

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## China Power International Development Limited

中國電力國際發展有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 2380)

### Announcement of Interim Results 2022

The board of directors (the “**Board**”) of China Power International Development Limited (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**” or “**We**”) for the six months ended 30 June 2022. These financial statements prepared in accordance with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and Ernst & Young, the Company’s auditor.

#### Financial Highlights

	Six months ended 30 June		
	2022	2021	Change
	<i>RMB’000</i>	(Restated) <i>RMB’000</i>	%
Revenue	<b>20,305,157</b>	16,965,636	19.68
Profit for the period	<b>1,430,427</b>	2,570,572	-44.35
Profit attributable to equity holders of the Company	<b>849,881</b>	1,541,731	-44.87
	<i>RMB</i>	<i>RMB</i>	%
Basic earnings per share	<b>0.07</b>	0.15	-53.33
	<i>MWh</i>	<i>MWh</i>	%
Total power generation	<b>55,192,432</b>	52,551,162	5.03
Total electricity sold	<b>53,045,286</b>	50,440,867	5.16

- The Group firmly implemented the new development strategy announced in October last year and accelerated the release of new energy power generation capacity. During the period under review, the electricity sales of wind power and photovoltaic power generation recorded year-on-year increases of 36.28% and 29.17% respectively.
- During the period under review, clean energy power generation maintained to be the key driving forces for revenue and profit growth of the Group. The revenue from wind power and photovoltaic power segments increased by 31.43% and 27.60% respectively while the operating profit of the photovoltaic power segment recorded a significant increase of 44.72% year-on-year.
- For the first half of 2022, coal prices and therefore the fuel cost for coal-fired power generation continued to hover at elevated levels. As compared to the corresponding period last year, the coal-fired power segment recorded a turnaround from profit to loss-making and dragged on the overall results performance of the Group.

# INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2022

		Unaudited	
		Six months ended 30 June	
	Notes	2022	2021
		RMB'000	(Restated) RMB'000
Revenue	3	<b>20,305,157</b>	16,965,636
Other income	4	<b>275,032</b>	182,430
Fuel costs		<b>(10,244,732)</b>	(7,486,534)
Depreciation		<b>(3,672,126)</b>	(2,903,349)
Staff costs		<b>(1,318,046)</b>	(1,180,357)
Repairs and maintenance		<b>(328,904)</b>	(245,913)
Subcontracting costs		<b>(58,313)</b>	-
Consumables		<b>(184,311)</b>	(152,991)
Other gains and losses, net	5	<b>293,817</b>	459,696
Other operating expenses	6	<b>(1,050,924)</b>	(874,248)
		<hr/>	<hr/>
Operating profit	7	<b>4,016,650</b>	4,764,370
Finance income	8	<b>90,833</b>	95,057
Finance costs	8	<b>(2,137,952)</b>	(1,966,549)
Share of results of associates		<b>(71,178)</b>	107,246
Share of results of joint ventures		<b>(7,689)</b>	(814)
		<hr/>	<hr/>
Profit before taxation		<b>1,890,664</b>	2,999,310
Income tax expense	9	<b>(460,237)</b>	(428,738)
		<hr/>	<hr/>
Profit for the period		<b>1,430,427</b>	2,570,572
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Equity holders of the Company		<b>849,881</b>	1,541,731
Non-controlling interests		<b>580,546</b>	1,028,841
		<hr/>	<hr/>
		<b>1,430,427</b>	2,570,572
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share for profit attributable to ordinary shareholders of the Company (expressed in RMB per share)			
- Basic and diluted	10	<b>0.07</b>	0.15
		<hr/> <hr/>	<hr/> <hr/>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2022*

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<i>RMB'000</i>	(Restated) <i>RMB'000</i>
Profit for the period	<b>1,430,427</b>	2,570,572
Other comprehensive income:		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value loss on equity instruments at fair value through other comprehensive income (“FVTOCI”), net of tax	<b>(680,493)</b>	(43,681)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	<b>(276)</b>	170
Fair value (loss)/gain on debt instruments at FVTOCI, net of tax	<b>(1,119)</b>	2,497
Other comprehensive income for the period, net of tax	<b>(681,888)</b>	(41,014)
Total comprehensive income for the period	<b>748,539</b>	2,529,558
Attributable to:		
Equity holders of the Company	<b>174,440</b>	1,500,395
Non-controlling interests	<b>574,099</b>	1,029,163
Total comprehensive income for the period	<b>748,539</b>	2,529,558

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		As at	
	<i>Notes</i>	30 June 2022	31 December 2021
		Unaudited RMB'000	Restated RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		134,148,598	129,187,137
Right-of-use assets		6,112,664	6,152,184
Prepayments for construction of power plants		4,032,228	2,488,827
Goodwill		1,083,293	1,083,293
Other intangible assets		907,361	934,800
Interests in associates		3,490,332	3,526,555
Interests in joint ventures		1,139,005	1,428,944
Equity instruments at FVTOCI		4,345,673	5,235,995
Deferred income tax assets		723,343	714,348
Restricted deposits		1,378	9,566
Other non-current assets		4,513,487	5,913,949
		160,497,362	156,675,598
<b>Current assets</b>			
Inventories		1,481,575	1,468,558
Accounts receivable	12	10,464,014	8,362,882
Prepayments, deposits and other receivables		3,289,041	4,108,766
Amounts due from related parties		3,265,844	2,535,159
Tax recoverable		24,775	103,931
Debt instruments at FVTOCI		184,154	213,660
Restricted deposits		16,599	10,802
Cash and cash equivalents		8,579,462	1,766,632
		27,305,464	18,570,390
<b>Total assets</b>		187,802,826	175,245,988

		<b>As at</b>	
	<i>Notes</i>	<b>30 June 2022 Unaudited RMB'000</b>	31 December 2021 Restated RMB'000
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		<b>20,418,001</b>	20,418,001
Other equity instruments		<b>2,997,600</b>	2,997,600
Reserves		<b>12,208,657</b>	12,636,867
		<b>35,624,258</b>	36,052,468
<b>Non-controlling interests</b>		<b>17,096,842</b>	16,324,215
<b>Total equity</b>		<b>52,721,100</b>	52,376,683
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income		<b>38,404</b>	33,386
Bank borrowings		<b>59,332,935</b>	54,930,413
Borrowings from related parties	13	<b>10,709,270</b>	8,557,660
Other borrowings	14	<b>10,369,958</b>	6,200,325
Lease liabilities		<b>3,103,796</b>	3,174,469
Deferred income tax liabilities		<b>2,143,249</b>	2,380,195
Provisions for other long-term liabilities	15	<b>1,866,067</b>	1,868,232
Other non-current liabilities		<b>151,082</b>	188,803
		<b>87,714,761</b>	77,333,483

		As at	
	<i>Notes</i>	<b>30 June 2022 Unaudited RMB'000</b>	31 December 2021 Restated RMB'000
<b>Current liabilities</b>			
Accounts and bills payables	16	1,588,758	1,836,022
Construction costs payable		8,622,041	6,815,277
Other payables and accrued charges		3,992,639	2,253,467
Amounts due to related parties		918,482	1,349,792
Bank borrowings		21,158,821	21,911,691
Borrowings from related parties	13	5,224,008	6,108,626
Other borrowings	14	5,104,490	4,620,000
Lease liabilities		357,421	417,917
Tax payable		400,305	223,030
		<u>47,366,965</u>	<u>45,535,822</u>
<b>Total liabilities</b>		<u>135,081,726</u>	<u>122,869,305</u>
<b>Total equity and liabilities</b>		<u>187,802,826</u>	<u>175,245,988</u>
<b>Net current liabilities</b>		<u>20,061,501</u>	<u>26,965,432</u>
<b>Total assets less current liabilities</b>		<u>140,435,861</u>	<u>129,710,166</u>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

*For the six months ended 30 June 2022*

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
		(Restated)
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Cash flows from operating activities</b>		
Net cash generated from operating activities	<b>6,625,423</b>	2,601,613
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment and prepayments for construction of power plants	<b>(8,486,897)</b>	(5,870,219)
Proceeds from disposal of property, plant and equipment	<b>75</b>	15,059
Net cash outflow on acquisitions of subsidiaries	<b>(29,083)</b>	(3,103)
Investments in associates	<b>(44,840)</b>	(160,613)
Purchase of equity instruments at FVTOCI	<b>(2,000)</b>	(15,933)
Capital injection to an equity instrument at FVTOCI	<b>(15,000)</b>	-
Dividend received	<b>371</b>	73,660
Interest received	<b>55,836</b>	36,767
Decrease in restricted deposits	<b>2,391</b>	15,098
Net cash used in investing activities	<b>(8,519,147)</b>	(5,909,284)

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
		(Restated)
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flows from financing activities</b>		
Drawdown of bank borrowings	<b>30,434,259</b>	27,037,045
Drawdown of borrowings from related parties	<b>6,860,786</b>	3,946,355
Drawdown of other borrowings	<b>6,174,123</b>	3,790,000
Capital injections from non-controlling shareholders of subsidiaries	<b>346,101</b>	113,442
Proceeds from disposal of interests in subsidiaries without loss of control	<b>83,925</b>	-
Proceeds from sale and leaseback transactions	-	404,001
Acquisitions of non-controlling interests	-	(3,263)
Repayment of bank borrowings	<b>(26,945,435)</b>	(19,340,615)
Repayment of borrowings from related parties	<b>(5,597,746)</b>	(3,560,180)
Repayment of other borrowings	<b>(1,520,000)</b>	(1,357,622)
Payments for lease liabilities	<b>(342,173)</b>	(369,461)
Dividend paid	<b>(556,576)</b>	(1,286,543)
Dividends paid to non-controlling interests	<b>(233,315)</b>	(363,808)
	<hr/>	<hr/>
Net cash generated from financing activities	<b>8,703,949</b>	9,009,351
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	<b>6,810,225</b>	5,701,680
Cash and cash equivalents at 1 January	<b>1,766,632</b>	1,318,331
Exchange gain/(loss), net	<b>2,605</b>	(15,075)
	<hr/>	<hr/>
<b>Cash and cash equivalents at 30 June (note)</b>	<b>8,579,462</b>	7,004,936
	<hr/>	<hr/>

Note: As at 30 June 2021, cash and cash equivalents included those cash and cash equivalents as part of disposal groups classified as held for sale of RMB5,820,000.



## Notes to the Interim Condensed Consolidated Financial Statements

### 1 Basis of preparation

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2022 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2021 as well as with the applicable disclosure requirements of the Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The financial information relating to the year ended 31 December 2021 that is included in this interim results announcement as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

### 2 Accounting policies

The accounting policies adopted in the preparation of these 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 2021, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period’s financial information.

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The above amendments had no material impact on these interim condensed consolidated financial statements of the Group except for the nature and impact of the Amendments to HKAS 16 as described below.

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021.

