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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 2024

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 2024. These financial information 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		Change %
	2024 RMB'000	2023 RMB'000	
Revenue	26,471,527	21,317,030	24.18
Profit for the period	4,591,763	2,549,571	80.10
Profit attributable to equity holders of the Group	2,802,197	1,849,653	51.50
Profit attributable to ordinary shareholders of the Company	2,569,879	1,679,854	52.98
	RMB	RMB	%
Basic earnings per share	0.21	0.14	50.00
	MWh	MWh	%
Gross power generation	66,842,047	50,442,852	32.51
Total electricity sold	64,344,154	48,259,373	33.33

2024 marks the 20th anniversary of the Company’s listing on the Hong Kong Stock Exchange. Over the past two decades, the Group has achieved remarkable development and operating results. Its principal business has been transformed from solely coal-fired power at the beginning to a business structure that focuses on clean energy supply with multiple types of complementary power sources, making solid strides towards the strategic goal of becoming a world-class green and low-carbon energy supplier.

- During the period under review, clean energy power generation continued to be one of the key drivers of the Group’s profit growth. The profitability of the clean energy companies acquired last September continued to unfold, with profits from the wind power and photovoltaic power segments increasing by 34.87% and 46.47%, respectively, as compared with the corresponding period last year.
- The hydropower segment saw a turnaround from loss to profit, with profits increasing by 621.90% as compared with the corresponding period last year. This improvement in profit was primarily benefited from abundant rainfall in the river basins where the Group’s hydropower plants are located.
- Profits from the thermal power segment rose by 97.23% as compared with the corresponding period last year, which was primarily due to the reduction in fuel costs resulted from a decrease in the average purchase price of coal during the period.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2024

	<i>Notes</i>	Unaudited	
		Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Revenue	3	26,471,527	21,317,030
Other income	4	999,438	563,467
Fuel costs		(7,922,234)	(8,473,766)
Depreciation		(6,070,658)	(4,129,483)
Staff costs		(2,113,281)	(1,487,955)
Repairs and maintenance		(384,431)	(356,099)
Subcontracting costs		(8,415)	(312,837)
Cost of sales of energy storage equipment		(1,323,365)	(1,232,510)
Consumables		(221,734)	(244,261)
Other gains and losses, net	5	284,444	188,801
Other operating expenses	6	(2,244,983)	(1,353,971)
		<hr/>	<hr/>
Operating profit	7	7,466,308	4,478,416
Finance income	8	94,543	175,497
Finance costs	8	(2,575,678)	(1,986,918)
Share of results of associates		366,864	250,773
Share of results of joint ventures		116,775	61,891
		<hr/>	<hr/>
Profit before taxation		5,468,812	2,979,659
Income tax expense	9	(877,049)	(430,088)
		<hr/>	<hr/>
Profit for the period		4,591,763	2,549,571
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Ordinary shareholders of the Company		2,569,879	1,679,854
Other equity instruments' holders		232,318	169,799
Non-controlling interests		1,789,566	699,918
		<hr/>	<hr/>
		4,591,763	2,549,571
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share for profit attributable to ordinary shareholders of the Company (expressed in RMB per share)			
– Basic	10	0.21	0.14
		<hr/> <hr/>	<hr/> <hr/>
– Diluted	10	0.21	0.14
		<hr/> <hr/>	<hr/> <hr/>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Profit for the period	4,591,763	2,549,571
Other comprehensive income:		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value gain on equity instruments at fair value through other comprehensive income (“FVTOCI”), net of tax	417,502	189,291
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Fair value gain on debt instruments at FVTOCI, net of tax	60	1,143
Other comprehensive income for the period, net of tax	417,562	190,434
Total comprehensive income for the period	5,009,325	2,740,005
Attributable to:		
Ordinary shareholders of the Company	2,987,225	1,873,052
Other equity instruments’ holders	232,318	169,799
Non-controlling interests	1,789,782	697,154
Total comprehensive income for the period	5,009,325	2,740,005

