	-1.52%	111.23	-3.82%
Coal-fired	38.94	-7.97%	83.46	-9.74%
Combined cycle	0.35	35.88%	0.67	45.74%
Wind-power	11.46	16.57%	22.28	15.25%
PV	3.04	36.94%	4.80	42.51%
<b>Jiangsu Province</b>	93.24	-3.78%	186.13	-11.78%
Coal-fired	62.88	-12.02%	123.90	-19.21%
Combined cycle	12.06	17.78%	26.39	13.12%
Wind-power	10.28	1.61%	22.64	-12.35%
PV	8.03	58.10%	13.19	55.84%



Types of generation/Region	Electricity Sold			
	April to June of 2025	Year-on-Year Change	January to June of 2025	Year-on-Year Change
<b>Shanghai</b>	40.93	7.45%	95.34	0.78%
Coal-fired	39.46	8.78%	91.17	0.18%
Combined cycle	1.08	-33.46%	3.60	8.46%
PV	0.39	106.80%	0.56	108.71%
<b>Chongqing</b>	34.75	20.26%	76.75	11.52%
Coal-fired	25.91	7.37%	58.12	2.05%
Combined cycle	7.19	109.76%	16.06	71.24%
Wind-power	1.50	16.74%	2.39	-1.26%
PV	0.15	207.28%	0.18	147.73%
<b>Zhejiang Province</b>	80.41	2.68%	163.34	4.60%
Coal-fired	68.32	1.10%	136.85	0.68%
Combined cycle	2.24	14.58%	5.59	59.28%
Wind-power	8.13	5.47%	18.18	22.54%
PV	1.73	60.01%	2.73	44.35%
<b>Hubei Province</b>	35.36	9.37%	72.00	-2.87%
Coal-fired	27.92	10.23%	58.94	-5.18%
Wind-power	1.78	35.66%	3.47	12.05%
Hydro-power	0.71	-22.78%	0.92	-35.42%
PV	4.96	3.75%	8.67	16.39%
<b>Hunan Province</b>	18.43	37.47%	41.55	12.45%
Coal-fired	13.44	40.97%	32.96	15.08%
Wind-power	2.37	30.89%	4.54	-5.63%
Hydro-power	1.14	2.65%	1.60	-22.32%
PV	1.47	55.94%	2.46	69.47%
<b>Jiangxi Province</b>	65.77	14.47%	137.94	3.85%
Coal-fired	55.69	9.95%	120.23	-0.25%
Wind-power	2.83	2.67%	5.33	-0.50%
PV	7.25	78.98%	12.38	78.62%

Types of generation/Region	Electricity Sold			
	April to June of 2025	Year-on-Year Change	January to June of 2025	Year-on-Year Change
<b>Anhui Province</b>	22.14	5.19%	47.01	13.06%
Coal-fired	11.60	-17.75%	27.76	-4.13%
Wind-power	3.99	65.85%	7.86	50.27%
Hydro-power	0.04	-89.36%	0.04	-92.94%
PV	6.52	55.62%	11.35	65.55%
<b>Fujian Province</b>	47.51	15.69%	77.66	-3.68%
Coal-fired	46.18	14.63%	75.45	-4.80%
PV	1.33	69.94%	2.21	60.66%
<b>Guangdong Province</b>	71.05	2.45%	133.58	2.27%
Coal-fired	59.22	5.23%	107.86	2.38%
Combined cycle	8.08	-9.72%	15.01	-9.77%
Wind-power	2.78	-22.48%	8.94	15.43%
PV	0.97	80.70%	1.77	102.37%
<b>Guangxi</b>	3.67	39.79%	6.66	20.29%
Combined cycle	1.00	29.01%	1.83	28.51%
Wind-power	1.91	20.87%	3.73	0.27%
PV	0.76	182.83%	1.11	177.26%
<b>Yunnan Province</b>	39.82	10.91%	77.11	-3.01%
Coal-fired	34.78	7.88%	66.68	-4.43%
Wind-power	3.29	4.40%	7.69	-11.60%
PV	1.75	272.91%	2.74	176.95%
<b>Guizhou Province</b>	4.14	23.71%	6.68	4.63%
Wind-power	0.48	6.53%	0.97	-21.47%
PV	3.66	26.40%	5.71	10.93%

Types of generation/Region	Electricity Sold			
	April to June of 2025	Year-on-Year Change	January to June of 2025	Year-on-Year Change
<b>Hainan Province</b>	37.45	7.28%	68.04	6.10%
Coal-fired	26.91	0.69%	49.32	-0.41%
Combined cycle	6.53	3.63%	11.13	-3.06%
Wind-power	1.83	1,507.17%	4.24	1,005.79%
Hydro-power	0.47	6.89%	0.72	25.32%
PV	1.70	28.94%	2.64	21.83%
<b>Total</b>	<b>990.49</b>	<b>1.44%</b>	<b>2,056.83</b>	<b>-2.37%</b>

The main reason for the decrease in the Company's power generation was as follows: In the first half of the year, the Company continued to advance its green and low-carbon transition, with sustained growth in installed wind-power and photovoltaics, leading to a year-on-year increase in new energy generation. However, due to overall loose supply and demand conditions and a nationwide increase in new energy installations, the power generation of the Company's coal-fired units decreased year-on-year, resulting in an overall decrease in total power generation compared to the same period of last year.

For the second quarter of 2025, Tuas Power Limited in Singapore, a wholly-owned subsidiary of the Company, contributed to 18.49% of the power generation volume in Singapore market, representing a decrease of 0.71 percentage points compared to the same period of last year.

For the first half of 2025, Tuas Power Limited in Singapore contributed to 18.61% of the power generation volume in Singapore market cumulatively, representing a decrease of 1.79 percentage points compared to the same period of last year.

## **2. Comparative analysis of operating results**

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

For the first half of 2025, the consolidated operating revenue of the Company and its subsidiaries amounted to RMB112.032 billion, representing a decrease of 5.70% compared to RMB118.806 billion over the same period last year.

The operating revenue from domestic operations of the Company decreased by RMB4.829 billion over the same period of last year, mainly due to the decrease in domestic electricity sales volume and average tariff.

The operating revenue from the operations of the Company in Singapore decreased by RMB2.298 billion over the same period of last year, which was mainly attributable to factors related to the market policy and the addition of fast-response gas turbines, the year-on-year decline of overall price of the Singapore electricity market, the decreased prices of newly signed retail contracts compared to the previous year; the stabilized overall electricity market demand and ample market supply in Singapore, and the decreased electricity volume of Sinosing retail contracts.

The operating revenue from the operations of the Company in Pakistan increased by RMB0.354 billion over the same period of last year, mainly due to an increase in electricity sales volume.

Tax and levies on operations mainly consist of Resources Tax, Environment Protection Tax, Real Estate Tax, Land Use Tax, VAT Surcharge, etc. For the first half of 2025, the tax and levies on operations of the Company and its subsidiaries were RMB1.105 billion, representing an increase of 22.84% compared to RMB0.9 billion over the same period of last year.

## *2.2. Operating expenses*

For the first half of 2025, the consolidated operating expenses of the Company and its subsidiaries were RMB93.306 billion, representing a decrease of 9.77% compared to RMB103.412 billion in the same period last year.

The operating expenses in domestic operations of the Company decreased by RMB8.670 billion, due to the decrease in fuel costs as a result of lower domestic fuel prices.

The operating expenses from the operations in Singapore decreased by RMB1.892 billion from the same period last year due to the decrease in electricity procurement costs. The operating expenses from the operations in Pakistan increased by RMB0.456 billion from the same period last year due to the increase in fuel cost.

### 2.2.1 Fuel costs

For the first half of 2025, fuel costs of the Company and its subsidiaries amounted to RMB58.305 billion, representing a decrease of 14.40% compared to RMB68.114 billion in the same period last year.

### 2.2.2 Maintenance

For the first half of 2025, the maintenance costs of the Company and its subsidiaries amounted to RMB2.058 billion, representing an increase of 10.62% compared to RMB1.861 billion in the same period last year.

### 2.2.3 Depreciation

For the first half of 2025, depreciation expenses of the Company and its subsidiaries amounted to RMB13.560 billion, representing an increase of 6.47% compared to RMB12.735 billion in the same period last year.

### 2.2.4 Labour

Labour costs consist of salaries of employees and contributions payable for employees' housing funds, medical insurance, pension and unemployment insurance, as well as training costs. For the first half of 2025, labour costs of the Company and its subsidiaries amounted to RMB9.019 billion, representing an increase of 3.85% compared to RMB8.685 billion in the same period last year.

### 2.2.5 Other operating expenses

Other operating expenses mainly included costs related to environmental protection, insurance, office expenses, research and development, amortization, electricity procurement costs from Tuas Power, impairment losses, government subsidies, and gains and losses from the disposal of properties, plants, and equipment etc. For the first half of 2025, other operating expenses of the Company and its subsidiaries amounted to RMB10.365 billion, representing a decrease of 13.75% compared to RMB12.018 billion in the same period of last year, mainly attributed to the electricity procurement costs decrease from the operations in Singapore.

### *2.3. Financial expenses*

For the first half of 2025, financial expenses of the Company and its subsidiaries amounted to RMB3.567 billion, representing a decrease of 16.59% compared to RMB4.276 billion in the same period last year, mainly attributed to the decrease of interest expenses of RMB0.540 billion.

Financial expenses for the Company's domestic operation decreased by RMB410 million, mainly due to the decrease in cost of interest-bearing debt.

Financial expenses for the Company's operations in Singapore decreased by RMB17 million. Financial expenses for the Company's operations in Pakistan decreased by RMB113 million, mainly due to the decrease of loan principal and lower financing costs.

### *2.4. Share of profits and losses of associates and joint ventures*

For the first half of 2025, the share of profits and losses of associates and joint ventures of the Company and its subsidiaries was RMB0.765 billion, representing a decrease of 10.86% compared to RMB0.858 billion in the same period last year, mainly due to the decrease of investment income from the Company's associates and joint ventures.

### *2.5. Income tax expenses*

For the first half of 2024, the Company and its subsidiaries recognized income tax expense of RMB2.388 billion, representing an increase of 22.73% compared to RMB1.946 billion in the same period last year.

The income tax expenses for the Company's domestic operation increased RMB0.541 billion from the same period last year, mainly due to the year-on-year increase in profits from domestic operations in the current period.

The income tax expenses for the Company's operation in Singapore decreased RMB61 million from the same period last year. The income tax expenses for the Company's operation in Pakistan decreased RMB38 million from the same period last year.

## *2.6. Net profit attributable to equity holders of the Company*

For the first half of 2025, the net profit attributable to equity holders of the Company was RMB9.578 billion, representing an increase of 23.19% compared to RMB7.775 billion in the same period last year.

The profit attributable to equity holders of the Company from its domestic operations increased by RMB2.081 billion compared to the same period last year., main due to (1) The company seizes the opportunity of declining fuel prices, scientifically coordinates long-term coal contracts with spot purchases to further reduces fuel costs, leading to a year-on-year increase in profits for the thermal power segment; (2) The scale of new energy expanded in an orderly manner, with stable and increasing profit from the photovoltaic segment.

The net profit attributable to equity holders of the Company's Singapore operations decreased by RMB0.296 billion as compared to the same period last year. The company thoroughly analyzes changes in Singapore's electricity and fuel market, responded swiftly to market dynamics, and continues to advance lean management practices. Meanwhile, the Company increased revenue through initiatives such as power storage repurchases and natural gas substitution burning.

The net profit attributable to equity holders of the Company's Pakistan operations increased by RMB18 million as compared to the same period last year.

## *2.7. Comparison of financial positions*

As of 30 June 2025, total assets of the Company and its subsidiaries amounted to RMB602.552 billion, representing an increase of 1.17% from 31 December 2024. As of 30 June 2025, total liabilities of the Company and its subsidiaries were RMB384.280 billion, representing a decrease of 0.19% from 31 December 2024. The asset-liability ratio as of 30 June 2025 was 63.78% , representing a decrease of 0.87 percentage point from 31 December 2024.



## 2.8. Comparison of major financial ratios

Item	<u>30 June 2025</u>	<u>31 December 2024</u>
Ratio of liability to equity holders' equity	<b>2.59</b>	2.68
Current ratio	<b>0.57</b>	0.54
Quick ratio	<b>0.51</b>	0.46
	<b>For the six months ended 30 June 2025</b>	For the six months ended 30 June 2024
Multiples of interest earned	<b>4.61</b>	3.43

Formula of the financial ratios:

Ratio of liabilities to equity holders' equity = balance of liabilities as of the period end/balance of shareholders' equity (excluding non-controlling interests) as of the period end

Current ratio = balance of current assets as of the period end/balance of current liabilities as of the period end

Quick ratio = (balance of current assets as of the period end – net inventories as of the period end)/balance of current liabilities as of the period end

Multiples of interest earned = (profit before tax + interest expense)/interest expenditure (inclusive of capitalized interest expense)

The ratio of liabilities to equity holders' equity of the Company and its subsidiaries as of 30 June 2025 decreased as compared to 31 December 2024 due to the increase in first half profit of 2025. The current ratio and quick ratio remain stable compared to 31 December 2024. The multiples of interest earned increased due to increase in first half profit compared to the same period last year.

As of 30 June 2025, the net current liabilities of the Company and its subsidiaries were RMB73.249 billion. Based on the Company's successful financing history, banking facilities granted by banks that can be withdrawn at any time and good credit status, the Company has confidence to repay its debts in a timely manner, secure long-term loans borrowings through financing activities and ensure sufficient funding for the business development needs.

## B. Liquidity and Cash Resources

### 1. Liquidity

	For the Six Months Ended 30 June		
	2025	2024	Change
	<i>RMB billion</i>	<i>RMB billion</i>	<i>%</i>
Net cash provided by operating activities	<b>30.748</b>	23.603	30.27
Net cash used in investing activities	<b>(21.803)</b>	(21.554)	1.16
Net cash (used in)/provided by financing activities	<b>(5.760)</b>	1.981	N/A
Currency exchange impact	<b>0.161</b>	0.146	10.27
Net increase in cash and cash equivalents	<b>3.346</b>	4.176	(19.88)
Cash and cash equivalents as at the beginning of the period	<b>18.601</b>	16.151	15.17
Cash and cash equivalents as at the end of the period	<b>21.947</b>	20.327	7.97

For the first half of 2025, the Company's net cash inflow from operations was RMB30.748 billion, representing an increase of 30.27% over the same period last year, mainly due to the combined effect of decrease in profit and decrease in coal procurement costs. Net cash outflow from investment activities was RMB21.803 billion, remaining stable from the same period last year. Net cash outflow from financing activities was RMB5.760 billion, mainly due to the profit from the operations of the Company and increase of repayment of loans.