The following adjustments were made to the amounts recognized in the Group's interim condensed consolidated statement of financial position at 1 January 2022. Line items that were affected by the changes of this accounting standard were shown below:

	As previously reported <i>RMB'000</i>	Effect of application of Amendments to HKAS 16 <i>RMB'000</i>	As restated <i>RMB'000</i>
Property, plant and equipment	128,695,251	491,886	129,187,137
Reserves	12,391,305	245,562	12,636,867
Non-controlling interests	16,077,891	246,324	16,324,215
	<u>28,469,196</u>	<u>491,886</u>	<u>28,961,082</u>

As a result of the application of Amendments to HKAS 16, the relevant line items in the Group's interim condensed consolidated income statement and comprehensive income and earnings per share for the six months ended 30 June 2021 have been restated. The following table shows the effect for each individual line item affected:

	Unaudited as previously reported <i>RMB'000</i>	Effect of application of Amendments to HKAS 16 <i>RMB'000</i>	As restated <i>RMB'000</i>
Revenue	16,543,056	422,580	16,965,636
Fuel costs	(7,480,785)	(5,749)	(7,486,534)
Depreciation	(2,902,521)	(828)	(2,903,349)
Staff costs	(1,171,728)	(8,629)	(1,180,357)
Repairs and maintenance	(245,048)	(865)	(245,913)
Consumables	(151,947)	(1,044)	(152,991)
Other operating expenses	(816,314)	(57,934)	(874,248)
Operating profit	4,416,839	347,531	4,764,370
Profit before taxation	2,651,779	347,531	2,999,310
Profit for the period	2,223,041	347,531	2,570,572
Attributable to equity holders of the Company	1,372,152	169,579	1,541,731
Attributable to non-controlling interests	850,889	177,952	1,028,841
Total comprehensive income for the period	2,182,027	347,531	2,529,558
Attributable to equity holders of the Company	1,330,816	169,579	1,500,395
Attributable to non-controlling interests	851,211	177,952	1,029,163
Earnings per share for profit attributable to ordinary shareholders of the Company (expressed in RMB per share)			
- Basic and diluted	0.13	0.02	0.15

As a result of the application of Amendments to HKAS 16, the relevant line items in the Group's interim condensed consolidated income statement and comprehensive income for the six months ended 30 June 2022 which have been affected are shown below:

	Before the application of Amendments to HKAS 16 <i>RMB'000</i>	Effect of application of Amendments to HKAS 16 <i>RMB'000</i>	After the application of Amendments to HKAS 16 <i>RMB'000</i>
Revenue	20,256,121	49,036	20,305,157
Depreciation	(3,659,655)	(12,471)	(3,672,126)
Other operating expenses	(1,046,604)	(4,320)	(1,050,924)
Operating profit	3,984,405	32,245	4,016,650
Profit before taxation	1,858,419	32,245	1,890,664
Profit for the period	1,398,182	32,245	1,430,427
Attributable to equity holders of the Company	816,883	32,998	849,881
Attributable to non-controlling interests	581,299	(753)	580,546
Total comprehensive income for the period	716,294	32,245	748,539
Attributable to equity holders of the Company	141,442	32,998	174,440
Attributable to non-controlling interests	574,852	(753)	574,099

As a result of the application of Amendments to HKAS 16, the relevant line items in the Group's interim condensed consolidated statement of cash flows for the six months ended 30 June 2021 have been restated. The following table shows the effect for each individual line item affected:

	Unaudited as previously reported <i>RMB'000</i>	Effect of application of Amendments to HKAS 16 <i>RMB'000</i>	As restated <i>RMB'000</i>
Net cash generated from operating activities	2,433,837	167,776	2,601,613
Payments for property, plant and equipment and prepayments for construction of power plants	(5,702,443)	(167,776)	(5,870,219)
Net cash used in investing activities	(5,741,508)	(167,776)	(5,909,284)

As a result of the application of Amendments to HKAS 16, the relevant line items in the Group's interim condensed consolidated statement of cash flows for the six months ended 30 June 2022 which have been affected are shown below:

	Before the application of Amendments to HKAS 16 <i>RMB'000</i>	Effect of application of Amendments to HKAS 16 <i>RMB'000</i>	After the application of Amendments to HKAS 16 <i>RMB'000</i>
Net cash generated from operating activities	6,592,100	33,323	6,625,423
Payments for property, plant and equipment and prepayments for construction of power plants	(8,453,574)	(33,323)	(8,486,897)
Net cash used in investing activities	(8,485,824)	(33,323)	(8,519,147)

### 3 Revenue and segment information

Revenue recognized during the period is as follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
		(Restated)
	<b>RMB'000</b>	<b>RMB'000</b>
Types of goods or services:		
Sales of electricity to regional and provincial power grid companies (note (a))	<b>20,154,790</b>	16,920,099
Provision of power generation (note (b))	<b>57,852</b>	45,537
Energy storage revenue (note (c))	<b>92,515</b>	-
	<b>20,305,157</b>	16,965,636
Timing of revenue recognition:		
Goods - at a point in time	<b>20,236,079</b>	16,965,636
Services - over time	<b>69,078</b>	-
	<b>20,305,157</b>	16,965,636

Notes:

- (a) Pursuant to the power purchase agreements entered into between the Group and the respective regional and provincial power grid companies, the Group's sales of electricity were made to these power grid companies at the tariff rates agreed with the respective regional and provincial power grid companies as approved by the relevant government authorities in the People's Republic of China (the "PRC"), and some of these tariff rates followed the market-oriented price mechanism.
- (b) Provision of power generation represents incomes from the provision of power generation to other companies in the PRC which are calculated based on mutually agreed terms.
- (c) Energy storage revenue includes income from the project development and integration of energy storage power stations, sales of stored electricity and leasing of electricity storage capacities.

#### **Segment information**

The chief operating decision maker has been identified as the executive Directors and certain senior management (collectively referred to as the "CODM") who make strategic decisions. The CODM reviews the internal reporting of the Company and its subsidiaries in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM assesses the performance of the operating segments based on a measure of profit/loss before taxation, excluding dividends from equity instruments at FVTOCI. Other information provided to the CODM is measured in a manner consistent with that in these interim condensed consolidated financial statements.

Segment assets exclude equity instruments at FVTOCI, deferred income tax assets and corporate assets, which are managed on a centralized basis.

Segment liabilities exclude deferred income tax liabilities, tax payable and corporate liabilities, which are managed on a centralized basis.

	Unaudited						
	Six months ended 30 June 2022						
	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Unallocated RMB'000	Total RMB'000
<b>Segment revenue</b>							
Sales of electricity	12,381,472	3,367,340	2,435,454	1,970,524	-	-	20,154,790
Provision of power generation	21,822	-	845	35,185	-	-	57,852
Energy storage revenue	-	-	-	-	92,515	-	92,515
	<u>12,403,294</u>	<u>3,367,340</u>	<u>2,436,299</u>	<u>2,005,709</u>	<u>92,515</u>	<u>-</u>	<u>20,305,157</u>
<b>Segment results</b>	(273,316)	1,986,645	1,332,030	1,110,100	21,036	-	4,176,495
Unallocated income	-	-	-	-	-	112,457	112,457
Unallocated expenses	-	-	-	-	-	(272,302)	(272,302)
<b>Operating (loss)/profit</b>	(273,316)	1,986,645	1,332,030	1,110,100	21,036	(159,845)	4,016,650
Finance income	2,272	2,370	10,590	31,536	305	43,760	90,833
Finance costs	(521,090)	(504,599)	(538,314)	(463,808)	(241)	(109,900)	(2,137,952)
Share of results of associates	(134,544)	7,279	19,331	26,664	-	10,092	(71,178)
Share of results of joint ventures	(67,497)	-	59,808	-	-	-	(7,689)
<b>(Loss)/profit before taxation</b>	(994,175)	1,491,695	883,445	704,492	21,100	(215,893)	1,890,664
Income tax (expense)/credit	(101,799)	(258,483)	(27,002)	(67,573)	2,422	(7,802)	(460,237)
<b>(Loss)/profit for the period</b>	<u>(1,095,974)</u>	<u>1,233,212</u>	<u>856,443</u>	<u>636,919</u>	<u>23,522</u>	<u>(223,695)</u>	<u>1,430,427</u>
<b>Other segment information</b>							
Amounts included in the measure of segment profit or loss or segment assets:							
Capital expenditure							
- Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	1,653,404	276,600	2,895,212	3,047,886	54,691	227,240	8,155,033
Depreciation of property, plant and equipment	1,170,445	787,892	860,995	641,972	59	27,849	3,489,212
Depreciation of right-of-use assets	55,504	27,142	11,238	62,875	1,106	25,049	182,914
Amortization of other intangible assets	-	-	-	27,439	-	-	27,439
Gain on disposal of property, plant and equipment, net	-	-	(67)	-	-	-	(67)
(Reversal)/provision of impairment of an amount due from a joint venture and other receivables	-	(30,960)	(3,751)	111	-	-	(34,600)

	Unaudited						
	As at 30 June 2022						
	Coal-fired	Hydropower	Wind	Photovoltaic	Energy	Unallocated	Total
	electricity	electricity	power	power	storage		
	RMB'000	RMB'000	electricity	electricity	RMB'000	RMB'000	RMB'000
			RMB'000	RMB'000			
<b>Segment assets</b>							
Other segment assets	46,009,797	37,149,526	44,452,547	38,276,134	1,236,465	-	167,124,469
Goodwill	67,712	768,944	-	246,637	-	-	1,083,293
Interests in associates	1,779,210	27,168	500,914	241,696	-	941,344	3,490,332
Interests in joint ventures	180,917	-	607,516	-	-	350,572	1,139,005
	<u>48,037,636</u>	<u>37,945,638</u>	<u>45,560,977</u>	<u>38,764,467</u>	<u>1,236,465</u>	<u>1,291,916</u>	<u>172,837,099</u>
Equity instruments at FVTOCI							4,345,673
Deferred income tax assets							723,343
Other unallocated assets							9,896,711
<b>Total assets per interim condensed consolidated statement of financial position</b>							<u><u>187,802,826</u></u>
<b>Segment liabilities</b>							
Other segment liabilities	(6,087,451)	(3,619,041)	(4,858,855)	(4,910,787)	(22,831)	-	(19,498,965)
Borrowings	(37,333,382)	(25,048,006)	(23,377,522)	(25,028,673)	(73,000)	(1,038,899)	(111,899,482)
	<u>(43,420,833)</u>	<u>(28,667,047)</u>	<u>(28,236,377)</u>	<u>(29,939,460)</u>	<u>(95,831)</u>	<u>(1,038,899)</u>	<u>(131,398,447)</u>
Deferred income tax liabilities							(2,143,249)
Tax payable							(400,305)
Other unallocated liabilities							(1,139,725)
<b>Total liabilities per interim condensed consolidated statement of financial position</b>							<u><u>(135,081,726)</u></u>