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at	
	<i>Notes</i>	30 June 2024 Unaudited RMB'000	31 December 2023 Audited RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		214,628,358	202,555,694
Right-of-use assets		7,952,832	8,494,624
Prepayments for construction of power plants		5,861,266	6,194,356
Goodwill		1,240,558	1,240,558
Other intangible assets		15,548,069	16,135,447
Interests in associates		7,279,910	7,812,833
Interests in joint ventures		2,377,949	2,448,479
Equity instruments at FVTOCI		5,397,013	4,760,344
Deferred income tax assets		1,055,122	1,096,304
Restricted deposits		50,954	42,909
Other non-current assets		11,361,838	9,383,080
		<u>272,753,869</u>	<u>260,164,628</u>
Current assets			
Inventories		1,672,430	2,380,212
Accounts receivable	12	29,100,657	25,235,221
Prepayments, deposits and other receivables		8,430,384	7,967,510
Amounts due from related parties		3,427,295	4,111,062
Tax recoverable		73,743	69,473
Debt instruments at FVTOCI		51,774	59,345
Restricted deposits		5,302	80,513
Cash and cash equivalents		6,263,294	5,738,815
		<u>49,024,879</u>	<u>45,642,151</u>
Assets associated with a disposal group classified as held for sale	13	<u>3,802,048</u>	—
Total assets		<u><u>325,580,796</u></u>	<u><u>305,806,779</u></u>

	<i>Notes</i>	As at	
		30 June 2024 Unaudited RMB'000	31 December 2023 Audited RMB'000
EQUITY			
Equity attributable to ordinary shareholders of the Company			
Share capital		24,508,986	24,508,986
Reserves		15,322,134	13,956,246
		39,831,120	38,465,232
Other equity instruments		15,319,419	15,174,509
Non-controlling interests		45,120,575	41,380,971
Total equity		100,271,114	95,020,712
LIABILITIES			
Non-current liabilities			
Deferred income		92,600	58,107
Bank borrowings		105,238,365	99,651,965
Borrowings from related parties	14	10,536,994	16,582,669
Other borrowings	15	14,711,861	11,213,837
Lease liabilities		3,267,204	3,398,570
Deferred income tax liabilities		2,946,882	2,849,526
Provisions for other long-term liabilities	16	1,858,101	1,860,767
		138,652,007	135,615,441
Current liabilities			
Accounts and bills payables	17	3,288,457	3,823,396
Construction costs payable		19,276,592	16,494,052
Other payables and accrued charges		5,607,993	5,523,832
Amounts due to related parties		6,388,028	10,965,201
Bank borrowings		25,158,568	19,628,679
Borrowings from related parties	14	16,542,260	10,441,339
Other borrowings	15	7,125,287	7,063,759
Lease liabilities		517,100	734,022
Tax payable		565,858	496,346
		84,470,143	75,170,626
Liabilities associated with a disposal group classified as held for sale	13	2,187,532	—

	As at	
	30 June	31 December
	2024	2023
	Unaudited	Audited
	RMB'000	RMB'000
Total liabilities	225,309,682	210,786,067
Total equity and liabilities	325,580,796	305,806,779
Net current liabilities	33,830,748	29,528,475
Total assets less current liabilities	238,923,121	230,636,153

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Cash flows from operating activities		
Net cash generated from operating activities	5,422,743	3,248,977
Cash flows from investing activities		
Payments for property, plant and equipment, and right-of-use assets and prepayments for construction of power plants	(11,080,149)	(9,021,161)
Proceeds from disposal of property, plant and equipment	11,181	–
Payments of consideration payable for acquisition of subsidiaries in prior years	(4,316,107)	(750,975)
Cash inflow on change of associates to subsidiaries	869,484	–
Proceeds from disposal of a joint venture	173,901	–
Investments in associates and a joint venture	(9,760)	(279,607)
Capital injections to associates and a joint venture	(17,434)	(183,068)
Purchase of an equity instrument at FVTOCI	(80,000)	–
Repayment from related parties	178,526	2,502,433
Dividend received	78,635	32,295
Interest received	76,839	146,460
Decrease in restricted deposits	59,786	26,724
Net cash used in investing activities	(14,055,098)	(7,526,899)
Cash flows from financing activities		
Drawdown of bank borrowings	44,061,110	27,277,816
Drawdown of borrowings from related parties	9,387,061	4,806,199
Drawdown of other borrowings	8,394,007	588,564
Capital injections from non-controlling shareholders of subsidiaries	1,908,773	2,090,025
Issuance of perpetual debts	32,050	2,967,300
Repayment of bank borrowings	(37,418,668)	(20,035,597)
Repayment of borrowings from related parties	(9,096,225)	(3,991,929)
Repayment of other borrowings	(4,834,455)	(3,110,708)
Payments for lease liabilities	(526,370)	(711,755)
Dividend paid	(1,655,555)	(1,384,828)
Dividends paid to non-controlling interests	(1,091,661)	(312,005)
Net cash generated from financing activities	9,160,067	8,183,082