As of 30 June 2025, the cash and cash equivalents of the Company and its subsidiaries included RMB in the amount of RMB17.871 billion, SGD equivalent to RMB2.372 billion, US Dollars equivalent to RMB0.498 billion, Pakistan Rupees equivalent to RMB1.117 billion and Japanese Yen equivalent to RMB89 million.

Foreign exchange risk of the entities operating within the China primarily arises from loans denominated in foreign currencies of the Company and its subsidiaries. SinoSing Power Pte. Ltd (“**SinoSing Power**”) and its subsidiaries are exposed to foreign exchange risk on bank balances, accounts receivable, other receivables and assets, accounts payable, long-term bonds and other liabilities that are denominated primarily in US\$, while its functional currency is the Singapore dollar. Huaneng Shandong Ruyi

(Pakistan) Energy (Private) Co., Ltd. (“**Ruyi Pakistan Energy**”) is exposed to foreign exchange risk on bank balances, financial lease receivables, accounts payable and other liabilities and long-term loans that are denominated primarily in US\$, while its functional currency is the Pakistan rupee. The Company closely monitor interest rate and foreign exchange markets with the aim of mitigating foreign exchange risk.

## 2. Capital expenditure and cash resources

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

In the first half of 2025, the actual capital expenditure on infrastructure and renovation of the Company and its subsidiaries was RMB19.017 billion, of which RMB17.258 billion was capital expenditure, mainly wind power of RMB6.142 billion, photovoltaic of RMB6.579 billion, thermal power of RMB4.105 billion and others of RMB0.432 billion. Expenditure on renovation and transformation was RMB1.759 billion.

### 2.2 Cash resources and anticipated financing costs

Good operating results and sound credit status provide the Company with strong financing capabilities. As of 30 June 2025, the unutilized banking facilities available to the Company and its subsidiaries amounted over RMB420.0 billion, which are granted by commercial banks such as Bank of China, China Construction Bank, Industrial and Commercial Bank of China and other commercial banks.

As of 30 June 2025, the Company and its subsidiaries’ long-term loans (including long-term loans due within one year) totalled RMB186.977 billion (31 December 2024: RMB183.778 billion), including RMB loans of RMB177.677 billion (31 December 2024: RMB175.020 billion), USD loans of RMB7.141 billion equivalent (31 December 2024: RMB8.018 billion equivalent), SGD loans of RMB2.071 billion equivalent (31 December 2024: RMB0.656 billion equivalent) and JPY loans of RMB0.088 billion equivalent (31 December 2024: RMB0.084 billion equivalent). Among them, SGD loans are floating rate loans, JPY loans are fixed rate loans. For the six months ended 30 June 2025, the annual interest rate for long-term loans was 0.75% to 9.04% (31 December 2024: 0.75% to 9.35%).

### 2.3 Other financing requirements

The Company implements a consistent and stable profit distribution policy. On 24 June 2025, upon the approval from shareholders at the 2024 annual general meeting, the Company declared a cash dividend of RMB0.27 (inclusive of tax) for each ordinary share amounting to RMB4.238 billion.

### ***C. Performance of Significant Investments***

The Company acquired 25% equity interest in Shenzhen City Energy Group Co., Ltd. (“**Shenzhen Energy Group**”) for RMB2.390 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 Corporation (“**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 with SE Management through the combination of directional seasoned offering and cash payment to shareholders of SE management. After the merger, the Company held 991,741,659 shares of Shenzhen Energy, representing 25.02% of its equity interests. These investments are expected to provide stable returns to the Company.

### ***D. Employee Benefits***

As of 30 June 2025, the Company and its subsidiaries had 55,350 employees.

During the reporting period, there was no change to the Company’s compensation plan and training program.

### ***E. Guarantee for Loans and Restricted Assets***

As at 30 June 2025, the Company provided guarantees for long-term loans of approximately RMB1,338 million (31 December 2024: RMB1,273 million) of the Company’s domestic subsidiaries.

As at 30 June 2025, the Company provided guarantees for long-term bonds of approximately RMB2,148 million (31 December 2024: RMB4,313 million) of the Company’s overseas subsidiaries.

As at 30 June 2025, long-term loans of approximately RMB88 million (31 December 2024: RMB84 million) were guaranteed by Enshi Finance Bureau of Hubei Province.

As at 30 June 2025, long-term loans of approximately RMB73 million (31 December 2024: RMB78 million) were guaranteed by Tangyin County Modern Agricultural Investment Co., Ltd.

As at 30 June 2025, long-term loans of approximately RMB202 million (approximately US\$28 million) (31 December 2024: RMB202 million (approximately US\$28 million)) were guaranteed by Huaneng Shandong Power Generation Co., Ltd. (“**Shandong Power**”).

As at 30 June 2025, long-term loans of approximately RMB4,771 million (31 December 2024: RMB5,635 million) were guaranteed by Shandong Power, China Export & Credit Insurance Corporation and Jining Chengtou Investment Holding Group Co., Ltd. (“**Jining Chengtou**”) at the liability ratio of 17.5%, 65.0% and 17.5% respectively (31 December 2024: Shandong Power, China Export & Credit Insurance Corporation and Jining Chengtou at the liability ratios of 17.5%, 65.0% and 17.5% respectively).

As at 30 June 2025, long-term loans of approximately RMB320 million (31 December 2024: RMB711 million) were guaranteed by Shandong Power and Jining Chengtou at the liability ratios of 50.0% and 50.0% respectively (31 December 2024: Shandong Power and Jining Chengtou at the liability ratios of 50.0% and 50.0% respectively).

China Huaneng Group Fuel Co., Ltd. (“**Huaneng Group Fuel**”) guaranteed the financial leasing business between Shanghai Ruining Shipping Co., Ltd. (“**Ruining Shipping**”) and ICBC Financial Leasing Co., Ltd. Huaneng Hainan Power Generation Co., Ltd. (“**Hainan Power Generation**”), the subsidiary of the Company, counter-guaranteed based on the 40% equity ownership in Ruining Shipping. As at 30 June 2025, Hainan Power Generation counter-guaranteed Huaneng Group Fuel of approximately RMB45 million (31 December 2024: RMB89 million).

As at 30 June 2025, the details of secured loans of the Company and its subsidiaries were as follows:

As at 30 June 2025, short-term loans of RMB9 million (31 December 2024: RMB47 million) represented the notes receivable that were discounted with recourse. As these notes receivable had not yet matured, the proceeds received were recorded as short-term loans.

As at 30 June 2025, short-term loans of RMB4 million (31 December 2024: RMB302 million) were secured by certain equipment with a net book value amounting to approximately RMB150 million (31 December 2024: RMB427 million).

As at 30 June 2025, long-term loans of RMB2,732 million (31 December 2024: RMB3,051 million) were secured by certain property, plant and equipment with a net book value amounting to approximately RMB4,752 million (31 December 2024: RMB4,875 million).

As at 30 June 2025, long-term loans of approximately RMB4,834 million (31 December 2024: RMB5,060 million) were secured by future revenue from the electricity business.

As at 30 June 2025, the restricted bank deposits of the Company and its subsidiaries were RMB1,183 million (31 December 2024: RMB1,331 million).

## ***F. Risk Factors***

### ***1. Electricity Industry and Market Risks***

According to statistics from relevant national authorities, during the first half of the year, the growth rate of renewable energy nationwide significantly outpaced that of electricity demand. The substantial increase in renewable energy output has notably reduced the market share for coal-fired power. Overall, it is expected that in 2025, the growth in national power supply capacity will exceed the growth in electricity demand, the overall supply-demand of power will be loose. In certain regions, the pressure on renewable energy consumption has become increasingly prominent. With the full integration of renewable energy into market-based trading and a sharp increase in medium- to long-term power supply, the marginal cost of renewable energy will be much lower than that of coal-fired power, which will have a certain impact on market prices. With the full rollout of the spot market and the continued growth in new energy installed capacity, competition in the spot market has intensified under a supply-demand surplus. Electricity prices are expected to trend downward, which may impact the Company's overall profitability.

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, thermal power will continue to play a crucial role in ensuring energy security, coal supply is expected to experience seasonal rebounds, and the previously excessive looseness in supply and demand may begin to ease. 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, improve the quality of long-term contract fulfillment, seize market opportunities and purchase low-priced spot coal in stages. It will stay abreast of international coal market conditions and policy, 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 including, but not limited to, the Beijing-Tianjin-Hebei area, the Yangtze River Economic Belt, the Pearl River Delta and the Yellow River Basin. New and stricter standards and operational 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 of 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 labour costs, delays in obtaining necessary permits and documents, 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.

#### **G. *Other Disclosures***

To thoroughly implement the spirit of the 20th National Congress of the Communist Party of China and the Central Economic Work Conference, continue to implement the relevant arrangements of the State-owned Assets Supervision and Administration Commission of the State Council to improve the quality of centrally-administered state-owned enterprises' listed companies, and actively respond to the Shanghai Stock Exchange's "Initiative on Conducting the 'Quality Improvement, Efficiency Enhancement, and Focus on Shareholder Returns' Special Action of Companies Listed on the Shanghai Stock Exchange", the Company takes further deepening of quality and efficiency improvement as the starting point, endeavors to promote the Company's high-quality development, guides the reasonable return of the Company's value, and continuously carries out the action of "Quality Improvement, Efficiency Enhancement, and Focus on Shareholder Returns".

The Company takes the new energy security strategy of "Four Reforms and One Cooperation" as the fundamental guideline, aims at carbon peak and carbon neutrality, and puts quality and efficiency first, and vigorously promotes the green and low-carbon transformation of energy. In the first half of the year, the Company seized the window period of the new energy marketization policy, scientifically arranged the work schedule, and pushed forward the construction of new energy projects under the premise of ensuring safety compliance, high quality and cost-effectiveness, the Company newly added a total of 7,987.31 MW of controllable power generation capacity, of which 6,262 MW was from newly installed new energy capacity. As of 30 June 2025, the Company's installed controllable power generation capacity was 152,992 MW. Among them, the share of low-carbon clean energy installed capacity increased to 39.12%. The Company strengthened its industry policy research and market analysis, dynamically

optimized its coal procurement strategy, and enhanced various cost controls, resulting in its operating results reaching a new level. For the first half of 2025, the net profit attributable to equity holders of the Company was RMB9.578 billion, representing a year-on-year increase of 23.19%, and earnings per share of RMB0.52, representing a year-on-year increase of 30.00%. As the next step, the Company will focus on promoting the transformation of its energy structure and continue to contribute positively to the promotion of Chinese-style modernization and the construction of a new type of power system.

In active support of national efforts to strengthen the capital market and enhance investor returns, and building upon the requirement of the Articles of Association of distributing no less than 50% of profits as dividends, the Company further raised its dividend payout ratio for 2024 after taking into account investor suggestions and its actual circumstances. Upon approval by the 2024 annual general meeting, the Company declared a cash dividend of RMB0.27 per share (tax inclusive) to all shareholders, with a total cash dividend payout exceeding RMB4.2 billion.

In addition, the Company places great importance on investor relations management. The Company communicates with investors in a sincere, equal and mutually respectful manner, using timely, two-way and multi-channel methods to strengthen and improve investor relations continuously. At the end of March 2025, the Company held its 2024 annual results presentation in both Beijing and Hong Kong, and conducted a non-deal roadshow in Hong Kong. In May 2025, the Company participated in the collective results briefing held by China Huaneng Group at the Shanghai Stock Exchange Roadshow Centre. The management team responded comprehensively to market concerns, showcasing the Company's corporate image and growth potential across multiple dimensions.

As the next step, the Company will continue to push forward the work related to the “Quality Improvement, Efficiency Enhancement, and Focus on Shareholder Returns” initiative, and will remain committed to delivering solid business performance, upholding sound corporate governance, and strengthening investor communications. Through these efforts, the Company strives to fulfil its responsibilities and obligations as a listed company, enhance its market value management, and work toward ensuring that its market valuation more accurately reflects its intrinsic value, thereby creating sustained, stable and growing returns for its shareholders.

## SHARE CAPITAL STRUCTURE

As at 30 June 2025, 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. (the “**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, representing 3.01% and 0.84% of the total issued share capital of the Company, respectively. In respect of domestic shares, Huaneng International Power Development Corporation (the “**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.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

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 the first half of 2025. As of 30 June 2025 and during the reporting period, the Company did not hold any treasury shares.

## **SHAREHOLDINGS OF MAJOR SHAREHOLDERS**

The following table summarises the shareholdings of the top ten shareholders of the Company’s shares as at 30 June 2025:

<b>Name of Shareholders</b>	<b>Total shareholdings as at end of the reporting period</b>	<b>Percentage of shareholding in total issued shares (%)</b>
Huaneng International Power Development Corporation	5,066,662,118	32.28%
HKSCC Nominees Limited*	4,203,258,330	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%
Dalian State-owned Capital Management and Operation Co., Ltd.	284,290,000	1.81%
Jiangsu Guoxin Investment Group Limited	258,452,600	1.65%
Liaoning Energy Investment (Group) Limited	244,205,000	1.56%
Hong Kong Securities Clearing Company Limited	229,328,839	1.46%

\* HKSCC Nominees Limited acts as nominee of holders of H shares securities of the Company and its shareholdings in the Company represent the total number of H shares held by it as nominee of H shareholders.

\*\* Dalian State-owned Capital Management and Operation Co., Ltd. currently pledged 100,000,000 shares.