**Unaudited (Restated)**  
**Six months ended 30 June 2021**

	<b>Coal-fired electricity</b>	<b>Hydropower electricity</b>	<b>Wind power electricity</b>	<b>Photovoltaic power electricity</b>	<b>Unallocated</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Segment revenue</b>						
Sales of electricity	10,335,620	3,164,292	1,853,709	1,566,478	-	16,920,099
Provision of power generation	40,156	-	-	5,381	-	45,537
	<u>10,375,776</u>	<u>3,164,292</u>	<u>1,853,709</u>	<u>1,571,859</u>	<u>-</u>	<u>16,965,636</u>
<b>Segment results</b>	872,756	1,901,037	1,185,028	830,275	-	4,789,096
Unallocated income	-	-	-	-	125,863	125,863
Unallocated expenses	-	-	-	-	(150,589)	(150,589)
<b>Operating profit/(loss)</b>	872,756	1,901,037	1,185,028	830,275	(24,726)	4,764,370
Finance income	2,521	6,497	8,492	57,834	19,713	95,057
Finance costs	(615,256)	(632,150)	(277,908)	(403,577)	(37,658)	(1,966,549)
Share of results of associates	30,423	4,937	10,584	14,619	46,683	107,246
Share of results of joint ventures	(40,099)	-	36,705	-	2,580	(814)
<b>Profit before taxation</b>	250,345	1,280,321	962,901	499,151	6,592	2,999,310
Income tax expense	(83,608)	(229,125)	(33,888)	(59,047)	(23,070)	(428,738)
<b>Profit/(loss) for the period</b>	<u>166,737</u>	<u>1,051,196</u>	<u>929,013</u>	<u>440,104</u>	<u>(16,478)</u>	<u>2,570,572</u>
<b>Other segment information</b>						
Capital expenditure						
- Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	1,772,138	148,897	3,695,235	1,413,923	118,131	7,148,324
Depreciation of property, plant and equipment	1,072,855	734,260	440,897	482,748	22,129	2,752,889
Depreciation of right-of-use assets	54,311	18,708	4,195	52,890	20,356	150,460
Amortization of other intangible assets	-	-	-	27,439	-	27,439
Loss on disposal of property, plant and equipment, net	-	3,330	-	-	3,271	6,601

	<b>Restated</b>						
	<b>As at 31 December 2021</b>						
	<b>Coal-fired electricity</b>	<b>Hydropower electricity</b>	<b>Wind power electricity</b>	<b>Photovoltaic power electricity</b>	<b>Energy storage</b>	<b>Unallocated</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Segment assets</b>							
Other segment assets	45,172,059	37,103,681	39,748,391	34,717,414	830,503	-	157,572,048
Goodwill	67,712	768,944	-	246,637	-	-	1,083,293
Interests in associates	1,901,966	20,259	481,585	196,381	-	926,364	3,526,555
Interests in joint ventures	248,414	-	827,708	-	-	352,822	1,428,944
	<u>47,390,151</u>	<u>37,892,884</u>	<u>41,057,684</u>	<u>35,160,432</u>	<u>830,503</u>	<u>1,279,186</u>	<u>163,610,840</u>
Equity instruments at FVTOCI							5,235,995
Deferred income tax assets							714,348
Other unallocated assets							<u>5,684,805</u>
<b>Total assets per interim condensed consolidated statement of financial position</b>							<u><u>175,245,988</u></u>
<b>Segment liabilities</b>							
Other segment liabilities	(5,151,527)	(3,560,081)	(3,822,599)	(3,860,786)	(556,025)	-	(16,951,018)
Borrowings	<u>(31,916,128)</u>	<u>(26,467,276)</u>	<u>(21,801,327)</u>	<u>(19,745,922)</u>	<u>-</u>	<u>(2,398,062)</u>	<u>(102,328,715)</u>
	<u>(37,067,655)</u>	<u>(30,027,357)</u>	<u>(25,623,926)</u>	<u>(23,606,708)</u>	<u>(556,025)</u>	<u>(2,398,062)</u>	<u>(119,279,733)</u>
Deferred income tax liabilities							(2,380,195)
Tax payable							(223,030)
Other unallocated liabilities							<u>(986,347)</u>
<b>Total liabilities per interim condensed consolidated statement of financial position</b>							<u><u>(122,869,305)</u></u>



#### 4 Other income

	Unaudited	
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Rental income	8,872	6,072
Hotel operations income	-	1,540
Income from provision of repairs and maintenance services	28,536	30,753
Dividend income	-	39,962
Income from provision of IT and other services	237,624	104,103
	<u>275,032</u>	<u>182,430</u>

#### 5 Other gains and losses, net

	Unaudited	
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Amortization of deferred income	1,149	4,581
Government subsidies	100,117	47,437
Gain/(loss) on disposal of property, plant and equipment, net	67	(6,601)
Sales of unused power production quota	46,556	66,212
Profits on sales of heat, trading of coal, coal by-products, spare parts and others	115,669	261,514
Others	30,259	86,553
	<u>293,817</u>	<u>459,696</u>

#### 6 Other operating expenses

	Unaudited	
	Six months ended 30 June	
	2022	2021
	RMB'000	(Restated) RMB'000
Amortization of other intangible assets	27,439	27,439
Research and development expenses	14,190	14,081
Lease expenses	25,285	7,880
Reversal of impairment of an amount due from a joint venture and other receivables	(34,600)	-
Reservoir maintenance and usage fees	38,456	37,669
Administrative and selling related expenses	216,140	187,750
Taxes other than income tax and surcharges	165,438	160,769
Power and heat generation costs	379,107	301,031
Others	219,469	137,629
	<u>1,050,924</u>	<u>874,248</u>

## 7 Operating profit

Operating profit is stated after charging the following:

	Unaudited	
	Six months ended 30 June	
	2022	2021
		(Restated)
	RMB'000	RMB'000
Amortization of other intangible assets	27,439	27,439
Depreciation:		
- property, plant and equipment	3,489,212	2,752,889
- right-of-use assets	182,914	150,460
Lease expenses:		
- equipment	7,231	1,025
- leasehold land and buildings	18,054	6,855
Key management personnel compensations	6,074	7,477

## 8 Finance income and finance costs

	Unaudited	
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
<b>Finance income</b>		
Interest income from bank deposits	30,387	30,343
Interest income from related parties	37,447	12,757
Interest income from discounting effect on clean energy power price premium receivable (Note 12(a))	22,999	51,957
	<u>90,833</u>	<u>95,057</u>
<b>Finance costs</b>		
Interest expense on		
- bank borrowings	1,706,422	1,613,093
- borrowings from related parties	269,049	328,316
- other borrowings	152,630	127,136
- amounts due to related parties	1,567	2,793
- lease liabilities	66,602	99,700
- provisions for other long-term liabilities (Note 15)	52,044	52,022
	<u>2,248,314</u>	<u>2,223,060</u>
Less: amounts capitalized to property, plant and equipment	<u>(87,191)</u>	<u>(231,435)</u>
	2,161,123	1,991,625
Exchange gain, net	<u>(23,171)</u>	<u>(25,076)</u>
	<u>2,137,952</u>	<u>1,966,549</u>

The weighted average interest rate on capitalized borrowings is approximately 3.93% (2021: 4.13%) per annum.

## 9 Income tax expense

No provision for Hong Kong profits tax has been provided as the Group did not have any estimated assessable profits arising in Hong Kong for the six months ended 30 June 2022 (2021: Nil).

The provision for PRC enterprise income tax is calculated based on the statutory tax rate of 25% (2021: 25%) on the estimated assessable profits for the six months ended 30 June 2022 except that certain subsidiaries were either exempted from PRC enterprise income tax or entitled to the preferential tax rates of 7.5%, 12.5%, 15% or 20% (2021: 7.5%, 12.5% or 15%).

The amount of income tax recognized represents:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>PRC enterprise income tax</b>		
Charge for the period	475,917	420,069
Under provision in prior years	3,058	11,911
	<u>478,975</u>	<u>431,980</u>
<b>Deferred income tax</b>		
Credit for the period	(18,738)	(3,242)
	<u>460,237</u>	<u>428,738</u>

Share of income tax credit attributable to associates and joint ventures for the six months ended 30 June 2022 of RMB17,573,000 (2021: charge of RMB54,873,000) and RMB10,813,000 (2021: charge of RMB1,888,000) were included in the Group's share of results of associates and joint ventures respectively for the current period.

## 10 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders of the Company by the weighted average number of shares in issue during the period.

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
		(Restated)
Profit for the period attributable to equity holders of the Company (RMB'000)	849,881	1,541,731
Profit for the period attributable to holders of other equity instruments (RMB'000)	(66,205)	(66,205)
Profit for the period attributable to ordinary shareholders of the Company used in the basic earnings per share calculation (RMB'000)	<u>783,676</u>	<u>1,475,526</u>
Weighted average number of shares in issue (shares in thousands)	<u>10,833,386</u>	<u>9,806,886</u>
Basic and diluted earnings per share (RMB) (note)	<u>0.07</u>	<u>0.15</u>

Note: The Group had no potentially dilutive ordinary shares outstanding during the six months ended 30 June 2022 and 2021.

## 11 Dividend

The Board has resolved not to distribute any interim dividend for the six months ended 30 June 2022 (2021: Nil).

## 12 Accounts receivable

	<b>As at</b>	
	<b>30 June 2022 Unaudited RMB'000</b>	31 December 2021 Audited RMB'000
Accounts receivable from regional and provincial power grid companies (note (a))	<b>11,754,292</b>	8,753,405
Accounts receivable from other companies (note (a))	<b>232,820</b>	675,972
	<b>11,987,112</b>	9,429,377
Notes receivable (note (b))	<b>79,546</b>	158,355
	<b>12,066,658</b>	9,587,732
Analysed for reporting purpose as:		
- Non-current (included in other non-current assets) (note (a))	<b>1,602,644</b>	1,224,850
- Current	<b>10,464,014</b>	8,362,882
	<b>12,066,658</b>	9,587,732

Notes:

(a) The ageing analysis of the accounts receivable presented based on the invoice date is as follows:

	<b>As at</b>	
	<b>30 June 2022 Unaudited RMB'000</b>	31 December 2021 Audited RMB'000
Unbilled	<b>1,602,644</b>	1,224,850
1 to 3 months	<b>10,384,468</b>	8,204,527
	<b>11,987,112</b>	9,429,377

To measure the expected credit loss of accounts receivable, accounts receivable and notes receivable have been assessed individually upon the application of HKFRS 9. The loss allowance of the accounts receivable as at 30 June 2022 and 31 December 2021 was insignificant.

As at 30 June 2022, accounts receivable from regional and provincial power grid companies included clean energy power price premium receivable of RMB1,602,644,000 (31 December 2021: RMB1,224,850,000), which was unbilled and was stated after discounting.

The clean energy power price premium, which was a component of the government-approved on-grid tariff for wind and photovoltaic power generation, was recognized as revenue from sales of electricity in the interim condensed consolidated income statement of the Group for its wind and photovoltaic power projects.

