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華電國際電力股份有限公司

Huadian Power International Corporation Limited*

(A Sino-foreign investment joint stock company limited by shares incorporated in the People's Republic of China (the "PRC"))

(Stock code: 1071)

**OVERSEAS REGULATORY ANNOUNCEMENT; AND
INSIDE INFORMATION ANNOUNCEMENT**

This announcement is made pursuant to Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The announcement published by Huadian Power International Corporation Limited* (the "**Company**") on the website of the Shanghai Stock Exchange is set out herein for reference purpose only.

By order of the Board
Huadian Power International Corporation Limited*
Zhang Gelin
Secretary to the Board

As at the date of this announcement, the board of directors of the Company comprises:

Ding Huande (Chairman, Executive Director), Ni Shoumin (Vice Chairman, Non-executive Director), Peng Xingyu (Non-executive Director), Luo Xiaoqian (Executive Director), Zhang Zhiqiang (Non-executive Director), Li Pengyun (Non-executive Director), Wang Xiaobo (Non-executive Director), Feng Rong (Executive Director), Wang Dashu (Independent Non-executive Director), Zong Wenlong (Independent Non-executive Director), Feng Zhenping (Independent Non-executive Director) and Li Xingchun (Independent Non-executive Director).

Beijing, the PRC
30 March 2021

* *For identification purpose only*

HUADIAN POWER INTERNATIONAL CORPORATION LIMITED*
ANNOUNCEMENT ON PROVISION FOR IMPAIRMENT

IMPORTANT NOTICE

The Company and the members of the board of directors hereby confirm the truthfulness, accuracy and completeness of the contents of this announcement and jointly and severally accept full responsibility for any false representation, misleading statement or material omission contained herein.

At the 11th meeting of the 9th session of the board of directors of Huadian Power International Corporation Limited* (the "**Company**") on 30 March 2021, the Proposal on Provision for Impairment for 2020 was considered and approved. In accordance with the provisions of the Accounting Standards for Business Enterprises and the Company's relevant financial accounting system, the Company had a comprehensive review of trade receivables, other receivables, inventories, fixed assets and intangible assets as at 31 December 2020 and conducted impairment testing and evaluation of assets with indicators of impairment. Based on the principle of prudence, the Company proposed to make provisions for impairment of assets with indicators of impairment. The provisions for impairment mainly include:

I. Provision for Inventory Depreciation

In 2020, certain raw materials and spare parts of the Company's affiliated entities were considered no longer useful due to technical obsolescence, corrosion and other reasons. Based on the principle of prudence in accounting, it is proposed to make provision for inventory depreciation based on the difference between the expected realizable amount and the carrying amount of such inventory, which will reduce the Company's total profit by RMB21,107,000 and net profit attributable to the parent by RMB11,254,500.

II. Provision for Impairment of Fixed Assets

In 2020, with technical transformation for environmental protection, energy conservation and emission reduction, expiry of safe operating life, equipment upgrade, mandatory scrapping, damage and aging, some fixed assets of the Company's affiliated entities were dismantled as they were too old, technically outdated and failed to meet the production needs and national requirements in terms of performance, and hence had no use value. In the principle of prudence, it is proposed to make provision for impairment based on the difference between the expected recoverable amount and the carrying amount of such assets, which will reduce the Company's total profit by RMB172,701,000 and net profit attributable to the parent by RMB101,845,200.

III. Provision for Impairment of Construction in Progress

In 2020, due to material changes in national and local policies, some early-stage projects of the Company were considered to be of no value for further development. Accordingly, it is proposed to make provision for full impairment of the expenses incurred in the above projects, which will reduce the Company's total profit by RMB11,999,100 and net profit attributable to the parent by RMB4,671,600.

IV. Provision for Impairment of Intangible Assets

Shanxi Maohua Energy Investment Company Limited ("**Maohua Company**") is a wholly-owned subsidiary of the Company. It is mainly engaged in investing in and managing coal, electric power and thermal power. Maohua Company invested in four coal companies, including Shanxi Shuozhou Pinglu Maohua Wantongyuan Coal Co., Ltd. ("**Wantongyuan Company**") and Shanxi Shuozhou Pinglu Maohua Xialiyuan Coal Co., Ltd. ("**Xialiyuan Company**").

In order to give a true and accurate view of the Company's assets and financial value as at 31 December 2020, based on the principle of prudence, it is proposed to make a provision of RMB1,081,419,500 for impairment of Wantongyuan's coal mining rights and a provision of RMB222,803,600 for impairment of Xialiyuan's coal mining rights, which add up to RMB1,304,223,100.

For the year, the provision for impairment of intangible assets amounts to

RMB1,304,223,100, which will reduce the Company's total profit by RMB1,304,223,100 and net profit attributable to the parent by RMB1,094,511,000.

V. Provision for Impairment of Goodwill

In order to give a true and accurate view of its assets and financial value as at 31 December 2020, the Company conducted an impairment test on the recoverable amount of goodwill and related asset portfolios of some companies acquired by the Company, including Shaoguan Pingshi Power Plant Co., Ltd. (Plant B) and Laicheng Plant of Huadian Power International Corporation Limited. The total provision for impairment of goodwill for the year is RMB87,235,600, which will reduce the Company's total profit by RMB87,235,600 and net profit attributable to the parent by RMB87,235,600.

VI. Provision for Credit Impairment

Given that relevant debtors are in poor financial position or insolvent and it is hard to confirm their sources of funds for repayment, the Company made provision for credit impairment of receivables with relatively high recovery risk in 2020. The provision for and reversal of credit impairment in the year will reduce the Company's total profit by RMB49,213,000 and net profit attributable to the parent by RMB53,363,000.

VII. Impact of Provision for Impairment on Financial Position of the Company

The above provisions for impairment add up to RMB1,646,478,800, including RMB1,597,265,800 for asset impairment and RMB49,213,000 for credit impairment. Such provisions for impairment will reduce the Company's total profit by approximately RMB1,646,478,800 on a consolidated basis and net profit attributable to the parent by approximately RMB1,352,880,900 in the consolidated financial statements for 2020.

VIII. Procedures for Consideration of the Provision for Impairment

At the 11th meeting of the 9th session of the board of directors on 30 March

2021, the Proposal on Provision for Impairment for 2020 was considered and approved.

The board of directors of the Company is of the view that the provision for impairment of assets is based on the principle of prudence and well-founded, and gives a fair view of the assets of the Company. Therefore it approved the provision for impairment of assets.

Independent directors are of the view that the provision for impairment and scrapping of assets is based on the principle of prudence and in line with the Accounting Standards for Business Enterprises, the Company's accounting policies and accounting estimates, and the actual condition of the Company's assets; the decision-making procedures of the board of directors are in compliance with relevant laws and regulations and the Company's articles of association; and no damage to the interests of the Company and its minority shareholders is found. Accordingly, they agreed to the provision for impairment of assets.

The Supervisory Committee of the Company is of the view that the provision for impairment of assets is based on the principle of prudence, is well-founded and gives a fair view of the assets of the Company, so it agrees to the provision for impairment of assets.

The announcement is hereby given.

Huadian Power International Corporation Limited*

30 March 2021