## MATERIAL INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, the interests or short positions of persons who were entitled to exercise or control the exercise of 5% or more of the voting power at any of the Company's general meetings (excluding the Directors, Supervisors and chief executive) in the shares or underlying shares of equity derivatives of the Company as recorded in the register required to be kept under Section 336 of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) ("SFO") were as follows:

Name of shareholder	Class of shares	Number of shares held (share)	Identity	Approximate percentage of shareholding in the Company's total issued share capital	Approximate percentage of shareholding in the Company's total issued domestic shares	Approximate percentage of shareholding in the Company's total issued H shares
Huaneng International Power Development Corporation <i>(Note 2)</i>	Domestic shares	5,066,662,118(L)	Beneficial owner	32.28%(L)	46.07%(L)	–
China Huaneng Group Co., Ltd. <i>(Note 3)</i>	Domestic shares	1,555,124,549(L)	Beneficial owner	9.91%(L)	14.14%(L)	–
China Huaneng Group Co., Ltd. <i>(Note 4)</i>	H Shares	603,596,000(L)	Beneficial owner	3.85%(L)	–	12.84%(L)
Shanghai Wisdomshare Asset Management Co., Ltd.	H Shares	520,101,000(L)	Investment manager	3.31%(L)	–	11.07%(L)
Pacific Asset Management Co., Ltd.	H Shares	283,313,241(L)	Investment manager	1.80%(L)	–	6.03%(L)
BlackRock, Inc. <i>(Note 5)</i>	H Shares	254,065,595(L) 13,448,000(S)	Controlled corporation interests	1.62%(L) 0.09%(S)	– –	5.41%(L) 0.29%(S)

*Notes:*

- (1) The letter “L” denotes a long position, the letter “S” denotes a short position.
- (2) As of 30 June 2025, China Huaneng Group Co., Ltd. held 75% direct interests and 25% indirect interests in Huaneng International Power Development Corporation.
- (3) Besides of the 1,555,124,549 domestic shares, China Huaneng Group Co., Ltd. holds 31,994,199 shares of domestic shares in the Company through its concert party, Tianjin Chinese Investment Management Co., Ltd. - Huaneng Structural Adjustment Fund No. 1.
- (4) China Huaneng Group Co., Ltd. holds 472,000,000 H shares through its wholly-owned subsidiary, China Hua Neng Group Hong Kong Limited, and holds 131,596,000 H shares through its indirect wholly-owned subsidiary, China Huaneng Group Treasury Management (Hong Kong) Limited.
- (5) BlackRock, Inc. holds 13,448,000 short positions in the Company through its indirect wholly-owned subsidiary BlackRock Holdco 2, Inc., and holds a total of 254,065,595 long positions in the Company through certain holding companies that it directly or indirectly controls.

Save as stated above, as at 30 June 2025, in the register required to be kept under Section 336 of SFO, no other persons were recorded to hold any interests or short positions in the shares or underlying shares of the equity derivatives of the Company.

## **DIRECTORS’ AND SUPERVISORS’ RIGHT TO PURCHASE SHARES**

The Company has adopted a code with the standard not lower than that of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”). The Company has made specific enquiries of all Directors and Supervisors, all Directors and Supervisors confirmed that they have complied with the code throughout the first half of 2025.

As at 30 June 2025, none of the Directors, chief executive officer or Supervisors of the Company had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the definition of Part XV of the SFO which was required to be notified to the Company and the Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short position which any such Director, chief executive officer or Supervisor is taken or deemed to have under such provisions of the SFO) or which was required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix C3 to the Listing Rules.

## **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 of the Company.

## **DIVIDENDS**

The Board of the Company has resolved not to distribute dividends for the first half of 2025.

## **DISCLOSURE OF MATERIAL EVENTS**

1. On 28 April 2025, Mr. Wang Zhijie tendered a written resignation to the Board due to age-related reasons, requesting to no longer serve as the Vice Chairman, Director, and members of the relevant special committees of the Board. Mr. Li Haifeng requested to no longer serve as the Director of the Company and members of the relevant special committees of the Board due to a job transfer. On 28 April 2025, and 24 June 2025, the Company convened the eleventh meeting of the eleventh session of the Board and the 2024 annual general meeting of the Company, respectively, to consider and pass a resolution regarding the appointment of new Directors, agreeing to appoint Mr. Li Jin and Mr. Gao Guoqin as non-independent Directors of the eleventh session of the Board and members of the relevant special committees of the Board.
2. On 10 July 2025, the Company convened the thirteenth meeting of the eleventh session of the Board, which considered and passed a resolution regarding the appointment of chief accountant of the Company, agreeing to appoint Mr. Wen Minggang as the chief accountant of the Company.
3. On 28 July 2025, Mr. Huang Lixin tendered a written resignation letter to the Board due to work-related reasons, requesting to no longer serve as a Director, President, and members of the relevant special committees of the Board. On 29 July 2025, the Company convened the fourteenth meeting of the eleventh session of the Board, which considered and passed a resolution regarding the appointment of additional Directors and a resolution on the appointment of the President, agreeing to nominate Mr. Liu Ancang as a candidate for non-independent Director of the eleventh session of the Board and submit the matter to the general meeting for approval. If this resolution is approved by the general meeting of the Company, the Board agrees that Mr. Liu Ancang will serve as a member of the Strategy Committee and Nomination Committee of the Board and appoint Mr. Liu Ancang as the President of the Company.



## **CORPORATE GOVERNANCE**

The Company always places emphasis on corporate governance. After years of experience and practice, the Company has gradually formed a standardised and enhanced governance structure, thereby establishing a sound and effective system that is appropriate to the Company's own development requirements.

During the reporting period, the Company had complied with all the code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

### **(a) Code of Corporate Governance**

In recent years, the Company adopted the following measures in order to strengthen corporate governance and enhance the Company's operation quality:

#### ***(1) Enhancing and improving corporate governance***

As a public company listed both domestically and internationally, the Company conscientiously implements the regulatory requirements of the place where its securities are listed and responds positively to the supervision of investors. The Company has continuously improved and enhanced its modernized governance system and governance level since established and built a sound corporate governance structure comprising the general meetings, the Board, the supervisory committee and the management. The operating mechanism of the system provides a clear division of powers and responsibilities of the owners, decisionmakers, executives and supervisors facilities proper performance of their respective duties and offers structural regulation and coordination of those powers, which guarantees the effective exercise of the decision-making rights of the general meetings, the Board, and the supervision rights of the supervisory committee, and ensures efficient and compliant operation and management of the management. After years of exploration and practice, the Company has gradually formed a standardized, sound and effective corporate governance system suitable for its own development.

The Board of the Company has always taken it as its responsibility to improve corporate governance and standardize the operation of "the general meetings, the Board, and the supervisory committee" and has been continuously improving itself and operating in accordance with the law, which has laid down a solid foundation for the sustained, healthy and stable development of the Company. The Company has formulated more than 20 management related rules, including Terms of Reference of the General Meetings, Terms of Reference of the Board, Terms of Reference of the Supervisory Committee, Terms of Reference of the President, Terms of Reference of the Board committees and Terms of Reference of the independent Directors, which have clearly stipulated the duties and



authorities, the compositions, proceedings and working procedures each of the shareholders' general meetings, the Board and the supervisory committee. In the first half of 2025, the Company accelerated the construction of a modern corporate governance system with Chinese characteristics, continued to improve the system using the Articles of Association as the foundation, the above terms of references as the key principles and other special rules as the supplementary support. The Company revised the Administrative Provisions Regarding Decision-making on the "Major Decisions, Major Personnel Appointments and Dismissals, Major Projects Arrangement and use of Large sum of Funds", the "List of Decision-Making Authorities and Responsibilities for Major Matters of Huaneng Power International, Inc.", "Market Value Management Regulations" as well as other basic management systems with a view to further improving the system, ensuring the Company's continuous compliance and standard operation, and enhancing market value management. Based on actual circumstances and business development needs, the Company has legally fulfilled the review procedures of the Board and the general meeting, and reviewed and approved a resolution regarding on changing the Company's domicile and amending the Articles of Association. It has formally decided to change its registered address from No. 6, Fuxingmennei Street (Huaneng Building), Xicheng District, Beijing to Huaneng Headquarters, Startup Zone, Hebei Xiong'an New Area.

In the first half of 2025, the Board and all Directors of the Company led the management team and all employees and spared no effort in aspects of reform and development, transformation and upgrading, production and operation and scientific and technological innovation with a deep sense of responsibility and meticulous examination and precise judgement of situations, and with scientific research, careful plan and concerted efforts. Under the leadership of the Board, the Company's production has been safe and the supply of electricity and heat has maintained stable. The Company actively fulfilled its corporate responsibility to provide society with sufficient, reliable and environmentally friendly electricity. The Company always adhered to the rule of law and operation compliance. The Company closely followed changes in laws and regulatory requirements of the country and places where the Company's securities are listed and effectively implemented new regulatory policies and requirements. The Company continuously strengthened the construction of the Board and assisted the independent Directors in diligently performing their duties, endeavored to protect the legitimate rights and interests of minority investors, and promoted the continuous enhancement of corporate governance. The Company continued to strengthen risk prevention and control, solidly promoted internal control management, carry out information disclosure with high quality, proactively strengthened communication and interaction with investors and promoted the construction of ESG system, and built a win-win corporate culture in harmony with stakeholders.

All members of the Board jointly perform the duties of corporate governance. During the reporting period, the Board has included the following in its scope of duties and authority:

1. Establishing and reviewing the Company's corporate governance policies and codes, and making such amendments as it deems necessary to ensure the effectiveness of such policies and codes;
2. Reviewing and supervising the training and sustained professional development of the Company's Directors and senior management;
3. Reviewing and supervising the Company's policies and codes regarding the observance of laws and regulatory requirements;
4. Formulating, reviewing and supervising the codes of conduct and compliance handbook applicable to Directors and employees; and
5. Reviewing the Company's status on compliance with the Code on Corporate Governance Practices and the disclosures made in the Corporate Governance Report.

***(2) Enhancing and improving the information disclosure system***

The Company attaches great importance to public information disclosure. The Company has set up an information disclosure committee comprising the secretary to the Board, the chief accountant, the heads of various departments and offices and relevant staff of our information disclosure working group, which is responsible for reviewing the Company's regular reports. The Company has established a system where regular information disclosure meetings are held to report on and discuss the major matters related to the Company's operation to ensure due performance of obligations to disclose information and the meetings are chaired by secretary to the Board and attended by personnels of relevant business departments. The Company appreciates the importance of information disclosure and has formulated and implemented various rules in that regard. Rules which are for the time being in force includes Administrative Provisions on Information Disclosures, Administrative Provisions on Connected Transactions, Administrative Provisions on Holders of Inside Information, Administrative Provisions on Investor Relations, Terms of Reference of the Information Disclosure Committee and Administrative Provisions on the Accountabilities Arising From Significant Errors in the Disclosure of Annual Report, etc. The aforesaid rules and provisions guarantee the Company's standard operation and facilitate the truthfulness, accuracy, completeness and timeliness of information disclosure as well as the quality and transparency of the Company's information disclosure.

The Company strives to maintain investor relations, responds to investor concerns in a timely manner and actively maintains its market image. The relevant departments of the Company prepare and update at any time plans to answer questions concerning market topical issues, the Company's production and operation, business performance, etc., and those plans will be approved by the management of the Company and the authorized representatives of the information disclosure committee and used as basis for any speeches to the public to be made by the Company. In addition, the Company also conducts professional training from time to time to the internal personnels in charge of information disclosure to facilitate the improvement of skills.

**(3) *Regulating financial management system, strengthening internal control***

The integrity of listed companies is largely relied on the quality of its financial statements and the standard operation of financial activities. In the first half of 2025, the Company continued to make a great deal of meticulous efforts in the preparation of financial reports and standard operation of financial activities in the principles of integrity and fairness to shareholders. Details are set out as follows:

1. In order to strictly follow the accounting regulations, accounting standards and rules, strengthen accounting and relevant supervision and truly and fairly reflect the financial position, operating results and cash flows of the Company, the Company has formulated a complete set of rules and regulations in connected with accounting and financial report preparation, which are regularly revised and refined to ensure timely and effective implementation of the most up-to-date and operative accounting standards and relevant regulatory requirements. In the past three years, the Company revised the Accounting Methods, Administrative Provisions on Asset Impairment Tests, Administrative Provisions on Joint Audit of Accounting of the Annual Statements and Provisions on Cost Management, Financial Write-off of Asset Losses, Fuel Accounting Methods for Thermal Power Enterprises, the Management Measures on Financial Accounting Reports, etc. The Board, the supervisory committee and the audit committee of the Company regularly review the financial reports of the Company, and have met the requirement that the chairman, the general manager and the treasurer shall be responsible for the truthfulness, accuracy and completeness of the financial reports.

2. In respect of fund management, the Company has formulated several administrative regimes such as the Financial Management Regimes, the Fund Management Regimes, the Cash Inflow and Outflow Management Provisions, the Company's Headquarters' Policies on Use of Large Sums of Fund, the Administrative Regimes on Bills of Exchange, the Administrative Regimes on Raised Funds, the Financial Derivative Businesses Management Regimes, the Administrative Regimes on Financing Guarantees and the Administrative Regimes on Funds Exchanges with Affiliated Parties, and so forth. The Articles of Association of the Company also set forth relevant provisions on loans, guarantees, investments and such. As required by China Securities Regulatory Commission ("CSRC") and the Shanghai Stock Exchange ("SSE"), the Company also discloses in the annual reports dedicated reports on whether there is any appropriation of funds by the controlling shareholders and other related parties issued by certified public accountants who have conducted audit on such issues and there has been no irregular appropriation of funds whatsoever. In addition, the Company conducts regularly reconciliations and settlements with related parties in respect of operating fund transactions to ensure the safety of assets.
3. The overall objective of the Company's internal control is to facilitate the implementation of the Company's strategies, and the specific objective is to provide reasonable assurance regarding the Company's operation and management compliance, safety of assets, truthfulness and completeness of its financial reports and related information to promote the overall improvement of the Company's operation efficiency and performance.

The Company comprehensively sorted out internal and external risks and various business processes and completed the Internal Control Manual, which specifies in detail 25 business processes such as revenue, material procurement, fuel management, fund management and 19 soft elements such as organizational structure, human resource management, anti-fraud and risk management from aspects of control environment, risk assessment, control process, information and communication and monitoring. It comprehensively describes the Company's policies and guidelines, clarifies the work procedures and job responsibilities of each position, and standardizes the process of business transactions of the Company to achieve systematic flow. The Company has completed the Internal Control Assessment Manual, which specifies the three-tier internal control assessment management system and the internal control assessment mode of daily assessment and key supervision, and standardizes the internal control assessment procedures, assessment methods, defect definition procedures and criteria, so as to realize the standardization and normalization of internal control assessment. The Company evaluates the effectiveness of the above system every year and periodically revises and improves it to achieve dynamic maintenance of the internal control system.

In response to the identified risks, the Company has stipulated the corresponding control measures in the Internal Control Manual and defined the key control points. Through the implementation of the “Share of Responsibilities Policy”, the Company assigns the internal control responsibility down to every position to allow the internal control to be part of the job descriptions and foster a work environment where all staff contribute to the improvement of internal control. The Company adopted an internal control approach of combining daily monitoring and key inspections by setting up internal control assessors in every department of the headquarters and branches under the company, carrying out internal control assessments on a monthly basis and establishing a three-level assessment quality supervision mechanism to follow up on the implementation of internal control system by the Company, regional companies and grass-roots units in real time. Every year, the company selects some units to carry out key internal control inspections, identifies problems and rectifies those problems right away, which further strengthens the implementation of internal control. The Company insists that internal control evaluators should be licensed in the sense that those evaluators shall complete relevant trainings and pass the examinations before qualifying as internal control evaluators, which has strongly promoted the improvement of the professional skills of the internal control personnels. In the first half of 2025, the Company successfully completed six months of daily internal control evaluation and key internal control inspections of certain units, which effectively protected and promoted the sustained and healthy development of the Company’s businesses and realized smooth operation of the internal control system. The Company carried out targeted internal control trainings every year based on latest requirements of and changes in, best practices learnt from and common problems facing the business and daily management. It effectively promoted the overall enhancement of internal control awareness, and optimized the internal control environment.