	Unaudited	
	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Net increase in cash and cash equivalents	527,712	3,905,160
Cash and cash equivalents at 1 January	5,738,815	4,228,099
Exchange gain/(loss), net	102	(11,138)
	<hr/>	<hr/>
Cash and cash equivalents at 30 June (note)	<u>6,266,629</u>	<u>8,122,121</u>

Note: As at 30 June 2024, cash and cash equivalents included those cash and cash equivalents as part of a disposal group classified as held for sale (Note 13) of RMB3,335,000 (30 June 2023: Nil).

Notes to the Interim Condensed Consolidated Financial Information

1 Basis of preparation

The Group's interim condensed consolidated financial information for the six months ended 30 June 2024 has 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**”). The interim condensed consolidated financial information does 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 2023 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 2023 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 the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, 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 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The above amendments had no material impact on the interim condensed consolidated financial information of the Group.

3 Revenue and segment information

Revenue recognized during the period is as follows:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Types of goods or services:		
Sales of electricity to regional and provincial power grid companies (note (a))	24,900,463	19,648,035
Provision of power generation (note (b))	43,078	42,625
Energy storage revenue (note (c))	1,527,986	1,626,370
	<u>26,471,527</u>	<u>21,317,030</u>
Timing of revenue recognition:		
Goods – at a point in time	26,462,460	20,988,703
Services – over time	9,067	328,327
	<u>26,471,527</u>	<u>21,317,030</u>
Geographical markets:		
People's Republic of China (the "PRC")	26,444,116	21,317,030
Other country	27,411	–
	<u>26,471,527</u>	<u>21,317,030</u>

Notes:

- (a) Sales of electricity in the PRC are 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 PRC, and some of these tariff rates followed the market-oriented price mechanism. Sales of electricity in other country are pursuant to power purchase agreements following relevant local policies.
- (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 energy storage equipment, 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 the interim condensed consolidated financial information.

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

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

	Unaudited						
	Six months ended 30 June 2024						
	Thermal power 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
Segment revenue							
Sales of electricity	11,636,641	2,688,047	5,871,984	4,703,791	–	–	24,900,463
Provision of power generation	5,939	–	127	37,012	–	–	43,078
Energy storage revenue	–	–	–	–	1,527,986	–	1,527,986
	<u>11,642,580</u>	<u>2,688,047</u>	<u>5,872,111</u>	<u>4,740,803</u>	<u>1,527,986</u>	<u>–</u>	<u>26,471,527</u>
Segment results	1,517,581	1,345,943	2,850,627	2,133,086	54,822	–	7,902,059
Unallocated income	–	–	–	–	–	328,815	328,815
Unallocated expenses	–	–	–	–	–	(764,566)	(764,566)
Operating profit/(loss)	1,517,581	1,345,943	2,850,627	2,133,086	54,822	(435,751)	7,466,308
Finance income	2,612	3,969	47,793	3,336	1,884	34,949	94,543
Finance costs	(347,385)	(378,133)	(898,617)	(846,104)	(13,361)	(92,078)	(2,575,678)
Share of results of associates	174,647	–	74,688	27,545	–	89,984	366,864
Share of results of joint ventures	(15,171)	–	109,262	7,304	–	15,380	116,775
Profit/(loss) before taxation	1,332,284	971,779	2,183,753	1,325,167	43,345	(387,516)	5,468,812
Income tax expense	(224,400)	(205,303)	(223,538)	(189,951)	(3,282)	(30,575)	(877,049)
Profit/(loss) for the period	<u>1,107,884</u>	<u>766,476</u>	<u>1,960,215</u>	<u>1,135,216</u>	<u>40,063</u>	<u>(418,091)</u>	<u>4,591,763</u>
Other segment information							
Capital expenditure							
– Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	1,513,946	135,039	3,423,804	6,096,851	120,448	206,381	11,496,469
Depreciation of property, plant and equipment	938,208	802,438	2,280,712	1,719,772	48,270	37,707	5,827,107
Depreciation of right-of-use assets	59,393	23,882	13,019	114,271	276	32,710	243,551
Amortization of other intangible assets	122,459	–	277,380	187,539	–	–	587,378
Loss/(gain) on disposal of property, plant and equipment, net	–	–	2	304	–	(36)	270
Impairment of property, plant and equipment	–	–	–	81,622	–	–	81,622
Reversal of impairment of other receivables	–	(97)	–	–	–	–	(97)