The financial resource for the clean energy power price premium was the national renewable energy fund that was accumulated through a special levy on the consumption of electricity. Pursuant to Caijian [2012] No. 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance (the “**MOF**”), the National Development and Reform Commission (the “**NDRC**”) and the National Energy Administration (the “**NEA**”) in March 2012, the standardized application and approval procedures on a project by project basis for the settlement of the tariff premium had come into force since 2012, and such applications were accepted and approved batch by batch jointly by the MOF, the NDRC and the NEA at intervals in the form of announcing renewable energy subsidy catalogues (the “**Subsidy Catalogues**”).

In February 2020, the MOF, the NDRC and the NEA jointly issued new guidelines and notices, i.e., Caijian [2020] No. 4 Guidelines on the Stable Development of Non-Water Renewable Energy Generation (關於促進非水可再生能源發電健康發展的若干意見) and Caijian [2020] No. 5 Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法) (collectively referred to as the “**New Guidelines**”). Pursuant to the New Guidelines, the quota of new subsidies were decided based on the scale of subsidy funds, there would not be any new Subsidy Catalogues to be published for tariff premium and as an alternative, power grid companies would publish lists of renewable energy projects qualified for tariff premium (the “**Subsidy List**”) periodically after the renewable energy generators have gone through certain approval and information publicity process.

Based on the above New Guidelines and their past experience, the Directors estimated that there were no foreseeable obstacles that would lead to the application not being approved before entering into either the Subsidy Catalogues or the Subsidy List. It was expected that the Group’s wind and photovoltaic power projects would be listed as qualified projects for tariff premium after 30 June 2023 (31 December 2021: after 31 December 2022) and the corresponding premium receivables were estimated to be recovered after twelve months from the reporting date. Therefore, the Directors considered the electricity sales contract for renewable energy projects before entering into the Subsidy Catalogues or the Subsidy List contains a significant financing component. During the six months ended 30 June 2022, the respective clean energy power price premiums were adjusted for this financing component based on an effective interest rate of 4.01% (2021: 4.01%) per annum. During the current period, the Group’s revenue was adjusted by RMB53,906,000 (2021: RMB58,696,000) and interest income amounting to RMB22,999,000 (2021: RMB51,957,000) (Note 8) was recognized.

- (b) As at 30 June 2022, notes receivable were bank acceptance notes issued by third parties and were normally with a maturity period within 360 days (31 December 2021: 360 days).
- (c) As at 30 June 2022, certain of the bank borrowings, long-term borrowings from related parties (Note 13(c)), and lease liabilities were secured by the rights on certain accounts receivable. The accounts receivable pledged under these debts as at 30 June 2022 amounted to RMB4,039,467,000 (31 December 2021: RMB2,568,225,000).

### 13 Borrowings from related parties

	As at	
	30 June 2022 Unaudited RMB'000	31 December 2021 Audited RMB'000
<b>Non-current</b>		
Long-term borrowings from State Power Investment Corporation Limited* (“SPIC”) (note (b))	9,097,860	8,653,020
Long-term borrowings from SPIC Financial Company Limited* (“SPIC Financial”) (note (c))	3,040,000	3,799,840
Long-term borrowings from China Power International Holding Limited (“CPI Holding”)	-	50,000
Long-term borrowings from other related parties (note (d))	521,410	379,800
	<u>12,659,270</u>	12,882,660
Less: Current portion of long-term borrowings from SPIC	(230,000)	(2,900,000)
Less: Current portion of long-term borrowings from SPIC Financial	(1,720,000)	(1,425,000)
	<u>10,709,270</u>	8,557,660
<b>Current</b>		
Short-term borrowings from SPIC (note (e))	1,200,000	-
Short-term borrowings from SPIC Financial (note (f))	1,430,000	1,130,000
Short-term borrowings from CPI Holding (note (g))	50,000	200,000
Short-term borrowings from other related parties (note (h))	594,008	453,626
Current portion of long-term borrowings from SPIC (note (b))	230,000	2,900,000
Current portion of long-term borrowings from SPIC Financial (note (c))	1,720,000	1,425,000
	<u>5,224,008</u>	6,108,626
	<u>15,933,278</u>	14,666,286

Notes:

- (a) The carrying amounts of the Group’s borrowings from related parties are denominated in the following currencies:

	As at	
	30 June 2022 Unaudited RMB'000	31 December 2021 Audited RMB'000
Renminbi	15,691,668	14,666,286
United States Dollars	241,610	-
	<u>15,933,278</u>	14,666,286

- (b) The long-term borrowings from SPIC were unsecured, interest bearing from 2.75% to 4.75% (31 December 2021: 3.29% to 4.75%) per annum.

- (c) The long-term borrowings from SPIC Financial of RMB50,000,000 (31 December 2021: RMB50,000,000) was secured by the rights on accounts receivable of a subsidiary (Note 12(c)), interest bearing at 4.23% (31 December 2021: 4.42%) per annum. The remaining balances were unsecured and interest bearing from 3.37% to 4.53% (31 December 2021: 3.25% to 5.07%) per annum.
- (d) The long-term borrowings from other related parties as at 30 June 2022 were unsecured and interest bearing from 3.79% to 4.55% (31 December 2021: 4.41% to 4.46%) per annum.
- (e) The short-term borrowings from SPIC as at 30 June 2022 were unsecured, interest bearing from 2.00% per annum and repayable within one year.
- (f) The short-term borrowings from SPIC Financial as at 30 June 2022 were unsecured, interest bearing from 2.05% to 3.85% (31 December 2021: 3.45% to 4.34%) per annum and repayable within one year.
- (g) The short-term borrowings from CPI Holding as at 30 June 2022 were unsecured, interest bearing at 3.92% (31 December 2021: 3.92%) per annum and repayable within one year.
- (h) The short-term borrowings from other related parties as at 30 June 2022 were unsecured, interest bearing from 2.20% to 3.90% (31 December 2021: 3.47% to 3.75%) per annum and repayable within one year.

#### 14 Other borrowings

	As at	
	30 June 2022 Unaudited RMB'000	31 December 2021 Audited RMB'000
<b>Non-current</b>		
Medium-term notes issued by the Company (note (a))	11,000,000	7,000,000
Long-term other borrowings from a third party (note (b))	1,369,958	1,200,325
	<b>12,369,958</b>	8,200,325
Less: Current portion of medium-term notes issued by the Company	<b>(2,000,000)</b>	(2,000,000)
	<b>10,369,958</b>	6,200,325
<b>Current</b>		
Super & short-term commercial paper issued by a subsidiary (note (c))	1,000,000	1,020,000
Super & short-term commercial paper issued by the Company (note (d))	2,000,000	1,500,000
Short-term other borrowings from third parties	104,490	100,000
Current portion of medium-term notes issued by the Company (note (a))	2,000,000	2,000,000
	<b>5,104,490</b>	4,620,000
	<b>15,474,448</b>	10,820,325

Notes:

- (a) Two unsecured RMB denominated medium-term notes are issued by the Company in June 2022, respectively for a term of three years of RMB2,000,000,000 each, which are interest bearing at 3.00% and 2.99% per annum respectively. As at 30 June 2022 and 31 December 2021, the medium-term note issued in September 2019 was classified and presented as current.
- (b) As at 30 June 2022, the balance was unsecured, interest bearing from 4.15% to 5.10% (31 December 2021: 4.05% to 5.30%) per annum.
- (c) The balance represents unsecured RMB denominated super & short-term commercial paper of RMB1,000,000,000 (31 December 2021: RMB1,000,000,000 and RMB20,000,000 respectively) issued by Wu Ling Power Corporation\* in March 2022 (31 December 2021: May and December 2021 respectively) for a term of 180 days (31 December 2021: 260 days and 180 days respectively), which is interest bearing at 2.10% (31 December 2021: 3.00% and 2.90% respectively) per annum.
- (d) The balance includes unsecured RMB denominated super & short-term commercial paper of RMB1,000,000,000 (31 December 2021: RMB500,000,000 and RMB1,000,000,000 respectively) issued by the Company in June 2022 (31 December 2021: August and November 2021 respectively) for a term of 270 days (31 December 2021: 210 days and 269 days respectively), which is interest bearing at 2.10% (31 December 2021: 2.63% and 2.88% respectively) per annum. As at 30 June 2022, the super & short-term commercial paper of RMB500,000,000 issued in August 2021 have been repaid.

## 15 Provisions for other long-term liabilities

Provisions for other long-term liabilities represent the provisions for inundation compensations caused by the construction of certain hydropower plants of the Group.

The provisions were measured at the present value of the expenditures expected to be required to settle the compensations, based on the latest rules and regulations as set out by the relevant local government authorities in the PRC and the expected useful lives of these hydropower plants, using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the compensations. The increase in the provisions due to the passage of time was recognized as interest expense.

Analysis of the provisions for inundation compensations as at 30 June 2022 and 31 December 2021 is as follows:

	<b>As at</b>	
	<b>30 June 2022</b>	31 December 2021
	<b>Unaudited</b>	Audited
	<b>RMB'000</b>	RMB'000
Non-current liabilities	<b>1,866,067</b>	1,868,232
Current liabilities (included in other payables and accrued charges)	<b>106,415</b>	104,432
	<b>1,972,482</b>	1,972,664



The movements of the provisions for inundation compensations for the six months ended 30 June 2022 and 2021 are as follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
At 1 January	<b>1,972,664</b>	1,971,834
Interest expense (Note 8)	<b>52,044</b>	52,022
Payment	<b>(52,226)</b>	(34,655)
	<hr/>	<hr/>
At 30 June	<b>1,972,482</b>	1,989,201
	<hr/> <hr/>	<hr/> <hr/>

## 16 Accounts and bills payables

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2022</b>	2021
	<b>Unaudited</b>	Audited
	<b>RMB'000</b>	RMB'000
Accounts payable (note (a))	<b>1,419,288</b>	1,668,327
Bills payable (note (b))	<b>169,470</b>	167,695
	<hr/>	<hr/>
	<b>1,588,758</b>	1,836,022
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) The normal credit period for accounts payable generally ranges from 60 to 180 days. The ageing analysis of the accounts payable presented based on the invoice date is as follows:

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2022</b>	2021
	<b>Unaudited</b>	Audited
	<b>RMB'000</b>	RMB'000
1 to 6 months	<b>1,277,868</b>	1,531,869
7 to 12 months	<b>68,870</b>	69,598
Over 1 year	<b>72,550</b>	66,860
	<hr/>	<hr/>
	<b>1,419,288</b>	1,668,327
	<hr/> <hr/>	<hr/> <hr/>

- (b) As at 30 June 2022, bills payable were bills of exchange with a maturity period ranged from 3 to 12 months (31 December 2021: ranged from 3 to 12 months).