The internal control management department, internal audit department and external auditors report to the Audit Committee of the Board on a regular basis regarding the Company's internal control, which ensures the continuous and effective operation of the internal control system. The Company continuously improves the internal control assessment system, formulates the Measures for Internal Control Target Assessment, carries out internal control target assessment every year, and delivers the assessment results in a timely manner, which strongly guides all units at all levels to pay attention to the quality of the internal control work, and practically realizes the high-level objective of improving management through internal control.

After a full and thorough assessment, the management of the Company is of the view that the Company's internal control system is sound and effective.

**(b) Securities transactions by Directors**

As a public company, the Company has strictly complied with the relevant restrictive provisions on securities transactions by directors imposed by the regulatory authorities of places of listing and we insist on complying with the strictest provision, that is, abiding by the strictest provision among listing places. We have adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules as the model code for securities dealings by Directors of the Company. In the first half of 2025, in accordance with Management Rules in respect of the Shares of the Company held by the Directors, Supervisors and Senior Management of Huaneng Power International, Inc, the Company prohibited those who are in possession of securities transaction related inside information using inside information in securities trading; and sets out detailed rules for those who are in possession of inside information, which was used as the standard code for the trading of securities by directors of the Company. Having made specific enquiry of all the Directors, Supervisors and senior management of the Company, as of the date of this announcement, none of the Director, Supervisors and senior management holds any shares of the Company and there is no material contract in which the Directors, Supervisors and senior management directly or indirectly have material interests.



**(c) Board**

According to the Articles of Association, the Board of the Company consists of 15 directors (with one vacancy at present). At the eleventh session of the Board, Mr. Wang Kui serves as the Chairman. The executive Director of the Company is Mr. Wang Kui. The non-executive Directors of the Company are Mr. Du Daming, Mr. Zhou Yi, Mr. Li Lailong, Mr. Li Jin, Mr. Cao Xin, Mr. Gao Guoqin, Mr. Ding Xuchun, Mr. Wang Jianfeng. The independent non-executive Directors of the Company are Mr. Xia Qing, Mr. He Qiang, Ms. Zhang Liying, Mr. Zhang Shouwen and Ms. Dang Ying. Mr. Wang Zhijie, the Vice Chairman, tendered his resignation from the positions of Vice Chairman, Director, and member of the relevant special committees of the Board due to age-related reasons on 28 April 2025; Mr. Li Haifeng, a Director, tendered his resignation from the positions of Director and member of the relevant special committees of the Board due to a job transfer on 28 April 2025; Mr. Huang Lixin, a Director, tendered his resignation from the positions of Director and member of the relevant special committees of the Board on 28 July 2025, due to work-related adjustments. The resignation applications of the aforementioned three Directors took effect upon delivery to the Board of the Company. The Company convened the general meeting on 24 June 2025, and considered and passed a resolution regarding the appointment of new Directors, agreeing to appoint Mr. Li Jin and Mr. Gao Guoqin as Directors of the Company's eleventh session of the Board.

During the reporting period, the Board of the Company held a total of 3 meetings, including regular and irregular meetings. For details, please refer to this announcement.



Details of the attendance of directors at the Board meetings are as follows:

<b>Name</b>	<b>Number of meetings required to be attended</b>	<b>Number of meetings attended in person</b>	<b>Number of meetings attended by proxy</b>	<b>Rate of attendance (%)</b>
<b>Executive Director</b>				
Wang Kui	3	3	0	100%
<b>Non-executive Directors</b>				
Du Daming	3	3	0	100%
Zhou Yi	3	2	1	100%
Li Lailong	3	2	1	100%
Li Jin	0	0	0	Not applicable
Cao Xin	3	2	1	100%
Gao Guoqin	0	0	0	Not applicable
Ding Xuchun	3	1	2	100%
Wang Jianfeng	3	3	0	100%
<b>Independent non-executive Directors</b>				
Xia Qing	3	3	0	100%
He Qiang	3	3	0	100%
Zhang Liying	3	3	0	100%
Zhang Shouwen	3	2	1	100%
Dang Ying	3	3	0	100%
<b>Former Directors</b>				
Wang Zhijie	1	0	1	100%
Huang Lixin	3	3	0	100%
Li Haifeng	1	1	0	100%

As stated in the previous corporate governance reports, the Company's Articles of Association set out in detail the duties and operational procedures of the Board (please refer to the Company's Articles of Association for details). The Board of the Company holds regular meetings to hear the reports on the Company's operating results and makes timely decisions. Material decisions on operation shall be discussed and approved by the Board, ad hoc meetings may be held if necessary. Board meetings include regular meetings and ad hoc meetings. Regular meetings of the Board include annual meeting, first quarterly meeting, half-yearly meeting and third quarterly meeting.

All arrangements for regular meetings have been notified to all Directors at least 14 days prior to the meeting and the Company has ensured that each Director thoroughly understood the agenda of the meeting and fully expressed his/her opinions, while all independent non-executive Directors actively followed the latest regulatory requirements and considered relevant proposals at meetings held just for independent non-executive Directors according to the Measures for the Management of Independent Directors of Listed Companies. Minutes have been taken for all the meetings and filed at the Board office.

Moreover, the independent non-executive Directors of the Company have submitted their independent non-executive director confirmation letters of 2024 according to the requirements of the Listing Rules.

The Directors believe that they have complied with the laws and regulations, and provisions of the Articles of Association, and have actively performed the duties faithfully and diligently. Apart from regular and ad hoc meetings, the Directors of the Company obtain timely and adequate information by participating in the chairman's special meetings to monitor the management's objectives and strategies, understand the company's financial position and operating results, and the entering into of and implementation of important agreements. The Directors reviewed the reports, data etc. of the Company regularly to understand the situation on production operation of the Company. Through onsite investigation, the independent Directors provided practical resolutions to the Company. All committees under the Board actively carried out works and provided recommendations and policies which formed the basis of scientific policies for the Board.

During the period when the Board was not in session, the chairman discharged part of the duties of the Board, including but not limited to (1) to examine and approve the proposals in respect of establishing or cancelling development and construction projects; (2) to examine and approve proposals of the in relation to the appointment, removal and transfer of managers of various departments of the Company and managers of external branches; (3) to examine and approve plans on the use of significant funds; (4) to examine and approve proposals on the establishment or cancellation of branch companies or branch organs; and (5) to examine and approve other major issues.

The Board has summarised the work during the reporting period taking into consideration of opinions of the supervisory committee and the senior management of the Company. The Board is of the opinion that it has effectively fulfilled its duties to safeguard the interests of the Company and its shareholders.

Mr. Wang Kui (Chairman of the Board), Mr. Huang Lixin (Director), Mr. He Qiang (independent non-executive Director) and Mr. Zhang Shouwen (independent non-executive Director) attended the 2024 annual general meeting of the Company.

**(d) Chairman and President**

The Company shall have a Chairman and a President who shall perform their duties respectively and separately according to the Articles of Association.

The division of duties of the Board and the senior management remained the same as disclosed in the previous Corporate Governance Reports.

**(e) Non-executive Directors**

According to the Articles of Association, the term of office of each member of the Board of the Company shall not exceed three years (inclusive) and the members may be eligible for re-election. However, the term of office of independent non-executive Directors shall not exceed six years (inclusive) according to the relevant regulations of the China Securities Regulatory Commission.

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

<b>Names of the non-executive Directors</b>	<b>Terms of office</b>
Du Daming	2023.12.5–2026
Zhou Yi	2023.12.5–2026
Li Lailong	2023.12.5–2026
Li Jin	2025.6.24–2026
Cao Xin	2023.12.5–2026
Gao Guoqin	2025.6.24–2026
Ding Xuchun	2023.12.5–2026
Wang Jianfeng	2023.12.5–2026

**(f) Directors' Remuneration**

According to the relevant PRC laws and the Articles of Association, the Board has established the Remuneration and Appraisal Committee which operates in accordance with the Terms of Reference of the Remuneration and Appraisal Committee and is mainly responsible for studying the appraisal standards of the Directors and senior management personnel of the Company, conducting appraisals and making proposals; responsible for studying and examining the remuneration policies and proposals of the Directors and senior management personnel of the Company. The Remuneration and Appraisal Committee will review and submit annual total wages to the Board annually. Each of the executive Directors has signed a director's service contract with the requirements of the Hong Kong Stock Exchange.

The eleventh session of the Remuneration and Appraisal Committee comprises of seven Directors, namely Mr. Zhang Shouwen, Mr. Li Jin, Mr. Gao Guoqin, Mr. Ding Xuchun, Mr. He Qiang, Ms. Zhang Liying, Ms. Dang Ying; among whom Mr. Zhang Shouwen, Mr. He Qiang, Ms. Zhang Liying, Ms. Dang Ying are independent non-executive Directors and Mr. Zhang Shouwen is the chairman of the committee. Mr. Wang Zhijie and Mr. Li Haifeng tendered their resignation to the Board of the Company on 28 April 2025, resigning from their positions as members of the Remuneration and Appraisal Committee.

The Remuneration and Appraisal Committee of the Board operates in accordance with the Terms of Reference of the Remuneration and Appraisal Committee. The Remuneration and Appraisal Committee convened the first meeting in 2025 on 24 March 2025, at which the Company's arrangement for the total wage budget in 2025 was reviewed and approved. In the second half of 2025, the Remuneration and Appraisal Committee will carry out the work according to the actual situation and the Terms of Reference for the Remuneration and Appraisal Committee of the Board at appropriate time.

During the reporting period, the attendance of meetings of the Remuneration and Appraisal Committee of the Company's Board was as follows:

Name of meeting	Date	Members who attended in person	Members who attended by proxy
The 2025 First Meeting of the Remuneration and Appraisal Committee of the Eleventh Session of the Board	24 March 2025	Mr. Zhang Shouwen, Mr. Wang Zhijie, Mr. Li Haifeng, Mr. Ding Xuchun, Mr. He Qiang, Ms. Zhang Liying, Ms. Dang Ying	–

#### **(g) Nomination of Directors**

According to the relevant laws of the PRC and the relevant provisions of the Articles of Association, the Board of the Company has established the Nomination Committee. The Nomination Committee operates under the Terms of Reference of the Nomination Committee and is mainly responsible for studying the selection standards and procedures for candidates for Directors and senior management personnel of the Company according to the directors' qualifications under the Companies Law and Securities Law and the needs of the operational management of the Company, and making proposals thereon to the Board; searching for qualified candidates for directors and suitable persons for senior management personnel on a wide basis; and examining the candidates for directors and suitable persons for senior management personnel and making proposals thereon. In order to achieve sustainable and balanced development, the Company has formulated the Board Member Diversity Policy. According to the relevant regulations,

when determining the composition of the Board, the Company will consider the diversity of Board members from multiple perspectives, including but not limited to gender, age, culture and educational background, professional experience, skills, knowledge and service tenure. The nomination of Directors by the Board shall be based on meritocracy only, taking into account the diversity requirements of Board members. Currently, the composition of the Board members of the Company has taken into account the operation and management of the Company and relevant regulatory requirements. The nomination of the candidates of the Directors is mainly made by the shareholders. The nominations, after examination of the relevant qualification by the Nomination Committee, will be submitted to the Board. The President of the Company is appointed by the Board and the candidates for the Vice President and other management are nominated by the President. Such nominations, after examination of the relevant qualification by the Nomination Committee, will be submitted to the Board for approval.

The eleventh session of the Nomination Committee of the Board currently comprises of six Directors, namely Mr. Xia Qing, Mr. Cao Xin, Mr. Wang Jianfeng, Mr. He Qiang, Mr. Zhang Shouwen and Ms. Dang Ying, among whom Mr. Xia Qing, Mr. He Qiang, Mr. Zhang Shouwen and Ms. Dang Ying are independent non-executive Directors and Mr. Xia Qing is the chairman of the committee. Mr. Huang Lixin tendered his resignation to the Board of the Company on 28 July 2025, resigning from his position as a member of the Nomination Committee.

During the reporting period, the attendance of meeting of the Nomination Committee of the Board of the Company was as follows:

Name of meeting	Date	Members who attended in person	Members who attended by proxy
The 2025 First Meeting of the Nomination Committee of the Eleventh Session of the Board	27 April 2025	Mr. Xia Qing, Mr. Huang Lixin, Mr. Cao Xin, Mr. Wang Jianfeng, Mr. He Qiang, Mr. Zhang Shouwen and Ms. Dang Ying	–

#### (h) Appointment of Auditors

BDO Limited and BDO China Shu Lun Pan Certified Public Accountants LLP were appointed as the Company's international auditor and PRC auditor for the year 2025, respectively.

**(i) Audit Committee**

According to the requirements of the regulatory authorities of the jurisdictions where the securities of the Company are listed and the relevant provisions of the Articles of Association, the Board has established the Audit Committee. Governed by the Terms of the Reference of the Audit Committee, the Audit Committee is mainly responsible for assisting the Board in the supervision of:

- (1) the accuracy of the Company's financial statements;
- (2) the Company's compliance with laws and regulations;
- (3) the qualification and independence of the Company's independent auditors;
- (4) the performance of the Company's independent auditors and internal auditing departments of the Company; and
- (5) the control and management of the related party transactions of the Company.

The Company convenes four regular meetings of the Audit Committee of the Board each year, at least two of which will be conducted with the Company's external auditors separately to listen to reports on audit planning, work arrangement and audit works generally. The Board has formulated the Management Rules on Whistle-Blowing through Hotlines and Mailboxes, and, pursuant to which the Audit Committee will be responsible for the management of the whistle-blowing hotlines and mailboxes.

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

During the reporting period, the Audit Committee held three meetings. As per Audit Committee's duties, the Audit Committee has communicated separately with the Company's counsels, external auditors, management and the relevant functional departments of the Company. With the understandings on the applicable laws and regulations of those jurisdictions in which the shares of the Company are listed, the anti-fraud position in the Company, the recruitment of staff, the implementation and execution of internal control mechanisms, the audit work carried out by external auditors and the responsible officers of the audit department, the Audit Committee has rendered their views and suggestions.