	Unaudited						
	As at 30 June 2024						
	Thermal power 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
Segment assets							
Other segment assets	41,162,734	38,367,534	114,167,009	98,499,326	5,575,644	–	297,772,247
Assets associated with a disposal group classified as held for sale	3,802,048	–	–	–	–	–	3,802,048
Goodwill	–	585,751	364,097	290,710	–	–	1,240,558
Interests in associates	3,219,046	–	739,447	346,306	–	2,975,111	7,279,910
Interests in joint ventures	134,790	–	973,530	591,725	–	677,904	2,377,949
	<u>48,318,618</u>	<u>38,953,285</u>	<u>116,244,083</u>	<u>99,728,067</u>	<u>5,575,644</u>	<u>3,653,015</u>	<u>312,472,712</u>
Equity instruments at FVTOCI							5,397,013
Deferred income tax assets							1,055,122
Other unallocated assets							<u>6,655,949</u>
Total assets per interim condensed consolidated statement of financial position							<u><u>325,580,796</u></u>
Segment liabilities							
Other segment liabilities	(3,988,262)	(4,500,530)	(12,135,346)	(11,030,000)	(3,011,292)	–	(34,665,430)
Liabilities associated with a disposal group classified as held for sale	(2,187,532)	–	–	–	–	–	(2,187,532)
Borrowings	<u>(24,468,361)</u>	<u>(21,149,690)</u>	<u>(60,779,833)</u>	<u>(62,628,494)</u>	<u>(1,131,792)</u>	<u>(9,155,165)</u>	<u>(179,313,335)</u>
	<u>(30,644,155)</u>	<u>(25,650,220)</u>	<u>(72,915,179)</u>	<u>(73,658,494)</u>	<u>(4,143,084)</u>	<u>(9,155,165)</u>	<u>(216,166,297)</u>
Deferred income tax liabilities							(2,946,882)
Tax payable							(565,858)
Other unallocated liabilities							<u>(5,630,645)</u>
Total liabilities per interim condensed consolidated statement of financial position							<u><u>(225,309,682)</u></u>

	Unaudited						
	Six months ended 30 June 2023						
	Thermal power electricity	Hydropower electricity	Wind power electricity	Photovoltaic power electricity	Energy storage	Unallocated	Total
	<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>
Segment revenue							
Sales of electricity	11,707,393	1,482,497	3,976,089	2,482,056	–	–	19,648,035
Provision of power generation	3,673	–	2,697	36,255	–	–	42,625
Energy storage revenue	–	–	–	–	1,626,370	–	1,626,370
	<u>11,711,066</u>	<u>1,482,497</u>	<u>3,978,786</u>	<u>2,518,311</u>	<u>1,626,370</u>	<u>–</u>	<u>21,317,030</u>
Segment results							
Unallocated income	–	–	–	–	–	190,099	190,099
Unallocated expenses	–	–	–	–	–	(444,445)	(444,445)
Operating profit/(loss)							
Finance income	8,026	4,799	30,648	32,896	507	98,621	175,497
Finance costs	(407,074)	(412,625)	(648,828)	(483,716)	(7,194)	(27,481)	(1,986,918)
Share of results of associates	136,979	2,134	22,781	20,015	–	68,864	250,773
Share of results of joint ventures	(18,673)	–	67,022	2,475	–	11,067	61,891
Profit/(loss) before taxation	771,995	(194,441)	1,591,561	877,153	36,666	(103,275)	2,979,659
Income tax (expense)/credit	(210,277)	47,578	(138,201)	(102,100)	(1,581)	(25,507)	(430,088)
Profit/(loss) for the period	<u>561,718</u>	<u>(146,863)</u>	<u>1,453,360</u>	<u>775,053</u>	<u>35,085</u>	<u>(128,782)</u>	<u>2,549,571</u>
Other segment information							
Capital expenditure							
– Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	290,305	230,959	3,172,473	4,133,843	576,215	228,302	8,632,097
Depreciation of property, plant and equipment	887,723	787,380	1,378,528	841,273	264	22,627	3,917,795
Depreciation of right-of-use assets	53,714	26,160	11,313	92,809	1,150	26,542	211,688
Amortization of other intangible assets	101,108	–	94,559	42,877	–	–	238,544
Loss on disposal of property, plant and equipment, net	–	301	393	–	–	–	694
Reversal of impairment of other receivables	–	–	–	–	–	(780)	(780)

