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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
Company Secretary

As at the date of this announcement, the Board 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), Feng Zhenping (Independent Non-executive Director), Li Xingchun (Independent Non-executive Director), Li Menggang (Independent Non-executive Director) and Wang Yuesheng (Independent Non-executive Director).

Beijing, the PRC
25 March 2022

HUADIAN POWER INTERNATIONAL CORPORATION LIMITED

ANNOUNCEMENT ON PROVISIONS FOR IMPAIRMENT

The Company and all members of the board of directors warrant that the contents of the announcement are true, accurate and complete, and are jointly and severally liable for any false information, misleading statements or material omissions in the announcement.

Huadian Power International Corporation Limited (the “**Company**”) considered and passed the Resolution on Provisions for Impairment at the 24th meeting of the ninth session of the Board of Directors, and checked its, inventories, fixed assets, construction in progress, etc. As at 31 December 2021, and performed necessary impairment tests for assets with impairment indicators, in accordance with the China Accounting Standards for Business Enterprises and relevant financial and accounting systems of the Company, and intended to make provisions for impairment of assets with impairment indicators based on the principle of prudence. Main impairments include:

I. Provision for Write-Down of Inventories

Certain raw material and spare parts inventories of the Company's affiliated entities cannot be used for the repair and maintenance of production equipment due to technical obsolescence, aging of materials and other reasons. According to the principle of prudence in accounting, the Company intends to make a provision of RMB43.5222 million (namely the excess of the carrying value of inventories over the estimated net realisable values) for write-down of inventories, which will be included in profit or loss for the current period, and reverse the provision of RMB1.2250 million for write-down of inventories for previous years, leading to the decrease of RMB42.2972 million in the total profit of the Company and a decline of RMB26.3797 million in the net profit attributable to the parent company.

II. Provision for Impairment of Fixed Assets

Certain affiliated entities of the Company carried out technological transformation and equipment renewal and removed certain fixed assets due to the failure to meet the production requirements in terms of environmental protection, energy conservation, emission reduction and equipment performance, the failure to satisfy national requirements in terms of operating indicators and other reasons. The estimated recoverable amount of the assets is lower than the net book value, according

to analysis and assessment of the realisability of such assets which was conducted as the above assets have not been disposed of. According to the principle of prudence in accounting, the Company intends to make a provision of approximately RMB303 million (namely the excess of the net book value over the estimated recoverable amount), leading to the decrease of approximately RMB303 million in the total profit of the Company and a decline of approximately RMB235 million in the net profit attributable to the parent company.

III. Provision for Impairment of Construction in Progress

Certain preliminary projects of the Company involving a total expense of approximately RMB361 million are not worthy of further development due to changes in national and local policies and external boundary conditions. As the write-off procedures for the projects have not been completed, the Company intends to make an impairment provision amounting to the total expense incurred for the above projects, which will be included in the profit or loss for the current period, leading to the decrease of approximately RMB361 million in the total profit of the Company and a decline of approximately RMB333 million in the net profit attributable to the parent company.

IV. Provision for Impairment of Goodwill

In order to more truly and accurately reflect the Company's assets and financial value as at 31 December 2021, the Company performed impairment tests on the relevant asset groups of Huadian Longkou Power Generation Plant Company Limited (华电龙口发电股份有限公司) (formerly Shandong Century Electric Power Development Co., Ltd. (山东百年电力发展股份有限公司)) ("**Longkou Company**") and Shaoguan City Pingshi Electric Power Plant Company Limited (Plant B) ("**Pingshi Company**") due to the decrease in the profitability of the acquired assets. Based on the principle of prudence in accounting, the Company intends to make a provision of approximately RMB322 million and approximately RMB101 million for impairment of the goodwill arising from the acquisition of Longkou Company and Pingshi Company respectively. The above goodwill impairment provision totaled approximately RMB423 million, leading to the decrease of approximately RMB423 million in the total profit of the Company and a decline of approximately RMB423 million in the net profit attributable to the parent company.

V. Provision for Credit Impairment

As at the end of 2021, the principal and interest of entrusted loans receivable by the Company from Inner Mongolia Haoyuan Coal Company Limited ("**Haoyuan Company**") and Li Junzhi, former shareholder of Haoyuan Company were RMB339 million and RMB22.8626 million respectively.

Due to the serious insolvency of Haoyuan Company, the People's Court of Dongsheng District, Ordos City, Inner Mongolia has accepted the bankruptcy application filed by the creditors of Haoyuan Company and appointed an administrator to be responsible for the bankruptcy liquidation. Haoyuan Company has been deconsolidated from the consolidated statements of the Company since October 2021. Therefore, it is unlikely to recover the above amount. In addition, certain organizations of the Company were unable to recover part of the electricity and heat charges. According to the principle of prudence in accounting, the Company makes an impairment provision for the above receivables amounting to RMB488 million. Each organization made greater efforts, thus recovering certain receivables for previous years, reducing the impairment provision by RMB16.8721 million. As a result, the above lead to the decrease of approximately RMB471 million in the total profit of the Company and a decline of approximately RMB420 million in the net profit attributable to the parent company.

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

The total impairment provision for the above matters is RMB1,619 million, including the asset impairment provision of RMB1,131 million and the credit impairment provision of RMB488 million. Taking into account the reversal of the provision for diminution in value of inventories and the credit impairment provision, the impairment provision reduces the consolidated profit of the Company by RMB1,601 million and the consolidated net profit attributable to the parent company by RMB1,438 million.

VII. Procedures of Consideration of Provisions for Impairment

The Audit Committee of the Board of Directors of the Company considered and approved The Resolution on Provisions for Impairment, and agreed to submit it to the Board of Directors for consideration and approval.

The Resolution on Provisions for Impairment was approved at the 24th meeting of the ninth session of the Board of Directors of the Company. The Board of Directors of the Company believed that the asset impairment provisions fairly reflected the assets of the Company based on the principle of prudence and sufficient bases, and approved the provisions for impairment.

The independent Directors were of the opinions that the asset impairment provisions were based on the principle of prudence and consistent with the China Accounting Standards for Business Enterprises, the Company's accounting policies and estimates, and actual conditions of the

Company's assets; the decision-making procedures of the Board of Directors complied with relevant laws, regulations, and the Articles of Association; no damage to the interests of the Company and the minority shareholders were found, and thus the asset impairment provisions were approved.

The Supervisory Committee of the Company believed that the asset impairment provisions fairly reflected the assets of the Company based on the principle of prudence and sufficient bases, and approved the provisions for impairment.

Announcement is hereby given.

Huadian Power International Corporation Limited

25 March 2022