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

Name of meeting	Date	Members who attended in person	Members who attended by proxy
The 2025 First Meeting of the Audit Committee of the Eleventh Session of the Board	25 February 2025	Ms. Dang Ying, Mr. Xia Qing, – Mr. He Qiang, Ms. Zhang Liyang, Mr. Zhang Shouwen	
The 2025 Second Meeting of the Audit Committee of the Eleventh Session of the Board	24 March 2025	Ms. Dang Ying, Mr. Xia Qing, – Mr. He Qiang, Ms. Zhang Liyang, Mr. Zhang Shouwen	
The 2025 Third Meeting of the Audit Committee of the Eleventh Session of the Board	27 April 2025	Ms. Dang Ying, Mr. Xia Qing, – Mr. He Qiang, Ms. Zhang Liyang, Mr. Zhang Shouwen	

**(j) Responsibility assumed by the Directors in relation to the financial statements**

The Directors of the Company confirm that they shall assume the relevant responsibility in relation to the preparation of the financial statements of the Company, ensure that the preparation of the financial statements of the Company complies with the relevant laws and regulations and the applicable accounting standards and also warrant that the financial statements of the Company will be published in a timely manner.



**(k) Senior management's interests in shares**

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

**(l) Strategy Committee**

For compliance with the relevant requirements of the regulations in the jurisdictions where the shares of the Company are listed as well as the Articles of Association of the Company, the Board has established a Strategy Committee. Governed by the Terms of the Reference of the Strategy Committee, the Strategy Committee is primarily responsible for:

- (1) reviewing and advising on the Company's long-term strategic development plan;
- (2) reviewing and advising on the major fund raising proposals that need to be approved by the Board;
- (3) reviewing and advising on the major production and operating projects that need to be approved by the Board;
- (4) studying and advising on the matters that would significantly affect the development of the Company;
- (5) examining the implementation of the abovementioned matters;
- (6) comprehensive risk management of the Company to improve the Company's overall risk resistance; and
- (7) other matters as requested by the Board.

The eleventh session of the Strategy Committee of the Board currently comprises of six Directors, namely, Mr. Wang Kui, Mr. Li Jin, Mr. Du Daming, Mr. Li Lailong, Mr. Xia Qing and Ms. Zhang Liying, of whom Mr. Xia Qing and Ms. Zhang Liying are independent non-executive Directors. Mr. Wang Kui is the chairman of the Strategy Committee. Mr. Wang Zhijie tendered his resignation to the Board of the Company on 28 April 2025, resigning from his position as a member of the Strategy Committee. Mr. Huang Lixin tendered his resignation to the Board of the Company on 28 July 2025, resigning from his position as a member of the Strategy Committee.

During the reporting period, the Strategy Committee of the Company did not hold any meetings.

#### **(m) Directors' and senior management's training**

The Company organizes its Directors and Supervisors to attend the trainings provided by regulatory authorities every year. During the reporting period, the Directors and Supervisors of the Company attended training according to regulatory requirements. A total of 20 participants including Directors, Supervisors and senior management attended various professional trainings during the first half of the year.

The Company organizes a briefing by the Company's legal adviser every six months to all independent Directors of the Audit Committee of the Company on the updated regulatory laws, the application of relevant systems to the Company and the Company's performance of the rules and regulations in places where the Company's shares are listed.

The Company attaches importance to the training and continuing development of senior management. The Company organizes members of senior management to participate the training courses provided by relevant State authorities, industrial managing authorities and industrial associations.

#### **REVIEW OF INTERIM FINANCIAL INFORMATION**

The interim results of 2025 have been reviewed by the Audit Committee of the Company. In addition, the Company's auditor, BDO Limited, has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 ("**interim financial information**") in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board.

#### **LEGAL PROCEEDINGS**

As at 30 June 2025, the Company and its subsidiaries were not involved in any material litigation or arbitration and no material litigation or claim of material importance was pending or threatened against or by the Company as far as the Company is aware.

## DOCUMENTS FOR INSPECTION

Copies of the interim results report for 2025 will be available at the following addresses and websites:

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

Telephone Number: (8610) 6322 6999  
Fax Number: (8610) 6322 6888

Hong Kong: Wonderful Sky Financial Group Limited  
9th Floor, Central Plaza,  
99 Queen's Road Central, Hong Kong

Telephone Number: (852) 2851 1038  
Fax Number: (852) 3102 0210

Websites of the Company: <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 ( <i>Executive Director</i> )	Xia Qing ( <i>Independent Non-executive Director</i> )
Du Daming ( <i>Non-executive Director</i> )	He Qiang ( <i>Independent Non-executive Director</i> )
Zhou Yi ( <i>Non-executive Director</i> )	Zhang Liying ( <i>Independent Non-executive Director</i> )
Li Lailong ( <i>Non-executive Director</i> )	Zhang Shouwen ( <i>Independent Non-executive Director</i> )
Li Jin ( <i>Non-executive Director</i> )	Dang Ying ( <i>Independent Non-executive Director</i> )
Cao Xin ( <i>Non-executive Director</i> )	
Gao Guoqin ( <i>Non-executive Director</i> )	
Ding Xuchun ( <i>Non-executive Director</i> )	
Wang Jianfeng ( <i>Non-executive Director</i> )	

Beijing, the PRC  
30 July 2025

**A. FINANCIAL INFORMATION EXTRACTED FROM INTERIM  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED  
UNDER IFRSs**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION (UNAUDITED)**

**AS AT 30 JUNE 2025**

*(Amounts expressed in thousands of RMB)*

	<i>Notes</i>	<b>As at 30 June 2025</b>	<b>As at 31 December 2024</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>406,888,506</b>	402,936,461
Right-of-use assets		<b>26,071,815</b>	24,682,142
Investments in associates and joint ventures		<b>25,239,557</b>	24,672,883
Investment properties		<b>575,694</b>	591,512
Other equity instrument investments		<b>590,920</b>	589,920
Power generation licences		<b>4,505,556</b>	4,267,763
Mining rights		<b>1,609,115</b>	1,609,115
Deferred income tax assets		<b>2,218,011</b>	3,155,100
Derivative financial assets		<b>5,260</b>	38,105
Goodwill		<b>15,030,364</b>	14,389,046
Other non-current assets		<b>22,644,937</b>	22,345,178
<b>Total non-current assets</b>		<b>505,379,735</b>	499,277,225
<b>Current assets</b>			
Inventories		<b>11,082,882</b>	13,444,394
Other receivables and assets	4	<b>13,380,727</b>	14,546,074
Accounts and notes receivable	5	<b>49,505,779</b>	48,073,224
Contract assets		<b>42,246</b>	47,863
Derivative financial assets		<b>30,600</b>	256,065
Bank balances and cash		<b>23,129,652</b>	19,932,035
<b>Total current assets</b>		<b>97,171,886</b>	96,299,655
<b>Total assets</b>		<b>602,551,621</b>	595,576,880

	<i>Notes</i>	<b>As at 30 June 2025</b>	<b>As at 31 December 2024</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		<b>15,698,093</b>	15,698,093
Other equity instruments		<b>80,073,167</b>	80,170,696
Capital surplus		<b>23,558,319</b>	23,710,857
Surplus reserves		<b>8,140,030</b>	8,140,030
Reserve funds		<b>1,191,744</b>	771,124
Currency translation differences		<b>377,438</b>	(457,669)
Retained earnings		<b>19,266,367</b>	15,761,198
		<b>148,305,158</b>	143,794,329
<b>Non-controlling interests</b>		<b>69,966,925</b>	66,784,717
<b>Total equity</b>		<b>218,272,083</b>	210,579,046
<b>Non-current liabilities</b>			
Long-term loans		<b>151,966,482</b>	151,827,548
Long-term bonds	7	<b>43,515,551</b>	37,248,235
Lease liabilities		<b>8,524,174</b>	7,429,666
Deferred income tax liabilities		<b>2,479,967</b>	3,010,015
Derivative financial liabilities		<b>575,836</b>	271,621
Other non-current liabilities		<b>6,796,145</b>	6,472,682
<b>Total non-current liabilities</b>		<b>213,858,155</b>	206,259,767

	<i>Notes</i>	<b>As at 30 June 2025</b>	<b>As at 31 December 2024</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(Continued)</b>			
<b>Current liabilities</b>			
Accounts payable and other liabilities	8	<b>57,249,266</b>	62,033,482
Contract liabilities		<b>573,373</b>	3,528,664
Taxes payable		<b>2,459,295</b>	2,235,283
Dividends payable		<b>4,876,803</b>	428,446
Derivative financial liabilities		<b>563,430</b>	176,614
Short-term bonds	9	<b>7,009,559</b>	8,017,110
Short-term loans		<b>58,020,993</b>	61,165,908
Current portion of long-term loans		<b>35,010,863</b>	31,950,932
Current portion of long-term bonds	7	<b>3,838,632</b>	8,447,643
Current portion of lease liabilities		<b>693,352</b>	670,924
Current portion of other non-current liabilities		<b>125,817</b>	83,061
<b>Total current liabilities</b>		<b>170,421,383</b>	178,738,067
<b>Total liabilities</b>		<b>384,279,538</b>	384,997,834
<b>Total equity and liabilities</b>		<b>602,551,621</b>	595,576,880

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

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

		<b>For the six months ended 30 June</b>	
	<i>Notes</i>	<b>2025</b>	<b>2024</b>
<b>Operating revenue</b>	<i>3</i>	<b>112,032,083</b>	118,805,858
Tax and levies on operations		<b>(1,105,083)</b>	(899,578)
		<b>110,927,000</b>	117,906,280
<b>Operating expenses, net</b>			
Fuel		<b>(58,304,665)</b>	(68,114,025)
Maintenance		<b>(2,058,038)</b>	(1,860,524)
Depreciation	<i>11</i>	<b>(13,559,666)</b>	(12,735,237)
Labour		<b>(9,018,624)</b>	(8,684,645)
Purchase of electricity		<b>(3,687,728)</b>	(5,235,914)
(Provision)/reversal of credit losses on financial and contract assets		<b>(3,792)</b>	19,489
Others, net	<i>11</i>	<b>(6,673,976)</b>	(6,801,176)
<b>Total operating expenses</b>		<b>(93,306,489)</b>	(103,412,032)
<b>Profit from operations</b>		<b>17,620,511</b>	14,494,248
Interest income		<b>186,725</b>	298,564
<b>Financial expenses, net</b>			
Interest expense	<i>11</i>	<b>(3,501,817)</b>	(4,041,700)
Exchange loss and bank charges, net		<b>(64,968)</b>	(234,721)
<b>Total financial expenses, net</b>		<b>(3,566,785)</b>	(4,276,421)



		<b>For the six months ended 30 June</b>	
	<i>Notes</i>	<b>2025</b>	<b>2024</b>
Share of profits and losses of associates and joint ventures		<b>764,893</b>	858,119
Other investment (loss)/income		<b>(12)</b>	1,634
<b><i>Profit before income tax expense</i></b>	<b>11</b>	<b>15,005,332</b>	11,376,144
Income tax expense	<b>12</b>	<b>(2,387,840)</b>	(1,945,680)
<b>Net profit</b>		<b>12,617,492</b>	9,430,464
<b>Other comprehensive income, net of tax</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value changes of other equity instrument investments		–	–
Share of other comprehensive income/ (loss) of joint ventures and associates		<b>52,201</b>	(184,033)
Income tax effect		–	–
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive (loss)/ income of joint ventures and associates		<b>(9,808)</b>	13,721
Cash flow hedges:			
Effective portion of changes in fair value of hedging instruments		<b>(539,025)</b>	640,649
Reclassification adjustments for losses included in profit or loss		<b>(44,597)</b>	(88,403)
Exchange differences on translation of foreign operations		<b>712,582</b>	(120,157)
Income tax effect		<b>99,216</b>	(93,882)
<b>Other comprehensive income for the period, net of tax</b>		<b>270,569</b>	167,895
<b>Total comprehensive income for the period</b>		<b>12,888,061</b>	9,598,359

		<b>For the six months ended 30 June</b>	
	<i>Notes</i>	<b>2025</b>	<b>2024</b>
<b>Net profit attributable to:</b>			
– Equity holders of the Company		<b>9,577,971</b>	7,774,991
– Non-controlling interests		<b>3,039,521</b>	1,655,473
<b>Total comprehensive income attributable to:</b>			
– Equity holders of the Company		<b>9,986,669</b>	7,840,389
– Non-controlling interests		<b>2,901,392</b>	1,757,970
<b>Earnings per share attributable to the ordinary shareholders of the Company (expressed in RMB per share)</b>			
– Basic and diluted	13	<b>0.52</b>	0.40

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

*(Amounts expressed in thousands of RMB unless otherwise stated)*

**1. BASIS OF PREPARATION**

This unaudited interim condensed consolidated financial information (“**interim financial information**”) for the six months ended 30 June 2025 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting”. This interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”). This interim financial information was approved for issuance on 29 July 2025.

The accounting policies adopted in the preparation of the interim financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the revised IFRSs effective as of 1 January 2025. Details of any changes in accounting policies are set out in Note 2.

The preparation of interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The interim condensed consolidated financial statements and notes thereto do not include all the information required for a full set of financial statements prepared in accordance with IFRSs.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial information as comparative information does not constitute the Company’s annual consolidated financial statements for that financial year but is derived from those financial statements. The annual consolidated financial statements for the year ended 31 December 2024 are available from the Company’s registered office. The predecessor auditors have expressed an unqualified opinion on those financial statements in their report dated 25 March 2025.

As at and for the six months ended 30 June 2025, a portion of the Group's funding requirements for capital expenditures was partially satisfied by short-term financing. Consequently, as at 30 June 2025, the Group had net current liabilities of approximately Renminbi Yuan (“**RMB**”) 73.249 billion. Taking into consideration of the Group's undrawn available banking facilities exceeded RMB420.0 billion as at 30 June 2025, the Group expects to refinance certain of its short-term loans and bonds and also considers 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 they fall due within the next twelve months and accordingly, the interim financial information is prepared on a going concern basis.

## 2. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amendments to standards for the first time for the current period's financial information.