## 17 Events after the reporting period

### *Acquisitions of the equity interests in the target companies*

On 30 June 2022, the Company entered into an agreement with China Power (New Energy) Holdings Limited (“CPNE”), an indirect non-wholly owned subsidiary of SPIC, pursuant to which the Company has conditionally agreed to acquire, and CPNE has conditionally agreed to sell equity interests of 16 companies principally engaged in clean energy power generation, mainly including wind power, photovoltaic power and environmental power at the consideration of RMB5,782,593,419.82, which will be settled by the issue of the consideration shares to CPNE by the Company under the special mandate at the issue price of HK\$4.40 (equivalent to approximately RMB3.76) per consideration share.

On 30 June 2022, the Company has also entered into an agreement with China Power International New Energy Holding Limited\* (“CPINE”), an indirect non-wholly owned subsidiary of SPIC, pursuant to which the Company has conditionally agreed to acquire, and CPINE has conditionally agreed to sell equity interests of 10 companies principally engaged in clean energy power generation, mainly including wind power and photovoltaic power, at the consideration of RMB1,670,098,862.61 which will be settled by cash.

On 24 August 2022, the resolution in respect of the above proposed acquisitions was duly passed by the independent shareholders of the Company at the general meeting.

### *Grant of share options*

At the extraordinary general meeting held on 15 June 2022, the Company was approved to adopt the new share incentive scheme (the “Share Incentive Scheme”), under which the Directors can grant share options (the “Share Options”) in respect of the ordinary shares of the Company (the “Shares”) to certain eligible participants (the “Grantees”), and with a maximum of 111,711,100 Shares involved.

The Company respectively, on 5 and 20 July 2022, granted a number of 84,590,000 Share Options at the exercise price of HK\$4.82 per Share and 18,590,000 Share Options at the exercise price of HK\$4.90 per Share to Grantees under the Share Incentive Scheme.

### *Issuance of debt instruments*

The Company has completed the issue of its medium-term note (third tranche) of 2022 and received the proceeds therefrom as at 20 July 2022. The amount of the medium-term note issued is RMB2.0 billion, with a maturity period of 3 years. The unit par value is RMB100 and the interest rate is 2.87% per annum.

The Company has completed the issue of its super & short-term commercial paper (second tranche) of 2022 and received the proceeds therefrom as at 26 July 2022. The amount of the medium-term note issued is RMB1.0 billion, with a maturity period of 180 days. The unit par value is RMB100 and the interest rate is 1.75% per annum.

## **BUSINESS REVIEW**

In the first half of 2022, China maintained a safe and stable operation of power generation with a balance between power supply and demand at large. The power industry continued the green and low-carbon transformation while safeguarding the power supply for pandemic prevention and control as well as socio-economic development. For the first half of 2022, the uncertain pandemic conditions and the increasingly complicated and severe global landscape further weighed on the economy. In view of the complex environment, the Chinese Government steered its efforts towards stabilizing the macro-economy through effective measures against risks and challenges, hence enabling the economy to continue its recovery trajectory with its gross domestic product grew by 2.5% year-on-year for the first half of the year.

In the first half of 2022, the national total electricity consumption in China rose by 2.9% year-on-year and the national power generation recorded a year-on-year increase of 0.7%. Among which, hydropower, wind power and photovoltaic power grew by 20.3%, 12.2% and 29.8% respectively, whereas coal-fired power decreased by 3.9%. The coal prices still stayed at a high level in general due to the imbalance coal supply and demand relationship during the first half of 2022, which affected the results performance of the coal-fired power industry.

Given the strenuous efforts in developing clean energy, the Group's investment returns from new energy projects increased gradually and the proportion of profit contribution from these projects continued to escalate. In the first half of 2022, the aggregate electricity sales of wind power and photovoltaic power in terms of MWh went up by 32.83% year-on-year, and the aggregate profit for the period grew by 9.07% year-on-year. The energy storage business segment also became a new driving force for profit growth of the Group. However, for the first half of 2022, coal prices and therefore the fuel costs continued to hover at elevated levels. The coal-fired power segment recorded a turnaround from profit to loss-making as compared with the corresponding period last year and dragged on the overall results performance of the Group.

For the six months ended 30 June 2022, the profit attributable to equity holders of the Company amounted to RMB849,881,000 (2021 (restated): RMB1,541,731,000). Basic earnings per share was approximately RMB0.07 (2021 (restated): RMB0.15). As at 30 June 2022, net assets per share (excluding non-controlling interests and other equity instruments) was approximately RMB3.01.

During the period under review, the development and performance of the Group's principal businesses were as follows:

### **Installed Capacity**

As at 30 June 2022, the consolidated installed capacity of the Group's power plants was 32,140.0MW, representing a year-on-year increase of 3,710.3MW. Among them, the consolidated installed capacity of clean energy including hydropower, wind power, photovoltaic power and natural gas power was 16,300.0MW in total, accounting for approximately 50.72% of the consolidated installed capacity of the Group, and representing an increase of 3.62 percentage points as compared with the corresponding period last year, but a reduction of 1.44 percentage points as compared with that at the end of last year due to the slight increase in the installed capacity of coal-fired power.

Aiming to achieve the corporate vision of becoming a world-class green and low-carbon energy provider, the Group will stay committed to green, innovative and high-quality development with a focus on promoting sustainable and rapid development of clean and low carbon energy. On 30 June 2022, the Company announced the proposed acquisitions of clean energy project companies with an aggregate installed capacity of 2,154.83MW in operation from CPNE and CPINE, which are both indirect subsidiaries of SPIC, the ultimate controlling shareholder of the Company (please refer to the Company’s announcement and circular dated 30 June 2022 and 28 July 2022 respectively for details). The resolution in respect of the proposed acquisitions was duly passed by the independent shareholders of the Company at the general meeting held on 24 August 2022.

## **Project Development**

With the national goals of “30•60 Carbon Emission Peak and Carbon Neutrality” (the “Dual Carbon Goals”), the comprehensive transition of the power industry towards clean energy is an inevitable trend. Following the new round of integrated development of technological and industrial reforms, new industries and new modes of energy usage such as big data, cloud computing, energy storage technology and intelligent energy emerged one after another, while sectors such as integrated intelligent energy and energy storage have become the new drivers of the energy revolution.

### *“Photovoltaic+” Project*

In order to further expand its business reach, Guyuan Photovoltaic, a subsidiary of the Company, launched the Guyuan County 400MW “Photovoltaic+” Demonstration Project as the Group’s first project in Hebei Province in the first half of 2022. Among which, phase I of the project with a capacity of 180MW has been put into commercial operation during the period under review, and the remaining parts of the project with a capacity of 220MW are expected to commence operation at full capacity in 2022. Upon completion, the project not only will generate profit for the Group and lower its carbon emissions, but also provide an assurance for reliable power supply to support local economic growth, and boost the development of relevant industries within the region, hence creating significant economic and social benefits.

### *Offshore Wind Power Projects*

In the first half of 2022, the Development and Reform Commission of Guangxi Zhuang Autonomous Region issued the “Notice on Competitive Allocations to Investors of Offshore Wind Power Demonstration Projects in Guangxi” (《廣西海上風電示範項目投資主體競爭性配置公告》), which involved two offshore wind power demonstration projects with a total planned installed capacity of 2,700MW. The Group will seize the opportunity to make further breakthroughs in developing offshore wind power resources in Guangxi region and to actively participate in the investment in these competitive projects.

### *Green and Intelligent Projects for Revitalization of Rural Areas*

The Xiaogang Village Project in Anhui Province of the PRC is an integrated intelligent energy demonstration project of photovoltaic power generation for the transformational and digital development of the rural area that combines ecological energy, smart facilities and green industries. Phase I of the project, which included ecological energy projects of agricultural-photovoltaic complementary power generation, was successfully put into production last year. The construction of Phase II of the project also commenced during the period under review.

The 500MW agricultural-photovoltaic complementary power generation grid parity project in Luoding City, Guangdong Province of the PRC is one of the key projects of the Group with an objective to actively implement the new national strategies for energy security and the national Dual Carbon Goals. Being developed and constructed on over 12,000 acres of rugged hills and general agricultural lands in the city, the project facilitated new energy development through the comprehensive utilization of space resources. Upon the commencement of production, the project is expected to be an effective solution to the tight power supply in the locality, which will promote green economic growth and create a win-win situation between photovoltaic power generation and agricultural development. During the period under review, part of the capacity of the project was connected to the power grid successfully.

### *Energy Storage Projects*

During the period under review, the Group achieved leapfrog development in the energy storage service market of Shandong Province of the PRC. Xinyuan Smart Storage and Shandong Company, both being subsidiaries of the Company, obtained approval for several energy storage demonstration projects, which included the Weifang Zhucheng 100MW/200MWh and Dongming 100MW/200MWh Independent Energy Storage Projects. These projects, in support of the realization of the national goal of carbon neutrality, mainly provide local energy storage capacities leasing services for new energy power generation and address the issues related to difficulties in local new energy consumption. Giving full play to its first mover advantages in the emerging energy storage sector, the Group will continue to put more effort into securing orders from energy storage power station projects in Shandong Province.

### *Technological Innovations*

In respect of energy storage, Xinyuan Smart Storage, a subsidiary of the Company, was successfully admitted to the list of “Science and Technology Reform Demonstration Enterprises” by the State-owned Assets Supervision and Administration Commission of the State Council in recognition of its promotion of energy storage technology, including research and development of energy management system, smart energy operation and management platform, integrated dispatching and trading platform, and power electronics platform, etc. In respect of green power transportation, Qiyuanxin Power, an associate of the Company, took a strong lead in the industry. It has the top-ranking market share of battery-swapping for heavy-duty trucks in the industry and has just completed the A-series financing of RMB1 billion. Meanwhile, Qiyuanxin Power is promoting the technology of “color photovoltaic + decommissioned photovoltaic module reuse”, aiming to realize it as the groundbreaking and first-of-its-kind technology in the market in the PRC.

### **Electricity Sales**

For the first half of 2022, the details of electricity sold by the Group are set out as follows:

	<b>First half of 2022</b>	First half of 2021 (Restated)	Changes
	<i>MWh</i>	<i>MWh</i>	%
<b>Total electricity sold</b>	<b>53,045,286</b>	50,440,867	5.16
- Hydropower	<b>12,838,036</b>	12,101,542	6.09
- Wind power	<b>5,045,418</b>	3,702,166	36.28
- Photovoltaic power	<b>4,523,739</b>	3,502,123	29.17
- Coal-fired power	<b>30,230,377</b>	30,589,385	-1.17
- Natural gas power	<b>407,716</b>	545,651	-25.28

In the first half of 2022, the total electricity sold by the Group amounted to 53,045,286MWh, representing an increase of 5.16% as compared with the corresponding period last year. The changes in electricity sold by each power segment as compared with the corresponding period last year are as follows:

- Hydropower – an increase of 6.09% in electricity sold due to a year-on-year increase in average rainfall in the river basins where the Group’s hydropower plants are located during the period.
- Wind power and photovoltaic power – benefitted from the commencement of commercial operation of various new clean energy power generating units from the second half of 2021 to the current period, the electricity sales of wind power and photovoltaic power recorded year-on-year increases of 36.28% and 29.17%, respectively.
- Coal-fired power – a decrease of 1.17% in electricity sold due to the impact of the squeeze in coal-fired power consumption demand as a result of the rapid growth in electricity sales of non-fossil energy such as hydropower.
- Natural gas power – the electricity sold decreased by 25.28% year-on-year due to the decline in power consumption demand for the natural gas projects of the Group located in Hubei Province.