Audited
As at 31 December 2023

	Thermal power electricity	Hydropower electricity	Wind power electricity	Photovoltaic power electricity	Energy storage	Unallocated	Total
	<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>
Segment assets							
Other segment assets	43,518,774	39,179,448	99,633,685	92,240,531	6,342,687	–	280,915,125
Goodwill	–	585,751	364,097	290,710	–	–	1,240,558
Interests in associates	3,024,481	–	1,735,254	325,290	–	2,727,808	7,812,833
Interests in joint ventures	149,961	–	1,051,147	580,375	–	666,996	2,448,479
	<u>46,693,216</u>	<u>39,765,199</u>	<u>102,784,183</u>	<u>93,436,906</u>	<u>6,342,687</u>	<u>3,394,804</u>	<u>292,416,995</u>
Equity instruments at FVTOCI							4,760,344
Deferred income tax assets							1,096,304
Other unallocated assets							<u>7,533,136</u>
Total assets per interim condensed consolidated statement of financial position							<u><u>305,806,779</u></u>
Segment liabilities							
Other segment liabilities	(4,743,321)	(4,725,976)	(9,028,795)	(10,509,611)	(3,572,442)	–	(32,580,145)
Borrowings	<u>(25,520,018)</u>	<u>(22,338,874)</u>	<u>(54,055,777)</u>	<u>(50,973,581)</u>	<u>(2,376,187)</u>	<u>(9,317,811)</u>	<u>(164,582,248)</u>
	<u>(30,263,339)</u>	<u>(27,064,850)</u>	<u>(63,084,572)</u>	<u>(61,483,192)</u>	<u>(5,948,629)</u>	<u>(9,317,811)</u>	<u>(197,162,393)</u>
Deferred income tax liabilities							(2,849,526)
Tax payable							(496,346)
Other unallocated liabilities							<u>(10,277,802)</u>
Total liabilities per interim condensed consolidated statement of financial position							<u><u>(210,786,067)</u></u>

4 Other income

	Unaudited	
	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Rental income	12,830	16,247
Income from provision of repairs and maintenance services	58,908	64,676
Dividend income	103,022	21,827
Income from provision of IT and other services	623,722	288,451
Waste treatment income	192,501	160,789
Others	8,455	11,477
	999,438	563,467

5 Other gains and losses, net

	Unaudited	
	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Amortization of deferred income	481	1,679
Government subsidies	171,347	58,303
Loss on disposal of property, plant and equipment, net	(270)	(694)
Loss on disposal of a joint venture	(12,978)	–
Impairment of property, plant and equipment	(81,622)	–
Sales of unused power production quota	1,829	–
Profits on sales of heat, trading of coal, coal by-products, spare parts and others	144,966	72,387
Others	60,691	57,126
	284,444	188,801

6 Other operating expenses

	Unaudited	
	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Amortization of other intangible assets	587,378	238,544
Research and development expenses	81,649	18,794
Lease expenses	73,622	32,817
Reversal of impairment of other receivables	(97)	(780)
Reservoir maintenance and usage fees	51,142	40,366
Operating costs related to power generation	655,136	385,023
Administrative and selling related expenses	291,876	208,079
Taxes other than income tax and surcharges	210,056	154,509
Others	294,221	276,619
	<u>2,244,983</u>	<u>1,353,971</u>

7 Operating profit

Operating profit is stated after charging the following:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Amortization of other intangible assets	587,378	238,544
Depreciation:		
– property, plant and equipment	5,827,107	3,917,795
– right-of-use assets	243,551	211,688
Lease expenses:		
– equipment	13,579	12,194
– leasehold land and buildings	60,043	20,623
Loss on disposal of a joint venture	12,978	–
Impairment of property, plant and equipment	81,622	–
Key management personnel compensation	7,514	8,819
	<u>7,514</u>	<u>8,819</u>