Amendments to IAS 21

*Lack of Exchangeability*

The nature and impact of the amendments to standards that are applicable to the Group are described below:

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

### 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)).

	PRC power segment	Overseas power segment (Note i)	All other segments	Inter – segment revenue	Total
<b>For the six months ended 30 June 2025</b>					
– Sales of power and heat	98,369,423	9,505,932	–	–	107,875,355
– Sales of coal and raw materials	578,398	1,579	–	–	579,977
– Port service	–	–	326,236	(222,830)	103,406
– Transportation service	–	–	105,369	(57,737)	47,632
– Lease income	48,892	604,323	–	–	653,215
– Others	1,142,827	1,627,373	2,298	–	2,772,498
<b>Total</b>	<b>100,139,540</b>	<b>11,739,207</b>	<b>433,903</b>	<b>(280,567)</b>	<b>112,032,083</b>
<b>For the six months ended 30 June 2024</b>					
– Sales of power and heat	103,098,377	11,790,598	–	–	114,888,975
– Sales of coal and raw materials	706,135	19,188	–	–	725,323
– Port service	–	–	325,128	(202,187)	122,941
– Transportation service	–	–	95,775	(65,445)	30,330
– Lease income	36,500	692,616	–	–	729,116
– Others	1,121,883	1,181,508	15,433	(9,651)	2,309,173
<b>Total</b>	<b>104,962,895</b>	<b>13,683,910</b>	<b>436,336</b>	<b>(277,283)</b>	<b>118,805,858</b>

*Note i:* 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 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 the 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 statement of financial position.

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

	<i>(Under PRC GAAP)</i>			
	PRC power segment	Overseas power segment	All other segments	Total
<b>For the six months ended 30 June 2025</b>				
Total revenue	100,139,540	11,739,207	433,903	112,312,650
Intersegment revenue	–	–	(280,567)	(280,567)
Revenue from external customers	<u>100,139,540</u>	<u>11,739,207</u>	<u>153,336</u>	<u>112,032,083</u>
Segment results	<u>12,881,158</u>	<u>1,804,641</u>	<u>110,202</u>	<u>14,796,001</u>
Interest income	76,705	109,535	485	186,725
Interest expense	(3,087,100)	(378,205)	(36,512)	(3,501,817)
Impairment loss on property, plant and equipment	(254,682)	–	–	(254,682)
Impairment loss on other non-current assets	(1,962)	–	–	(1,962)
Reversal of impairment loss on inventories	–	211	–	211
Reversal of/(provision for) credit loss	914	(4,706)	–	(3,792)
Depreciation and amortisation	(12,725,881)	(339,571)	(132,195)	(13,197,647)
Gain on disposal of non-current assets, net	95,910	9,034	–	104,944
Share of profits and losses of associates and joint ventures	586,813	–	99,716	686,529
Income tax expense	<u>(2,207,384)</u>	<u>(242,937)</u>	<u>(4,607)</u>	<u>(2,454,928)</u>



	<i>(Under PRC GAAP)</i>			
	<b>PRC power segment</b>	<b>Overseas power segment</b>	<b>All other segments</b>	<b>Total</b>
For the six months ended 30 June 2024				
Total revenue	104,962,895	13,683,910	436,336	119,083,141
Intersegment revenue	–	–	(277,283)	(277,283)
Revenue from external customers	<u>104,962,895</u>	<u>13,683,910</u>	<u>159,053</u>	<u>118,805,858</u>
Segment results	<u>8,916,541</u>	<u>2,182,176</u>	<u>163,436</u>	<u>11,262,153</u>
Interest income	85,103	209,750	3,711	298,564
Interest expense	(3,507,363)	(484,666)	(49,671)	(4,041,700)
Impairment loss on other non-current assets	(543)	–	–	(543)
Impairment loss on inventories	–	(136)	–	(136)
Reversal of provision for credit loss	1,372	18,117	–	19,489
Depreciation and amortisation	(12,149,763)	(362,770)	(148,137)	(12,660,670)
Loss on disposal of non-current assets, net	(68,223)	(668)	–	(68,891)
Share of profits and losses of associates and joint ventures	596,422	–	162,759	759,181
Income tax expense	<u>(1,683,481)</u>	<u>(342,462)</u>	<u>(6,859)</u>	<u>(2,032,802)</u>

	(Under PRC GAAP)			
	PRC power segment	Overseas power segment	All other segments	Total
30 June 2025				
Segment assets	535,700,425	42,450,829	10,756,919	588,908,173
Including:				
Additions to non-current assets (excluding financial assets and deferred income tax assets)	25,521,758	148,935	71,294	25,741,987
Investments in associates	14,439,625	–	5,875,154	20,314,779
Investments in joint ventures	1,968,886	–	983,795	2,952,681
Segment liabilities	(359,951,464)	(18,310,039)	(1,823,113)	(380,084,616)

	(Under PRC GAAP)			
	PRC power segment	Overseas power segment	All other segments	Total
31 December 2024				
Segment assets	528,529,486	41,577,645	10,530,303	580,637,434
Including:				
Additions to non-current assets (excluding financial assets and deferred income tax assets)	69,243,347	274,749	45,346	69,563,442
Investments in associates	14,160,764	–	5,575,405	19,736,169
Investments in joint ventures	1,962,702	–	961,959	2,924,661
Segment liabilities	(360,122,762)	(18,846,796)	(1,819,180)	(380,788,738)

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

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
Segment results (PRC GAAP)	<b>14,796,001</b>	11,262,153
Reconciling items (PRC GAAP):		
Loss related to the headquarters	<b>(90,212)</b>	(143,054)
Investment income from Huaneng Finance	<b>56,223</b>	69,945
Subtotal	<b>14,762,012</b>	11,189,044
Impact of IFRSs adjustments*	<b>243,320</b>	187,100
Profit before income tax expense per condensed consolidated statement of comprehensive income	<b><u>15,005,332</u></b>	<b><u>11,376,144</u></b>

Reportable segments' assets are reconciled to total assets as follows:

	<b>As at 30 June 2025</b>	<b>As at 31 December 2024</b>
Total segment assets (PRC GAAP)	<b>588,908,173</b>	580,637,434
Reconciling items (PRC GAAP):		
Investment in Huaneng Finance	<b>1,945,114</b>	1,985,070
Deferred income tax assets	<b>2,900,093</b>	3,256,059
Prepaid income tax	<b>63,970</b>	149,539
Other equity instrument investments	<b>590,920</b>	589,920
Corporate assets	<b>203,326</b>	224,731
Subtotal	<b>594,611,596</b>	586,842,753
Impact of IFRSs adjustments*	<b><u>7,940,025</u></b>	<u>8,734,127</u>
Total assets per condensed consolidated statement of financial position	<b><u>602,551,621</u></b>	<b><u>595,576,880</u></b>

Reportable segments' liabilities are reconciled to total liabilities as follows:

	As at 30 June 2025	As at 31 December 2024
Total segment liabilities (PRC GAAP)	(380,084,616)	(380,788,738)
Reconciling items (PRC GAAP):		
Current income tax liabilities	(1,097,104)	(872,057)
Deferred income tax liabilities	(1,805,785)	(1,711,662)
Corporate liabilities	(655,862)	(422,469)
Subtotal	(383,643,367)	(383,794,926)
Impact of IFRSs adjustments*	(636,171)	(1,202,908)
Total liabilities per condensed consolidated statement of financial position	<u>(384,279,538)</u>	<u>(384,997,834)</u>

Other material items:

	Reportable segment total	Headquarters	Share of profits of Huaneng Finance	Impact of IFRSs adjustments*	Total
For the six months ended 30 June 2025					
Total revenue	112,032,083	-	-	-	112,032,083
Interest income	186,725	-	-	-	186,725
Interest expense	(3,501,817)	-	-	-	(3,501,817)
Depreciation and amortisation	(13,197,647)	(12,597)	-	(426,252)	(13,636,496)
Impairment loss on property, plant and equipment	(254,682)	-	-	-	(254,682)
Impairment loss on other non-current assets	(1,962)	-	-	-	(1,962)
Reversal of impairment loss on inventories	211	-	-	-	211
Provision for credit loss	(3,792)	-	-	-	(3,792)
Share of profits and losses of associates and joint ventures	686,529	-	56,223	22,141	764,893
Net gain on disposal of non-current assets	104,944	-	-	-	104,944
Income tax expense	(2,454,928)	-	-	67,088	(2,387,840)

	Reportable segment total	Headquarters	Share of profits of Huaneng Finance	Impact of IFRSs adjustments*	Total
For the six months ended 30 June 2024					
Total revenue	118,805,858	-	-	-	118,805,858
Interest income	298,564	-	-	-	298,564
Interest expense	(4,041,700)	-	-	-	(4,041,700)
Depreciation and amortisation	(12,660,670)	(18,530)	-	(129,775)	(12,808,975)
Reversal of impairment loss	(679)	-	-	-	(679)
Reversal of credit loss	19,489	-	-	-	19,489
Share of profits and losses of associates and joint ventures	759,181	-	69,945	28,993	858,119
Loss on disposal of non-current assets, net	(68,891)	-	-	(6,475)	(75,366)
Income tax expense	(2,032,802)	-	-	87,122	(1,945,680)

\* IFRSs adjustments above primarily represented the classification adjustments and adjustments related to business combinations under common control and borrowing costs. Other than the classification adjustments, the differences will be gradually eliminated following subsequent depreciation and amortisation of related assets or the extinguishment of liabilities.

#### Geographical information (Under IFRSs):

##### (i) *External revenue generated from the following countries:*

	For the six months ended 30 June	
	2025	2024
PRC	100,292,876	105,121,948
Overseas	11,739,207	13,683,910
Total	112,032,083	118,805,858

The geographical location of customers is based on the location 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 30 June 2025	As at 31 December 2024
PRC	471,739,628	465,319,492
Overseas	23,188,629	22,007,431
Total	<b>494,928,257</b>	<b>487,326,923</b>

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:

For the six months ended 30 June 2025, the revenue from grid companies under common control of State Grid Corporation of China within the PRC power segment in total accounted for 66% of external revenue (for the six months ended 30 June 2024: 77%). The sales to a subsidiary of State Grid Corporation of China which accounted for 10% or more of external revenue is as follows:

	For the six months ended 30 June			
	2025		2024	
	Amount	Proportion	Amount	Proportion
State Grid Shandong Electric Power Company	13,697,221	12%	16,127,084	14%

#### 4. OTHER RECEIVABLES AND ASSETS

Other receivables and assets comprised the following:

	As at 30 June 2025	As at 31 December 2024
Prepayments for inventories	3,022,780	4,453,979
Prepaid income tax	63,970	149,539
Others	872,620	472,988
Total prepayments	3,959,370	5,076,506
Dividends receivable	346,442	241,970
Receivables from sales of fuel	10,536	79,315
Others	3,541,441	3,488,644
Subtotal of other receivables	3,898,419	3,809,929
Less: Loss allowance	300,266	308,114
Total other receivables, net	3,598,153	3,501,815
VAT recoverable	4,172,143	4,593,354
Finance lease receivables	1,060,652	1,049,887
Others	757,505	491,608
Subtotal of other assets	5,990,300	6,134,849
Less: Loss allowance	167,096	167,096
Total other assets, net	5,823,204	5,967,753
Gross total	13,848,089	15,021,284
Net total	13,380,727	14,546,074



## 5. ACCOUNTS AND NOTES RECEIVABLE

Accounts and notes receivable comprised the following:

	<b>As at 30 June 2025</b>	<b>As at 31 December 2024</b>
Accounts receivable	<b>49,236,809</b>	47,802,397
Notes receivable	<b>418,344</b>	419,949
	<b>49,655,153</b>	48,222,346
Less: Loss allowance	<b>149,374</b>	149,122
Total	<b>49,505,779</b>	48,073,224
Analysed into:		
Accounts receivable		
– At amortised cost	<b>49,236,809</b>	47,802,397
Notes receivable		
– At amortised cost	<b>418,344</b>	419,949

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

	<b>As at 30 June 2025</b>	As at 31 December 2024
Within 1 year	<b>48,766,031</b>	46,977,508
Between 1 and 2 years	<b>279,596</b>	401,481
Between 2 and 3 years	<b>245,336</b>	588,608
Over 3 years	<b>364,190</b>	254,749
Total	<b><u>49,655,153</u></b>	<b><u>48,222,346</u></b>

As at 30 June 2025, the maturity period of the notes receivable ranged from 1 month to 12 months (31 December 2024: from 1 month to 12 months).

## **6. DIVIDENDS OF ORDINARY SHARES AND CUMULATIVE DISTRIBUTION OF OTHER EQUITY INSTRUMENTS**

### **(a) Dividends of ordinary shares**

On 24 June 2025, upon the approval from shareholders at the annual general meeting, the Company declared a cash dividend of RMB0.27 (inclusive of tax) for each ordinary share amounting to approximately RMB4,238 million for the year of 2024 (2023: RMB0.20 (inclusive of tax) for each ordinary share amounting to approximately RMB3,140 million). As at 30 June 2025, the dividend has not yet been paid.

**(b) Cumulative distribution of other equity instruments**

Type of Instruments	Issuance Date	Category	Initial Distribution Rate	Issue Price	Number	Par Value	Initial Period	Conversion Condition	Conversion Result
Yingda Insurance Financing Plan (1st)	September 2018	Equity Instrument	5.79%	–	–	3,283,000	8 years	None	None
Yingda Insurance Financing Plan (2nd)	September 2018	Equity Instrument	5.79%	–	–	827,000	8 years	None	None
Yingda Insurance Financing Plan (3rd)	September 2018	Equity Instrument	5.79%	–	–	890,000	8 years	None	None
China Life Financing Plan (1st)	September 2019	Equity Instrument	5.05%	–	–	2,070,000	8 years	None	None
PICC Financing Plan (1st)	September 2019	Equity Instrument	5.10%	–	–	930,000	10 years	None	None
China Life Financing Plan (2nd)	October 2019	Equity Instrument	5.05%	–	–	2,260,000	8 years	None	None
PICC Financing Plan (2nd)	October 2019	Equity Instrument	5.10%	–	–	1,740,000	10 years	None	None
China Life Financing Plan (3rd)	April 2020	Equity Instrument	4.75%	–	–	3,570,000	8 years	None	None
PICC Financing Plan (3rd)	April 2020	Equity Instrument	4.75%	–	–	930,000	10 years	None	None
PICC Financing Plan (4th)	August 2020	Equity Instrument	4.60%	–	–	3,000,000	10 years	None	None
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
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 (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 (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%	–	–	2,051,000	5 years	None	None
2025 medium-term notes (4th)	March 2025	Equity Instrument	2.28%	0.1	15,000,000	1,500,000	3 years	None	None
2025 medium-term notes (5th)	March 2025	Equity Instrument	2.20%	0.1	15,000,000	1,500,000	3 years	None	None
2025 medium-term notes (6th)	April 2025	Equity Instrument	2.06%	0.1	20,000,000	2,000,000	3 years	None	None
2025 medium-term notes (7th)	April 2025	Equity Instrument	2.06%	0.1	15,000,000	1,500,000	3 years	None	None
2025 medium-term notes (8th)	April 2025	Equity Instrument	2.05%	0.1	20,000,000	2,000,000	3 years	None	None
2025 medium-term notes (9th)	June 2025	Equity Instrument	1.97%	0.1	20,000,000	2,000,000	3 years	None	None
2025 medium-term notes (10th)	June 2025	Equity Instrument	1.95%	0.1	15,000,000	<u>1,500,000</u>	3 years	None	None
Total						<u>79,101,000</u>			

The perpetual corporate bonds, financing plans and medium-term notes were recorded as other equity instruments in the consolidated financial statements. The interest of the perpetual corporate bonds, financing plans and medium-term notes were recorded as distributions, which were paid annually in arrears in each year and may be deferred at the discretion of the Company unless compulsory distribution payment events (distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) occur. The Company has the right to defer current interest and all deferred interest. The perpetual corporate bonds, financing plans and medium-term notes have no fixed maturity date and are callable at the Company's discretion at specific time, and the payment of the principal may be deferred for each renewal period. The applicable distribution rate will be reset on the first call date and for each renewal period after the first call date, to the sum of the applicable benchmark interest rate, the initial spread, and 300 basis points per annum, and will remain it afterwards.