For the first half of 2022, the details of electricity sold by the Group’s main associates and joint ventures are set out as follows:

	<b>First half of 2022 MWh</b>	First half of 2021 MWh	Changes %
<b>Total electricity sold</b>	<b>13,240,376</b>	11,631,040	13.84
Associates			
- Photovoltaic power	<b>55,444</b>	52,322	5.97
- Coal-fired power	<b>11,226,884</b>	9,207,875	21.93
Joint ventures			
- Wind power	<b>743,678</b>	678,696	9.57
- Coal-fired power	<b>1,214,370</b>	1,692,147	-28.23

## Heat Sales

In order to strongly support the existing environmental policies promulgated by the Chinese Government, the Group has carried out in-depth exploration of the heat supply potentials in various regions, strengthened the development of heat market, and promoted the construction of centralized heating pipe networks and developed heat and electricity co-generation projects, thereby achieving positive results in various areas such as energy efficiency upgrade and development of heat supply market. For the first half of 2022, the total heat sold by the Group (including two associates and a joint venture) was 16,253,225GJ, representing an increase of 1,844,917GJ or 12.80% as compared with the corresponding period last year.

## Direct Power Supply

The Group has actively participated in the market-oriented reform of the national power industry and enhanced the research on electricity market policies, particularly the trading of spot electricity, green certificate/green energy, carbon emission quotas and related market policies and regulations. Keeping abreast of the reform, it maximized market power sales and market share through increased participation in direct power supply transactions (including competitive bidding for on-grid electricity sales). Subsidiaries in various provinces have also established their power sales centers to attract more target customers by provision of quality services.

In the first half of 2022, for those coal-fired power plants and hydropower plants of the Group which participated in direct power supply market transactions, their electricity sold through direct power supply transactions amounted to 30,230,377MWh and 183,380MWh respectively, together accounting for approximately 57.34% (2021: 41.84%) of the Group's total electricity sold during the period. The proportion of direct power electricity sold by coal-fired power and hydropower accounted for 100% and 1.43% of their respective segments respectively (2021: 54.52% and 33.13%). During the period under review, the on-grid tariffs of direct power supply by hydropower were much lower than the official benchmark on-grid tariffs that the government approved for hydropower generation, and thus the Group has reduced the proportion of direct power supply by hydropower significantly.

For those coal-fired power and hydropower plants of the Group which participated in direct power supply market transactions in the first half of 2022, their average on-grid tariffs were at a premium of approximately 19.34% and a discount of approximately 23.22% (2021: discounts of 6.38% and 6.17%) respectively compared with their respective average on-grid tariffs officially approved by the Chinese Government. In October 2021, the National Development and Reform Commission published Circular No. 1439 "Notice on Further Deepening the Market-oriented Reform of On-Grid Tariff for Coal-fired Power Generation (《關於進一步深化燃煤發電上網電價市場化改革的通知》)", pursuant to which, all the existing coal-fired power generation would be traded via market transactions, and currently, the power production quota of the large-scale coal-fired power generating units of the Group were all obtained from the market, bringing the proportion of market power sales to 100%. As the coal prices soared, the coal-fired power enterprises of various provinces increased the market trading prices of electricity. The market trading prices of electricity in the regions where the Group's coal-fired power plants were located, save for Shanxi and Guizhou, have all been increased to 20% above the local benchmark on-grid tariffs for coal-fired power generation.

## Average On-Grid Tariff

For the first half of 2022, the Group's average on-grid tariffs of each power segment as compared with the corresponding period last year (as restated) were as follows:

- Hydropower was RMB262.29/MWh, representing an increase of RMB0.81/MWh. It was mainly attributable to the decrease in the proportion of market-trading electricity sales with relatively lower on-grid tariffs, and thus resulted in a higher average tariff of hydropower.
- Wind power was RMB482.87/MWh, representing a decrease of RMB17.84/MWh. It was mainly attributable to the increase in the proportion of market-trading electricity sales with relatively lower on-grid tariffs, and thus resulted in a lower average tariff of wind power.

- Photovoltaic power was RMB443.37/MWh, representing a decrease of RMB5.46/MWh. It was mainly attributable to the commencement of operation of the Group's photovoltaic power generation grid parity and competitive-bidding projects, which resulted in a lower average tariff of photovoltaic power.
- Coal-fired power was RMB401.92/MWh, representing an increase of RMB72.48/MWh. It was mainly attributable to the increase in on-grid tariffs above the benchmark tariffs for coal-fired power generation under the relaxation of the tariff cap for electricity by the Central Government.
- Natural gas power was RMB620.86/MWh, representing an increase of RMB73.81/MWh. It was mainly benefitted from the subsidy policy of Guangdong Development and Reform Commission for natural gas power.

### **Average Utilization Hours of Power Generating Units**

For the first half of 2022, the average utilization hours of power generating units of each power segment of the Group as compared with the corresponding period last year were as follows:

- The average utilization hours of hydropower generating units was 2,379 hours, representing an increase of 138 hours as compared with the corresponding period last year, which was mainly attributable to the increase in power generation as a result of the increase in the average rainfall in the river basins where the Group's hydropower plants are located during the period.
- The average utilization hours of wind power generating units was 1,099 hours, representing a decrease of 81 hours as compared with the corresponding period last year, which was mainly attributable to the less favourable conditions of wind resources throughout China as compared with that in the corresponding period last year.
- The average utilization hours of photovoltaic power stations was 825 hours, representing an increase of 51 hours as compared with the corresponding period last year, which was mainly attributable to the results achieved from effective facility management and maintenance.
- The average utilization hours of coal-fired power generating units was 2,154 hours, representing a decrease of 2 hours as compared with the corresponding period last year, which was mainly attributable to the impact of the squeeze in power consumption demand as a result of the rapid growth in electricity sales from non-fossil energy such as hydropower.
- The average utilization hours of natural gas power generating units was 1,529 hours, representing a decrease of 483 hours as compared with the corresponding period last year, which was mainly attributable to the decline in power consumption demand for the natural gas project of the Group located in Hubei Province.

### **Energy Storage**

For the first half of 2022, the revenue of energy storage amounted to RMB92,515,000, of which RMB69,078,000 was derived from the provision of subcontracting services for development and assembling integration of energy storage power stations and energy storage capacities leasing service. The remainder was mainly revenue from charging services of energy storage power stations and peak shaving compensation.



For the first half of 2022, Xinyuan Smart Storage has launched a total of 10 energy storage projects with a total capacity of 570MW/1,137MWh, and is developing 11 projects with a total capacity of 1,150MW/2,500MWh. Among them, the energy storage system of the Linyi Yishui 300MW/600MWh Independent Energy Storage Demonstration Project (Phase I) has been included in the 2022 Shandong Province Energy Storage Demonstration Projects, which is of great significance to the Group's subsequent acquisition of new energy construction quotas.

It is expected that a number of self-use energy storage projects under construction will be put into commercial operation within this year, including the SPIC Haiyang 100MW/200MWh Shared Energy Storage Power Station Project, Qinghai Golmud 100MW/200MWh Energy Storage Power Station Project and Shandong Weishan County 100MW/200MWh Energy Storage Power Station Project, etc. These projects are expected to bring significant benefits to the Group when they are put into operation.

## OPERATING RESULTS OF THE FIRST HALF OF 2022

For the first half of 2022, the net profit of the Group amounted to RMB1,430,427,000, representing a decrease of RMB1,140,145,000 or 44.35% as compared with the corresponding period last year.

For the first half of 2022, the net profit (loss) of each operating segment was as follows:

<b>Operating Segment</b>	<b>First half of 2022</b>	<b>First half of 2021 (Restated)</b>	<b>Changes</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
- Hydropower	<b>1,233,212</b>	1,051,196	17.32
- Wind power	<b>856,443</b>	929,013	-7.81
- Photovoltaic power	<b>636,919</b>	440,104	44.72
- Coal-fired power	<b>(1,095,974)</b>	166,737	-757.31
- Energy storage	<b>23,522</b>	N/A	N/A
- Unallocated	<b>(223,695)</b>	(16,478)	1,257.54

As compared with the first half of 2021, the changes in net profit were mainly due to the following factors:

### Revenue

The revenue of the Group was derived from the sales of electricity to regional and provincial power grid companies, and the provision of power generation and energy storage-related services. For the first half of 2022, the Group recorded a revenue of RMB20,305,157,000, representing an increase of 19.68% as compared with RMB16,965,636,000 (as restated) of the corresponding period last year.

For the first half of 2022, the details of revenue of each operating segment are set out as follows:

<b>Operating Segment</b>	<b>First half of 2022</b>	First half of 2021 (Restated)	<b>Changes</b>
	<b>RMB'000</b>	<b>RMB'000</b>	
- Hydropower	<b>3,367,340</b>	3,164,292	6.42
- Wind power	<b>2,436,299</b>	1,853,709	31.43
- Photovoltaic power	<b>2,005,709</b>	1,571,859	27.60
- Coal-fired power	<b>12,403,294</b>	10,375,776	19.54
- Energy storage	<b>92,515</b>	N/A	N/A
<b>Total</b>	<b>20,305,157</b>	16,965,636	19.68

- Revenue from hydropower increased by RMB203,048,000, which is attributable to the increase in average on-grid tariff and the increase in electricity sales of hydropower during the period.
- Revenue from wind power and photovoltaic power increased by RMB1,016,440,000 in aggregate due to the commencement of commercial operation of various projects.
- Revenue from coal-fired power increased by RMB2,027,518,000, which was benefitted from the relaxation of the on-grid tariff cap for coal-fired electricity in the market.
- Revenue from energy storage for the period amounted to RMB92,515,000 as the Group started to provide energy storage-related services, such as subcontracting services for development and assembling integration, for energy storage power stations since the second half of last year.

## **Operating Costs**

Operating costs of the Group mainly consist of fuel costs, repairs and maintenance expenses for power generating units and facilities, depreciation, staff costs, subcontracting costs, consumables and other operating expenses. For the first half of 2022, the operating costs of the Group amounted to RMB16,857,356,000, representing a rise of 31.25% as compared with RMB12,843,392,000 (as restated) of the corresponding period last year. The increase in operating costs was mainly due to the significant increase in fuel costs, and the increase in both depreciation and other operating expenses as further explained below.

### *Total Fuel Costs*

The total fuel costs increased by RMB2,758,198,000 as a result of the year-on-year surge in coal prices.

### *Unit Fuel Cost*

The average unit fuel cost of the Group's coal-fired power business was RMB331.57/MWh, representing an increase of 40.48% from that of RMB236.03/MWh of the corresponding

period last year. Coal prices remained steadily high mainly due to the continuous tight supply and demand of thermal coal. In response to the unfavourable situation of tight supply and steadily high prices in coal market at the moment, the Group adopted the principal strategy of “developing long-term contract and further enhancing the mixed-combustion” to stabilize the coal supply for electricity and fulfilled over 90% of the long-term coal contracts. In addition, the Group established coal reserve at staggered peaks in an effort to curb the purchase prices of coal.

#### *Depreciation and Staff Costs*

Depreciation of property, plant and equipment and the right-of-use assets and staff costs increased by RMB906,466,000 in aggregate as a result of business expansion and the large number of power generating units that commenced commercial operation during the period.

#### *Subcontracting Costs*

The Group’s energy storage business segment is principally engaged in the provision of subcontracting services for the development and assembling integration of new energy storage power station projects. The subcontracting cost, being the operating cost of this business segment, for the period was RMB58,313,000.

#### *Other Operating Expenses*

Other operating expenses increased by RMB176,676,000 year-on-year, mainly due to the increase in power and heat generation costs and administrative and selling-related expenses.

#### **Other Gains and Losses, Net**

The net gains from other gains and losses decreased by RMB165,879,000 year-on-year, mainly due to the decrease in profits on sales of heat, trading of coal, coal by-products, spare parts and others.

#### **Operating Profit**

For the first half of 2022, the Group’s operating profit was RMB4,016,650,000, representing a decrease of 15.69% as compared with the operating profit of RMB4,764,370,000 (as restated) of the corresponding period last year.

#### **Finance Costs**

For the first half of 2022, the finance costs of the Group amounted to RMB2,137,952,000 (2021: RMB1,966,549,000), representing an increase of RMB171,403,000 or 8.72% as compared with the corresponding period last year. The increase in interest expense was in line with the rise of debts level as a result of the expansion of asset scale.

#### **Share of Results of Associates**

For the first half of 2022, the share of results of associates was a loss of RMB71,178,000, representing a decrease in profit of RMB178,424,000 as compared with the profit of RMB107,246,000 of the corresponding period last year. The turnaround from profit to loss was mainly due to the decrease in net profits of the associates engaging in coal-fired power-related business as a result of the year-on-year increase in coal prices.

## **Share of Results of Joint Ventures**

For the first half of 2022, the share of results of joint ventures was a loss of RMB7,689,000, representing an increase in loss of RMB6,875,000 as compared with the loss of RMB814,000 of the corresponding period last year. The increase in losses was mainly due to the increase in net losses of the joint ventures engaging in coal-fired power-related business as a result of the year-on-year increase in coal prices.

## **Income Tax Expense**

For the first half of 2022, income tax expense of the Group was RMB460,237,000, representing an increase of RMB31,499,000 as compared with RMB428,738,000 of the corresponding period last year. The increase was mainly attributable to the year-on-year increase in profits from the hydropower segment and the changes in profit/loss contributions from different operating segments.

## **Interim Dividend**

The Board has resolved not to distribute any interim dividend for the six months ended 30 June 2022.

## **EQUITY INSTRUMENTS AT FVTOCI**

As at 30 June 2022, the carrying amount of equity instruments at FVTOCI was RMB4,345,673,000, accounting for 2.31% of total assets, including listed equity securities of RMB3,723,745,000 and unlisted equity investments of RMB621,928,000.

Listed equity securities represent the equity interests in Shanghai Power held by the Group. As at 30 June 2022, the Group held 13.88% of the issued share capital of Shanghai Power, the A shares of which are listed on the Shanghai Stock Exchange. It was categorized into the level 1 financial assets of fair value measurements, and its fair value decreased by 20.05% as compared with RMB4,657,406,000 as at 31 December 2021.

Unlisted equity investments represent the Group's investment in equity of some unlisted companies principally engaged in financial services, coal production and electricity trading services respectively. They were categorized into the level 3 financial assets of fair value measurements. As at 30 June 2022, the aggregate fair value of unlisted equity investments owned by the Group was RMB621,928,000, representing an increase of 7.49% from RMB578,589,000 as at 31 December 2021.

The valuation technique and key inputs used for measuring the fair value of the above level 3 financial assets were market approach, i.e. fair value of such equity instruments is estimated by calculating the appropriate value ratio based on market multiples derived from a set of comparable listed companies in the same or similar industries. Key inputs were (i) the market value of the said equity interests, (ii) price-to-book ratio of the comparable companies (0.85-2.00), (iii) the enterprise value multiple (6.11-12.27), and (iv) the marketability discount (12.83%-25.60%).

The fair value loss on equity instruments at FVTOCI for the six months ended 30 June 2022 of RMB680,493,000 (net of tax) (2021: loss of RMB43,681,000) was recognized in the interim condensed consolidated statement of comprehensive income.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

On 30 June 2022, the Company and CPNE entered into Agreement I, pursuant to which the Company conditionally agreed to acquire, and CPNE conditionally agreed to sell, Equity Interests I at a consideration of RMB5,782,593,419.82 subject to adjustment, which will be settled by the issue of the Consideration Shares to CPNE by the Company under the Special Mandate at the Issue Price of HK\$4.40 per Consideration Share. On the same day, the Company and CPINE entered into Agreement II, pursuant to which the Company conditionally agreed to acquire, and CPINE conditionally agreed to sell, Equity Interests II at a consideration of RMB1,670,098,862.61 subject to adjustment, which will be settled by cash.

Target Companies I and Target Companies II are mainly engaged in power generation with clean energy, including wind power, photovoltaic power and environmental waste-to-energy power. The acquisitions will accelerate the strategic progress of the expedited development of clean energy business of the Company and expand its clean energy bases in new regions of China. As CPNE and CPINE are both indirect subsidiaries of SPIC, the ultimate controlling shareholder of the Company, the proposed acquisitions constitute discloseable and connected transactions of the Company which are subject to the independent shareholders' approval. For details, please refer to the announcement and the circular of the Company dated 30 June 2022 and 28 July 2022 respectively.

On 24 August 2022, the resolution in respect of the above proposed acquisitions was duly passed by the independent shareholders of the Company at the general meeting.

Save as disclosed above, the Group did not have any other material acquisitions and disposals during the period under review.

## **EVENT AFTER THE REPORTING PERIOD**

The Company adopted a new share option incentive scheme which was approved by its shareholders at an extraordinary general meeting held on 15 June 2022 (the “**Share Incentive Scheme**”). Under the Share Incentive Scheme, the Company granted a total of 103,180,000 share options in two tranches in July 2022 respectively. All the aforesaid grantees are employees of the Company or its controlled subsidiaries. For details, please refer to the announcements of the Company dated 5 and 20 July 2022 respectively.

## **LIQUIDITY, CASH FLOWS AND FINANCIAL RESOURCES**

As at 30 June 2022, cash and cash equivalents of the Group were RMB8,579,462,000 (31 December 2021: RMB1,766,632,000). Current assets amounted to RMB27,305,464,000 (31 December 2021: RMB18,570,390,000), current liabilities amounted to RMB47,366,965,000 (31 December 2021: RMB45,535,822,000) and current ratio was 0.58 (31 December 2021: 0.41).

During the period under review, the Group recorded a net increase in cash and cash equivalents of RMB6,810,225,000 (2021: net increase of RMB5,701,680,000 (including cash and cash equivalents as part of disposal groups classified as held for sale)). For the six months ended 30 June 2022:

- net cash generated from operating activities amounted to RMB6,625,423,000 (2021 (restated): RMB2,601,613,000), which mainly represented the changes in working capital. The significant increase in cash inflow was mainly attributable to the decline in prepayments, deposits and other receivables.
- net cash used in investing activities amounted to RMB8,519,147,000 (2021 (restated): RMB5,909,284,000), which mainly represented the cash outflow of capital expenditure on payments for property, plant and equipment and prepayments for construction of power plants of the Group. The significant increase in cash used was mainly attributable to the expanding investment in new energy projects.
- net cash generated from financing activities amounted to RMB8,703,949,000 (2021: RMB9,009,351,000). The decrease in net cash generated, as compared with the corresponding period last year, was mainly because the percentage increase in the outflow for repayment of borrowings from banks and related parties, as well as other borrowings outweighed that of the inflow from financing activities, hence resulting in the year-on-year decrease in net cash inflow.

The financial resources of the Group were mainly derived from cash inflow generated from operating activities, borrowings from banks and related parties, and project financing.

## **DEBTS**

As at 30 June 2022, total debts of the Group amounted to RMB115,360,699,000 (31 December 2021: RMB105,921,101,000). All debts of the Group are denominated in RMB, Japanese Yen (“**JPY**”) or United States Dollars (“**USD**”).

As at 30 June 2022, the Group’s gearing ratio, calculated as net debt (being total debts less cash and cash equivalents) divided by total capital (being total equity plus net debt), was approximately 67% (31 December 2021: approximately 67%). The Group’s gearing ratio remained stable.

As at 30 June 2022, the amount of borrowings granted by SPIC Financial was approximately RMB4.47 billion (31 December 2021: approximately RMB4.93 billion).

## **ASSET IMPAIRMENT**

When there is any indication of impairment, the Group will conduct an impairment test on assets such as property, plant and equipment and right-of-use assets to assess whether an impairment has occurred. During the period, the Company has no material asset impairment.

## **SIGNIFICANT FINANCING**

### *Issue of commercial papers*

In March 2022, Wu Ling Power Corporation\*, a subsidiary of the Company, issued the fifth tranche of super & short-term commercial papers in the PRC in a principal amount of RMB1 billion at the interest rate of 2.10% per annum and a maturity period of 180 days. The proceeds have been fully applied towards the repayment of existing bank borrowings. Such super & short-term commercial papers can be issued in tranches on a revolving basis with an aggregate principal amount up to RMB2 billion within the effective term of two years commencing from July 2020.

### *Issue of debt financing instruments*

In August 2021, the Company obtained approval for its application for issuing debt financing instruments (“DFI”) in the interbank bond market in the PRC with an effective registration period of two years commencing from August 2021. Within the effective registration period, the Company is permitted to issue multi-type of DFI, including but not limited to super & short-term commercial papers, short-term commercial papers, medium-term notes, perpetual notes, asset-backed notes and green debt financing instruments in one or multiple tranches.

Under the DFI registration, the Company issued in June 2022, (i) the first tranche of medium-term notes in a principal amount of RMB2 billion at the interest rate of 3.00% per annum and a maturity period of three years; (ii) the first tranche of super & short-term commercial papers (rural revitalization) in a principal amount of RMB1 billion at the interest rate of 2.10% per annum and a maturity period of 270 days; and (iii) the second tranche of medium-term notes in a principal amount of RMB2 billion at the interest rate of 2.99% per annum and a maturity period of three years.