During the six months ended 30 June 2025, the profit attributable to holders of other equity instruments, based on the applicable distribution rate, was approximately RMB1,414 million (for the six months ended 30 June 2024: approximately RMB1,458 million). During the six months ended 30 June 2025, the Company distributed approximately RMB1,511 million (for the six months ended 30 June 2024: approximately RMB1,514 million) to holders of other equity instruments.

## 7. LONG-TERM BONDS

Long-term bonds comprised the following:

	<b>As at 30 June 2025</b>	As at 31 December 2024
2016 corporate bonds 1st batch (10 years)	<b>1,202,405</b>	1,226,476
2018 corporate bonds 2nd batch (10 years)	<b>5,203,548</b>	5,078,315
2019 corporate bonds 1st batch (10 years)	<b>2,320,499</b>	2,374,989
2020 corporate bonds (5 years) - SSPL	–	2,189,444
2020 corporate bonds (10 years) - SSPL	<b>2,157,055</b>	2,181,561
2021 corporate bonds 1st batch (10 years)	<b>1,506,222</b>	1,536,239
2021 corporate bonds 2nd batch (10 years)	<b>3,509,187</b>	3,579,226
2021 corporate bonds 3rd batch (10 years)	<b>1,801,993</b>	1,838,195
2022 medium-term notes 1st batch (10 years)	<b>1,514,605</b>	1,542,554
2022 medium-term notes 2nd batch (3 years)	–	3,070,524
2022 medium-term notes 3rd batch (10 years)	<b>1,505,773</b>	1,533,396
2022 medium-term notes 1st batch (3 years)		
– Jiangsu	–	510,000

	As at 30 June 2025	As at 31 December 2024
2022 medium-term notes 6th batch (3 years)	2,043,242	2,018,464
2024 medium-term notes 1st batch (10 years)	1,013,389	1,027,828
2024 green medium-term notes 1st batch (3 years)	2,511,639	2,539,880
2024 medium-term notes 2nd batch (20 years)	1,001,013	1,016,096
2024 medium-term notes 3rd batch (10 years)	2,005,204	2,033,806
2024 medium-term notes 4th batch(15 years)	2,047,864	2,024,659
2024 medium-term notes 5th batch(15 years)	2,047,405	2,024,090
2024 medium-term notes 6th batch (15 years)	2,043,185	2,021,249
2024 medium-term notes 7th batch (10 years)	1,529,271	1,513,617
2024 medium-term notes 8th batch (10 years)	1,326,392	1,311,730
2024 medium-term notes 9th batch (3 years)	1,518,821	1,503,540
2025 1st medium-term notes (10 years)	2,018,409	–
2025 2nd medium-term notes (3 years)	2,013,008	–
2025 3rd medium-term notes (5 years)	2,012,805	–
2025 11th medium-term bonds (3 years)	1,501,249	–
Subtotal	47,354,183	45,695,878
Less: Current portion of long-term bonds	3,838,632	8,447,643
Total	<u>43,515,551</u>	<u>37,248,235</u>

As at 30 June 2025, the Company provided guarantees for long-term bonds of approximately RMB2,148 million (31 December 2024: RMB4,313 million) of the Company's domestic subsidiaries.

Details of the outstanding corporate bonds, medium-term notes and debt financing instruments of the Group as at 30 June 2025 are summarised as follows:

Type of Instruments	Face Value	Issuance Date	Initial Period	Initial		Issue Price	Balance as at 31 December 2024		Issued Amount	Amortisation	Interest	Repayment	Foreign Exchange		Interest Payable	Balance as at 30 June 2025
				Distribution Rate	Effective Rate								Gain	Currency Translation Differences		
2016 1st corporate bonds (10 years)	1,200,000	June 2016	10 years	3.98%	3.98%	1,200,000	1,226,476		-	23,684	5	(47,760)	-	-	2,355	1,202,405
2018 2nd corporate bonds (10 years)	5,000,000	September 2018	10 years	5.05%	5.05%	5,000,000	5,078,315		-	125,212	21	-	-	-	203,384	5,203,548
2019 1st corporate bonds (10 years)	2,300,000	April 2019	10 years	4.70%	4.70%	2,300,000	2,374,989		-	53,606	4	(108,100)	-	-	20,435	2,320,499
2020 SinoSing oversea bonds (5 years)	2,108,865	February 2020	5 years	2.25%	2.32%	2,108,865	2,189,444		-	6,567	437	(2,254,215)	(29,073)	86,840	-	-
2020 SinoSing oversea bonds (10 years)	2,108,865	February 2020	10 years	2.63%	2.72%	2,108,865	2,181,561		-	27,333	1,053	(29,145)	(145,338)	121,591	20,234	2,157,055
2021 1st corporate bonds (10 years)	1,500,000	May 2021	10 years	3.97%	3.97%	1,500,000	1,536,239		-	29,530	3	(59,550)	-	-	6,200	1,506,222
2021 2nd corporate bonds (10 years)	3,500,000	June 2021	10 years	3.97%	3.97%	3,500,000	3,579,226		-	68,904	7	(138,950)	-	-	9,136	3,509,187
2021 3rd corporate bonds (10 years)	1,800,000	June 2021	10 years	3.99%	3.99%	1,800,000	1,838,195		-	35,615	3	(71,820)	-	-	1,968	1,801,993
2022 1st medium-term bonds (10 years)	1,500,000	February 2022	10 years	3.74%	3.80%	1,500,000	1,542,554		-	27,797	354	(56,100)	-	-	19,366	1,514,605
2022 2nd medium-term bonds (3 years)	3,000,000	March 2022	3 years	2.84%	2.89%	3,000,000	3,070,524		-	14,472	204	(3,085,200)	-	-	-	-
2022 3rd medium-term bonds (10 years)	1,500,000	April 2022	10 years	3.70%	3.76%	1,500,000	1,533,396		-	27,522	355	(55,500)	-	-	10,644	1,505,773
2022 1st medium-term notes (Jiangsu 3 years)	500,000	April 2022	3 years	2.92%	2.92%	500,000	510,000		-	4,600	-	(514,600)	-	-	-	-
2022 6th medium-term notes (3 years)	2,000,000	August 2022	3 years	2.40%	2.51%	2,000,000	2,018,464		-	23,802	976	-	-	-	43,397	2,043,242
2024 1st medium-term notes (10 years)	1,000,000	January 2024	10 years	2.91%	2.97%	1,000,000	1,027,827		-	14,426	236	(29,100)	-	-	12,756	1,013,389
2024 1st green medium-term notes (3 years)	2,500,000	April 2024	3 years	2.20%	2.21%	2,500,000	2,539,880		-	27,274	(515)	(55,000)	-	-	12,055	2,511,639
2024 2nd medium-term notes (20 years)	1,000,000	May 2024	20 years	2.74%	2.77%	1,000,000	1,016,096		-	13,588	(1,271)	(27,400)	-	-	3,904	1,001,013
2024 3rd medium-term notes (10 years)	2,000,000	May 2024	10 years	2.68%	2.69%	2,000,000	2,033,806		-	26,579	(1,581)	(53,600)	-	-	6,755	2,005,204
2024 4th medium-term notes (15 years)	2,000,000	July 2024	15 years	2.50%	2.51%	2,000,000	2,024,659		-	24,795	(1,590)	-	-	-	49,452	2,047,864
2024 5th medium-term notes (15 years)	2,000,000	July 2024	15 years	2.54%	2.55%	2,000,000	2,024,090		-	25,191	(1,876)	-	-	-	49,269	2,047,405
2024 6th medium-term notes (15 years)	2,000,000	July 2024	15 years	2.44%	2.45%	2,000,000	2,021,249		-	24,199	(2,263)	-	-	-	45,458	2,043,185
2024 7th medium-term notes (10 years)	1,500,000	August 2024	10 years	2.26%	2.27%	1,500,000	1,513,617		-	16,810	(1,156)	-	-	-	30,371	1,529,271
2024 8th medium-term notes (10 years)	1,300,000	August 2024	10 years	2.36%	2.37%	1,300,000	1,311,730		-	15,214	(552)	-	-	-	26,898	1,326,392
2024 9th medium-term notes (3 years)	1,500,000	November 2024	3 years	2.09%	2.10%	1,500,000	1,503,540		-	15,546	(265)	-	-	-	19,154	1,518,821
2025 1st medium-term notes (10 years)	2,000,000	January 2025	10 years	2.00%	2.04%	2,000,000	-	2,000,000	18,411	(2)	-	-	-	-	18,411	2,018,409
2025 2nd medium-term notes (3 years)	2,000,000	February 2025	3 years	1.80%	1.81%	2,000,000	-	2,000,000	13,019	(11)	-	-	-	-	13,019	2,013,008
2025 3rd medium-term notes (5 years)	2,000,000	March 2025	5 years	2.12%	2.16%	2,000,000	-	2,000,000	12,778	27	-	-	-	-	12,778	2,012,805
2025 11th medium-term bonds (3 years)	1,500,000	June 2025	3 years	1.67%	1.69%	1,500,000	-	1,500,000	1,235	14	-	-	-	-	1,235	1,501,249
Total						52,317,730	45,695,877	7,500,000	717,709	(7,383)	(6,586,040)	(174,411)	208,431	638,634	47,354,183	

\* These long-term bonds were issued by Huaneng Power International Jiangsu Energy Development Co., Ltd. (“**Jiangsu Energy Development**”), the subsidiary of the Company Jiangsu Energy Development.

## 8. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities comprised:

	As at 30 June 2025	As at 31 December 2024
Accounts and notes payable	18,073,843	19,174,888
Payables to contractors for construction	25,450,247	31,222,084
Retention payables to contractors	2,303,318	2,020,874
Refund of government subsidies	1,500,000	1,500,000
Others	9,921,858	8,115,636
Total	<u>57,249,266</u>	<u>62,033,482</u>

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

	As at 30 June 2025	As at 31 December 2024
Within 1 year	17,520,022	18,710,816
Between 1 and 2 years	139,550	135,151
Over 2 years	414,271	328,921
Total	<u>18,073,843</u>	<u>19,174,888</u>



## 9. SHORT-TERM BONDS

Details of the outstanding short-term bonds as at 30 June 2025 are summarised as follows:

Type of Instruments	Face Value	Issuance Date	Maturity	Coupon Rate	Issue Price	Balance as at 31 December 2024	Issued Amount	Interest	Amortisation	Repayment	Balance as at 30 June 2025
Super short-term bond (2024 11th)	4,000,000	November 2024	109 days	1.94%	4,000,000	4,010,921	-	12,331	(78)	(4,023,174)	-
Super short-term bond (2024 12th)	2,000,000	November 2024	91 days	1.92%	2,000,000	2,003,687	-	5,893	(5)	(2,009,575)	-
Super short-term bond (2024 13th)	2,000,000	December 2024	77 days	1.77%	2,000,000	2,002,502	-	4,946	20	(2,007,468)	-
Super short-term bond (2025 1st)	2,500,000	February 2025	95 days	1.97%	2,500,000	-	2,500,000	12,818	-	(2,512,818)	-
Super short-term bond (2025 2nd)	2,500,000	February 2025	92 days	2.03%	2,500,000	-	2,500,000	12,792	-	(2,512,792)	-
Super short-term bond (2025 3rd)	3,000,000	May 2025	62 days	1.47%	3,000,000	-	3,000,000	4,712	32	-	3,004,744
Super short-term bond (2025 4th)	3,000,000	May 2025	63 days	1.50%	3,000,000	-	3,000,000	4,192	21	-	3,004,213
Super short-term bond (2025 1st)	800,000	April 2025	30 days	1.63%	800,000	-	800,000	1,071	-	(801,071)	-
Super short-term bond (2025 2nd)	1,000,000	May 2025	30 days	1.47%	1,000,000	-	1,000,000	1,490	-	(1,001,490)	-
Super short-term bond (2025 3rd)	1,000,000	June 2025	30 days	1.69%	1,000,000	-	1,000,000	602	-	-	1,000,602
Total					21,800,000	8,017,110	13,800,000	60,847	(10)	(14,868,388)	7,009,559

# 10. ADDITIONAL FINANCIAL INFORMATION ON UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025, the net current liabilities of the Group amounted to approximately RMB73.249 billion (31 December 2024: RMB82.438 billion), total assets less current liabilities were approximately RMB432.130 billion (31 December 2024: RMB416.839 billion).