The proceeds from all of the above debt issues have been fully applied towards the repayment of the existing borrowings and/or replenishment of the working capital of the Group and/or rural revitalization projects.

## **CAPITAL EXPENDITURE**

For the first half of 2022, the capital expenditure of the Group was RMB8,155,033,000 (2021 (restated): RMB7,148,324,000). In particular, the capital expenditure for clean energy segments (hydropower, wind power, photovoltaic power and energy storage) was RMB6,274,389,000 (2021 (restated): RMB5,258,055,000), which was mainly applied for the engineering construction of new power plants and power stations, and the asset purchases related to the energy storage business; whereas the capital expenditure for coal-fired power segment was RMB1,653,404,000 (2021 (restated): RMB1,772,138,000), which was mainly applied for the engineering construction of new coal-fired power generating units and technical upgrade for the existing power generating units. These expenditures were mainly funded by project financing, funds generated from business operations and borrowings from related parties.

## **PLEDGE OF ASSETS**

As at 30 June 2022, the Group pledged certain property, plant and equipment with a net book value of RMB1,481,360,000 (31 December 2021: RMB386,243,000) to certain banks to secure bank borrowings in the amount of RMB440,155,000 (31 December 2021: RMB114,620,000). In addition, certain bank borrowings, certain borrowings from related parties and certain lease liabilities totaling RMB21,236,565,000 (31 December 2021: RMB21,242,398,000 (including bank borrowings as part of disposal groups classified as held for sale)) were secured by the rights on certain accounts receivable. The accounts receivable secured under these borrowings amounted to RMB4,039,467,000 (31 December 2021: RMB2,568,225,000).

## **CONTINGENT LIABILITIES**

As at 30 June 2022, the Group had no material contingent liabilities.

## **FOREIGN EXCHANGE RISKS**

The Group principally operates its businesses in Mainland China with most of its transactions settled in RMB. Apart from certain bank borrowings and borrowings from related parties as well as cash and cash equivalents, the Group's assets and liabilities are mainly denominated in RMB. The Group held borrowings denominated in JPY and USD during the period. Volatility of RMB exchange rate against JPY and USD may increase the exchange risks of the Group, thus affecting its financial position and operating results. As at 30 June 2022, the Group's borrowings denominated in foreign currencies amounted to RMB484,185,000 (31 December 2021: RMB281,747,000) and therefore did not expose the Group to significant foreign exchange risk .

The Group will continue to keep track on the movements of exchange rate and, if necessary, take responsive measures to avoid excessive foreign exchange rate risks.

## **FUNDING RISKS**

With the Group's strengthened efforts in developing all kinds of new power projects, funding adequacy will have an increasing impact on the Group's operations and development. The financing market is affected by a number of factors such as the liquidity of the lending market and the economic environment, which in turn may also affect the effectiveness and costs of the Group's borrowing. The Group has always leveraged its capability of accessing the Mainland China and overseas markets to optimize its funding sources, increase the credit facilities and lower its financing costs.

As at 30 June 2022, the Group had sufficient available unutilized financing facilities amounting to RMB32,043,000,000 and will refinance and restructure the existing loan terms when appropriate to safeguard against funding risks.

## **SOCIAL AND ENVIRONMENTAL GOVERNANCE**

### **Operational Safety**

In the first half of 2022, no material accident in the aspects of employees, facilities and environmental protection occurred in the Group.

### **Human Resources**

As at 30 June 2022, the Group had a total of 10,928 (2021: 10,413) full-time employees.

### **Energy Saving and Emission Reduction**

The Group has always been placing a great emphasis on environmental protection from the perspective of sustainable corporate development, vigorously promoting energy saving and emission reduction, conscientiously fulfilling its social responsibilities and actively responding to global climate change.



For the first half of 2022, the net coal consumption rate of the Group was 300.95g/kWh, representing a decrease of 0.40g/kWh as compared with the corresponding period last year.

For the first half of 2022, the operational ratio of desulphurization facilities for the coal-fired power generating units of the Group was 100% (2021: 100%), and the efficiency ratio of desulphurization reached 99.42% (2021: 99.36%); while the operational ratio of denitration facilities was 100% (2021: 100%) and the efficiency ratio of denitration reached 90.27% (2021: 88.89%).

During the period under review, the environmental protection indicators for coal-fired power generating units were as follows:

- the emission rate of sulphur dioxide (SO<sub>2</sub>) at 0.068g/kWh, representing a decrease of 0.014g/kWh as compared with the corresponding period last year;
- the emission rate of nitrogen oxide (NO<sub>x</sub>) at 0.128g/kWh, representing a decrease of 0.020g/kWh as compared with the corresponding period last year; and
- the emission rate of flue gas and dusts at 0.008g/kWh, representing a decrease of 0.001g/kWh as compared with the corresponding period last year.

The environmental indicators improved significantly as compared with the corresponding period of last year, which was mainly due to the completion of the ultra-low emission upgrade of two 660MW generating units in Pu'an Power Plant during the second half of the previous year.

## **OUTLOOK FOR THE SECOND HALF OF 2022**

As the pandemic prevention and control measures gradually showed positive results and the government expedited the implementation of a series of economic stabilization policies and initiatives, the domestic economic activities and electricity demand in China recovered at a faster pace in general lately. The China Electricity Council predicted that the national total electricity consumption will grow by approximately 7% year-on-year in the second half of 2022 and the national total electricity consumption for the year will increase by 5%-6% year-on-year.

In the second half of 2022, the Group will adhere to the keynote of high-quality clean energy development with a focus on the following tasks:

**Maintain strategic focus and drive transformation through active clean energy investment.** The Group will complete the capital injection of clean energy projects at full speed and achieve seamless assets integration and maximize strategic synergy in respect of the Company's discloseable and connected transactions which were just approved by the shareholders in the general meeting held yesterday. In addition, the Group will devote efforts to the large-scale new energy base development projects in Ningxia and Inner Mongolia, as well as the integrated power source, grid, load and storage project in Qinghai region of the PRC.

**Explore the “Three New Businesses” (三新產業) of expanding new energy industries, new business forms and new models.** Green power transportation development - As one of the first batch of key promotion and demonstration projects of green power transportation business of the Group, Chaoyang Green Power and Zero-Carbon Transportation Demonstration Project has completed the preparation of the top-level planning proposal, and has coordinated with Chaoyang City’s cooperative enterprises to jointly promote the battery charging and swapping stations for sanitation vehicles and heavy-duty trucks in Chaoyang City, Liaoning Province of the PRC. It is expected that after the project is put into operation, it can increase the proportion of green power in the locality and thus contributing to carbon emission reduction in local transportation. The successful commercial application of the demonstration project will provide a replicable model for green power transportation.

Energy storage development - The Group will continue to explore new variety of energy storage demonstration projects, including support the launch of user-side energy storage projects, as well as materialize “new energy + modern agriculture” projects and “new energy + rural revitalization” projects successively. Furthermore, the Group will accelerate the research on and application of electrochemical energy storage-related technology and expedite the introduction of production lines for energy storage battery modules.

In July 2022, the Company won two awards at the 6th International Energy Storage Innovation Competition organized by the International Energy Storage Alliance and China Energy Storage Alliance in the PRC. Mr. He Xi, the chairman of the Company, was honoured with the “2022 Person of the Year for Energy Storage Award”, and the Haiyang 100MW/200MWh Energy Storage Power Station Subcontracting Project undertaken by Xinyuan Smart Storage, a subsidiary of the Company, won the “2022 Top Ten Energy Storage Application Innovation Models” award. The awards have strengthened the market confidence in the Group’s energy storage capability.

**Support green finance and promote environmental, social and governance (“ESG”).** In May 2022, the Company obtained two loan projects in the amount of RMB2 billion and USD100 million in Hong Kong which were endorsed with Green Finance Pre-Issuance Stage Certificate by the Hong Kong Quality Assurance Agency (HKQAA). As the first mainland power generation listed company to obtain such certification in Hong Kong, it was a recognition of the Company’s contribution to environmental protection and energy conservation and emission reduction. The green loans are green financing instruments adopted by the Company to finance the Group’s clean energy development projects, while the certification has enhanced the credibility of the Group in the clean energy sector. The Group will continue to make use of green finance to implement its clean energy transformation in the future.

In July 2022, The Hong Kong Exchanges and Clearing Limited held a summit titled “The Future of Investor Relations – Innovation, ESG and Impact”. Mr. Shou Rufeng, the vice president of the Company, attended the event by video from Beijing and gave a presentation on the Company’s ESG practices, sharing with the market participants the Group’s strategic goal to achieve the corporate vision of becoming a world-class green and low-carbon energy provider, and its ESG governance structure, corporate social responsibility and philosophy. The Group will stay committed to green, innovative and high-quality development with a focus on promoting sustainable and rapid development of clean and low carbon energy.

The Group will actively adapt to the energy policies and new market landscapes in a bid to meet the transformation goals at various stages of the new strategy so as to reward all shareholders with concrete actions and results.

## **REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS BY AUDIT COMMITTEE**

The Audit Committee, which comprises three independent non-executive Directors, has discussed and reviewed with the management and the auditor of the Company, Ernst & Young, the interim condensed consolidated financial statements for the six months ended 30 June 2022.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2022.

## **CORPORATE GOVERNANCE**

The Company believes that good corporate governance is an essential element in enhancing and safeguarding the interests of shareholders and other stakeholders, and is vital to the healthy and sustainable development of the Group. The Company commits to maintaining a high level of corporate governance by adopting and applying good corporate governance principles and practices. The Company has formed a standardized governance structure and has in place an effective risk management and internal control system.

The Group's corporate governance has been fully disclosed in the "Corporate Governance Report" of the Company's annual report 2021. The Company has complied with all the relevant provisions of Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2022.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a set of Code of Conduct for Securities Transactions by Directors (the "Code of Conduct"), the terms of which are no less than the requirements of Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific inquiries to all Directors, they confirmed that they have fully complied with the Code of Conduct throughout the six months ended 30 June 2022.

## **PUBLICATION OF RESULTS ANNOUNCEMENT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY**

This results announcement is published on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and on the Company's websites at [www.chinapower.hk](http://www.chinapower.hk) and [irasia.com/listco/hk/chinapower](http://irasia.com/listco/hk/chinapower) respectively.

The interim report 2022 will be sent to those shareholders of the Company who have selected to receive the printed version of corporate communication only, and the soft copy of the interim report will also be made available for review on the above websites in due course.

*\* English or Chinese translation, as the case may be, is for identification only*

By Order of the Board  
**China Power International Development Limited**  
**HE Xi**  
*Chairman*

Hong Kong, 25 August 2022

*As at the date of this announcement, the directors of the Company are: executive directors HE Xi and GAO Ping, non-executive directors ZHOU Jie and XU Zuyong, and independent non-executive directors LI Fang, YAU Ka Chi and HUI Hon Chung, Stanley.*