# 11. PROFIT BEFORE INCOME TAX EXPENSE

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

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
Total interest expense on borrowings	<b>4,011,079</b>	4,492,741
Less: Amounts capitalised in property, plant and equipment	<b>509,262</b>	451,041
Interest expenses charged to unaudited interim condensed consolidated statement of comprehensive income	<b>3,501,817</b>	4,041,700
Including: Interest expenses on lease liabilities	<b>291,686</b>	159,280
Depreciation of property, plant and equipment	<b>12,862,233</b>	12,218,980
Depreciation of investment property	<b>12,880</b>	13,830
Depreciation of right-of-use assets	<b>684,553</b>	502,427
	<b>13,559,666</b>	12,735,237

**For the six months ended 30 June**

	<b>2025</b>	<b>2024</b>
Included in other operating expenses:		
– Operating expense of Ruyi Pakistan		
Energy	<b>1,374,901</b>	932,416
– Other materials expense	<b>749,867</b>	718,037
– Electricity charges	<b>730,467</b>	874,813
– Cost of sales of raw materials	<b>495,561</b>	536,625
– Water charges	<b>172,900</b>	267,164
– Insurance expense	<b>339,888</b>	271,500
– Cleaning, greening and fire protection expense	<b>167,043</b>	155,781
– Water conservancy fund and disabled security fund	<b>48,203</b>	44,248
– Test and inspection expense	<b>115,475</b>	96,617
– Service charge	<b>413,786</b>	460,091
– Auditors’ remuneration-audit services	<b>17,804</b>	13,215
– Other consulting expense	<b>38,446</b>	60,115
– Transportation allowance	<b>85,861</b>	87,634
– Office expense	<b>103,728</b>	125,418
– Minimum lease payments under operating leases, lease payments not included in the measurement of lease liabilities	<b>200,240</b>	263,788
– Amortisation of other non-current assets	<b>76,830</b>	73,738
– Heating pipeline related cost	<b>70,965</b>	79,509
– Property management expense	<b>63,521</b>	62,889
– Pollutant charge and carbon emission trading cost*	<b>110,024</b>	13,467
– Information technology maintenance expense	<b>36,695</b>	38,169
– Travel expense	<b>77,055</b>	73,861

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
– Donations	<b>23,432</b>	22,486
– Business entertainment expense	<b>11,290</b>	12,142
– Penalties	<b>–</b>	32,550
– (Reversal of write-down of)/Write-down of inventories to net realisable value	<b>(211)</b>	136
– Impairment loss of other non-current assets	<b>1,962</b>	543
– Impairment loss property, plant and equipment	<b>254,682</b>	–
– Net (gain)/loss on disposal of non-current assets	<b>(104,944)</b>	75,366
– Government grants	<b>(365,157)</b>	(440,567)
– Green Certificate Trading Costs	<b>8,339</b>	38,277
– Service fees on transmission and transformer facilities of HIPDC	<b>25,778</b>	23,974
– Safety production expense	<b>457,805</b>	527,894
– Research and development expense	<b>584,503</b>	607,837
– Others	<b>287,237</b>	651,443
<b>Total</b>	<b><u>6,673,976</u></b>	<b><u>6,801,176</u></b>

\*: 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.

## 12. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2025	2024
Current income tax expense	1,982,430	1,364,459
Deferred income tax	405,410	581,221
Total	<u>2,387,840</u>	<u>1,945,680</u>

No Hong Kong profits tax has been provided as there were no estimated assessable profits in Hong Kong for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

The Company and its PRC branches and subsidiaries are subject to income tax at 25%, except for certain PRC branches and subsidiaries that are tax exempted or taxed at preferential tax rates, as determined in accordance with the relevant PRC income tax rules and regulations for the six months ended 30 June 2025 and 2024.

The income tax rate applicable to Singapore subsidiaries is 17% (for the six months ended 30 June 2024: 17%).

The Company's overseas subsidiary in Pakistan engaged in the power generation business is entitled to an income tax exemption according to Pakistani 2015 Fiscal Act. Another subsidiary located in Pakistan is engaged in the provision of maintenance services. Before 1 July 2019, the subsidiary's tax liability would be calculated as the amount which is the highest of (i) normal tax at the rate of 29% of taxable income; (ii) Alternative Corporate Tax (ACT) at the rate of 17% of accounting profit; and (iii) minimum tax deductible at 8% of the revenue. If the income tax calculated is above the normal tax at the rate of 29%, it would be carried forward to subsequent years for settlement against the liabilities of the following years. The carryforward period is 5 years in the case of minimum tax and 10 years in the case of ACT. However, from 1 July 2019, if the minimum tax liability is above the normal tax calculated, it cannot be carried forward to subsequent years.

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

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	2024
PRC statutory enterprise income tax rate	<b>25.00%</b>	25.00%
Effect of different tax rates of certain subsidiaries	<b>(8.41%)</b>	(9.77%)
Utilisation of previously unrecognised tax losses and deductible temporary differences	<b>(2.81%)</b>	(1.74%)
Unrecognised deductible temporary differences	<b>0.30%</b>	0.44%
Unrecognised tax losses for the period	<b>1.88%</b>	4.09%
Effect of non-taxable income	<b>(1.28%)</b>	(1.85%)
Effect of non-deductible expenses	<b>0.45%</b>	0.32%
Others	<b>0.78%</b>	0.61%
Effective tax rate	<b>15.91%</b>	17.10%

For the six months ended 30 June 2025, the effective tax rate was proportioned by income tax expense to profit before income tax expense (For the six months ended 30 June 2024: income tax expense to profit before income tax expense).

### 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 cumulative distribution of other equity instruments by the weighted average number of the Company's outstanding ordinary shares during the period.

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	2024
Consolidated net profit attributable to equity holders of the Company	<b>9,577,971</b>	7,774,991
Less: Cumulative distribution of other equity instruments	<b>1,413,697</b>	1,457,861
Consolidated net profit attributable to ordinary shareholders of the Company	<b>8,164,274</b>	6,317,130
Weighted average number of the Company's outstanding ordinary shares ('000)	<b>15,698,093</b>	15,698,093
Basic and diluted earnings per share (RMB)	<b>0.52</b>	0.40

There was no dilutive effect on earnings per share since the Company had no dilutive potential ordinary shares for the six months ended 30 June 2025 and 2024.



**B. FINANCIAL INFORMATION EXTRACTED FROM CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER PRC GAAP (UNAUDITED)**

*(Amounts expressed in RMB Yuan unless otherwise stated)*

**1. FINANCIAL HIGHLIGHTS AND FINANCIAL RATIOS**

	Unit	For the six months ended 30 June		
		2025	2024	Fluctuation
Operating revenue	RMB	112,032,082,664	118,805,857,937	(5.70%)
Profit before income tax expense	RMB	14,762,011,734	11,189,044,254	31.93%
Net profit attributable to equity holders of the Company	RMB	9,261,884,951	7,453,818,372	24.26%
Net profit attributable to equity holders of the Company less non-recurring items	RMB	8,805,546,415	7,179,752,066	22.64%
Basic and diluted earnings per share	RMB/share	0.50	0.38	31.58%
Basic earnings per share less non-recurring items	RMB/share	0.47	0.36	30.56%
Weighted average of return on equity	%	12.71	10.75	Increase of 1.96 percentage point
Weighted average of return on equity less non-recurring items	%	11.97	10.26	Increase of 1.71 percentage point
Net cash provided by operating activities	RMB	30,748,226,630	23,602,935,544	30.27%

	Unit	As At	As At	Fluctuation
		30 June 2025	31 December 2024	
Total assets	RMB	594,611,593,866	586,842,753,960	1.32%
Equity attributable to equity holders of the Company	RMB	142,050,534,365	137,414,784,587	3.37%

*Note:* The financial ratio:

Earnings per share = Consolidated net profit attributable to ordinary shareholders of the Company (excluding communicative distribution of other equity instruments)/Weighted average number of the Company's outstanding ordinary shares

Weighted average of return on equity = Consolidated net profit attributable to equity holders of the Company/Weighted average number of equity attributable to equity holders of the Company (excluding non-controlling interests) \*100%

## 2 ITEMS AND AMOUNTS OF NON-RECURRING ITEMS

*(Amounts expressed in RMB Yuan unless otherwise stated)*

	<b>For the six months ended 30 June 2025</b>
Net gain on disposal of non-current assets, including the reversal of impairment loss on assets	104,944,223
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	157,136,951
Profit and loss from entrusting others to invest or manage assets	(10,459,000)
Reversal of loss allowances for receivables individually tested for impairments	5,348,663
Custody fee income received from entrusted operation	114,885,809
Non-recurring income and expense besides items above	171,467,035
Other items recorded in the profit and loss in accordance with the definition of non-recurring items	<u>(86,498)</u>
	543,237,183
Impact of income tax	(52,117,522)
Impact of non-controlling interests (net of tax)	<u>(34,781,125)</u>
	<u><u>456,338,536</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 Group should explain 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.

	<b>For the six months ended 30 June 2025</b>	<b>Reason</b>
Value-added tax levied immediately returned and refund of individual income tax handling fee	135,732,366	Closely related to the normal business of the Company
Carbon emission cost	96,970,358	Closely related to the normal business of the Company
Carbon emission income	42,744,556	Closely related to the normal business of the Company

### 3 INCOME STATEMENTS

(Amounts expressed in RMB, unless otherwise stated)

	For the six months ended 30 June			
	2025	2024	2025	2024
	Consolidated	Consolidated	Company	Company
Operating revenue	112,032,082,664	118,805,857,937	12,652,570,323	13,748,805,743
Less: Operating cost	90,074,991,047	100,306,582,976	10,880,712,201	12,668,085,166
Taxes and surcharges	1,105,083,457	899,577,967	266,246,378	193,928,006
Selling expenses	120,654,531	111,095,183	2,333,985	1,290,362
General and administrative expenses	3,093,752,222	3,024,259,092	814,141,509	812,960,441
Research and development expenses	584,503,358	607,836,591	33,973,128	25,390,856
Financial expenses	3,380,058,733	3,977,856,102	953,993,639	976,937,483
Including: Interest expenses	3,501,817,055	4,041,699,509	1,067,511,851	1,167,630,643
Interest income	186,725,854	298,564,487	94,342,191	202,811,394
Add: Other income	383,991,157	472,220,655	51,017,088	62,474,825
Investment income	741,479,424	830,759,624	3,954,593,581	1,366,887,312
Including: investment income from associates and joint ventures	742,751,593	829,125,948	583,390,268	702,955,892
Credit losses	(3,792,490)	19,489,352	–	–
Impairment losses	(256,433,393)	(679,161)	(139,442,300)	–
Gain/(loss) on disposal of non-current assets	31,752,009	(8,486,407)	–	–
<b>Operating profit</b>	<b>14,570,036,023</b>	<b>11,191,954,089</b>	<b>3,567,337,852</b>	<b>499,575,566</b>
Add: Non-operating income	395,785,684	151,586,267	97,667,738	14,466,100
Less: Non-operating expenses	203,809,973	154,496,102	16,325,627	26,305,520
<b>Profit before income tax expense</b>	<b>14,762,011,734</b>	<b>11,189,044,254</b>	<b>3,648,679,963</b>	<b>487,736,146</b>
Less: Income tax expense	2,454,928,056	2,032,801,661	–	–
<b>Net profit</b>	<b>12,307,083,678</b>	<b>9,156,242,593</b>	<b>3,648,679,963</b>	<b>487,736,146</b>

For the six months ended 30 June				
	2025	2024	2025	2024
	Consolidated	Consolidated	Company	Company
(1) Classification according to the continuity of operation				
– Continuous operating net profit	<b><u>12,307,083,678</u></b>	<u>9,156,242,593</u>	<b><u>3,648,679,963</u></b>	<u>487,736,146</u>
(2) Classification according to ownership				
– Equity holders of the Company	<b>9,261,884,951</b>	7,453,818,372		
– Non-controlling interests	<b><u>3,045,198,727</u></b>	<u>1,702,424,221</u>		
<b>Other comprehensive income, net of tax</b>	<b><u>270,568,034</u></b>	<u>167,894,718</u>	<b><u>42,393,247</u></b>	<u>(170,312,461)</u>
Other comprehensive income attributable to equity holders of the Company, net of tax	<b><u>408,697,132</u></b>	<u>65,397,232</u>	<b><u>42,393,247</u></b>	<u>(170,312,461)</u>
Items that will not be reclassified to profit or loss:	<b>52,200,833</b>	(184,033,322)	<b>52,200,833</b>	(184,033,322)
Including:				
Share of other comprehensive income of investees accounted for under the equity method (non-recycling)	<b>52,200,833</b>	(184,033,322)	<b>52,200,833</b>	(184,033,322)
Fair value changes of other equity instrument investments	–	–	–	–

	For the six months ended 30 June			
	2025	2024	2025	2024
	Consolidated	Consolidated	Company	Company
Items that may be reclassified subsequently to profit or loss:	356,496,299	249,430,554	(9,807,586)	13,720,861
Including:				
Share of other comprehensive income of investees accounted for under the equity method (recycling)	(9,807,586)	13,720,861	(9,807,586)	13,720,861
Effective portion of cash flow hedges	(468,803,031)	449,943,962	–	–
Translation differences of the financial statements of foreign operations	835,106,916	(214,234,269)	–	–
Other comprehensive income attributable to non-controlling interests, net of tax	(138,129,098)	102,497,486	–	–
<b>Total comprehensive income</b>	<b>12,577,651,712</b>	<b>9,324,137,311</b>	<b>3,691,073,210</b>	<b>317,423,685</b>
Attributable to:				
– Equity holders of the Company	9,670,582,083	7,519,215,604		
– Non-controlling interests	2,907,069,629	1,804,921,707		
<b>Earnings per share</b>				
Basic earnings per share	0.50	0.38		
Diluted earnings per share	0.50	0.38		

#### 4. FINANCIAL STATEMENTS RECONCILIATION BETWEEN PRC GAAP AND IFRSs

*(Amounts expressed in thousands of RMB unless otherwise stated)*

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

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
<b>Consolidated net profit attributable to equity holders of the Company under PRC GAAP</b>	<b>9,261,885</b>	<b>7,453,818</b>
<b>Impact of IFRSs adjustments:</b>		
Differences in accounting treatment on business combinations under common control and depreciation, amortisation, disposal and impairment of assets acquired in business combinations under common control (A)	<b>(290,840)</b>	<b>(318,144)</b>
Difference on depreciation related to borrowing costs capitalised in previous years (B)	<b>(3,701)</b>	<b>(3,019)</b>
Difference on reserve funds (C)	<b>515,135</b>	<b>464,357</b>
Others	<b>22,726</b>	<b>43,906</b>
Applicable deferred income tax impact of the GAAP differences above (D)	<b>67,088</b>	<b>87,122</b>
Profit attributable to non-controlling interests on the adjustments above	<b>5,678</b>	<b>46,951</b>
<b>Consolidated net profit attributable to equity holders of the Company under IFRSs</b>	<b>9,577,971</b>	<b>7,774,991</b>



**(A) DIFFERENCES IN THE ACCOUNTING TREATMENT ON BUSINESS COMBINATIONS UNDER COMMON CONTROL AND DEPRECIATION, AMORTISATION, DISPOSAL AND IMPAIRMENT OF ASSETS ACQUIRED IN BUSINESS COMBINATIONS 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. 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 IFRSs, 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 IFRSs 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 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 IFRSs, 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 IFRSs in previous years.

**(C) EFFECT OF RESERVE FUNDS**

Reserve funds represent safety funds. In accordance with PRC GAAP, appropriation of safety funds is recognised in profit or loss and reserve funds of equity. Expenditures of an expense nature are directly deducted from the special reserve when incurred. Capital expenditures are transferred to fixed assets upon completion, and the corresponding amount is deducted from the special reserve based on the asset's cost, with the full amount recognised as accumulated depreciation. These fixed assets will not be depreciated in subsequent periods. In accordance with IFRSs, unutilised 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.