8 Finance income and finance costs

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Finance income		
Interest income from bank deposits	33,258	29,420
Interest income from related parties	43,744	97,101
Interest income from discounting effect on clean energy power price premium receivable (Note 12(b))	17,541	48,976
	<u>94,543</u>	<u>175,497</u>
Finance costs		
Interest expense on		
– bank borrowings	1,867,766	1,383,546
– borrowings from related parties	466,289	312,850
– other borrowings	275,851	206,118
– amounts due to related parties	324	1,338
– lease liabilities	79,313	73,159
– provisions for other long-term liabilities (Note 16)	51,974	52,026
	<u>2,741,517</u>	<u>2,029,037</u>
Less: amounts capitalized in property, plant and equipment	<u>(169,307)</u>	<u>(84,086)</u>
	<u>2,572,210</u>	<u>1,944,951</u>
Exchange loss, net	3,468	41,967
	<u>2,575,678</u>	<u>1,986,918</u>

The weighted average interest rate on capitalized borrowings is approximately 3.45% (2023: 3.75%) per annum.

9 Income tax expense

The Group's provision for Hong Kong profits tax has been provided at a tax rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong for the six months ended 30 June 2024.

The provision for PRC enterprise income tax is calculated based on the statutory tax rate of 25% (2023: 25%) on the estimated assessable profits for the six months ended 30 June 2024 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% (2023: 7.5%, 12.5%, 15% or 20%).

The amount of income tax recognized represents:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current income tax		
Charge for the period – PRC enterprise income tax	822,039	517,652
Under provision in prior years	57,244	7,164
	879,283	524,816
Deferred income tax		
Credit for the period	(2,234)	(94,728)
	877,049	430,088

Share of income tax charge attributable to associates and joint ventures for the six months ended 30 June 2024 of RMB96,292,000 (2023: RMB34,893,000) and RMB6,525,000 (2023: RMB7,275,000) respectively, were included in the Group's share of results of associates and joint ventures respectively for the current period.

The Group is within the scope of global minimum tax (“GMT”) under the Organisation for Economic Co-operation and Development Pillar Two model rules (“Pillar Two”). Subject to tax legislation enacting Pillar Two being passed in the jurisdictions where the Company and its subsidiaries operate, the Group is liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per jurisdiction. During the six months ended 30 June 2024, the Group does not operate in any jurisdiction where Pillar Two legislation was in effect and therefore the Group has no related current tax expense associated with GMT for the current period.

10 Earnings per share

(a) Basic

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.

	Unaudited	
	Six months ended 30 June	
	2024	2023
Profit for the period attributable to ordinary shareholders of the Company (RMB'000)	2,569,879	1,679,854
Weighted average number of shares in issue (shares in thousands)	12,370,151	12,370,151
Basic earnings per share (RMB)	0.21	0.14

(b) Diluted

For the six months ended 30 June 2024 and 2023, the computation of diluted earnings per share did not assume the exercise of the Company's share options as the exercise prices of these options were higher than the average market share price of the Company's shares during the period, therefore, the dilutive earnings per share was same as basic earnings per share.

11 Dividend

The Board has resolved not to distribute any interim dividend for the six months ended 30 June 2024 (2023: Nil) (Please also refer to Note 18).

12 Accounts receivable

	As at	
	30 June 2024 Unaudited RMB'000	31 December 2023 Audited RMB'000
Accounts receivable from regional and provincial power grid companies (notes (a) and (b))	32,062,946	26,383,363
Accounts receivable from other companies (note (a))	1,978,981	1,638,342
	<u>34,041,927</u>	<u>28,021,705</u>
Notes receivable (note (c))	19,282	178,406
	<u>34,061,209</u>	<u>28,200,111</u>
Analyzed for reporting purposes as:		
– Non-current (included in other non-current assets) (notes (a) and (b))	4,960,552	2,964,890
– Current	29,100,657	25,235,221
	<u>34,061,209</u>	<u>28,200,111</u>

Notes:

The analysis below includes those accounts receivable as part of a disposal group classified as held for sale (Note 13) of RMB395,948,000.

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

	As at	
	30 June	31 December
	2024	2023
	Unaudited	Audited
	RMB'000	RMB'000
Unbilled	4,960,552	2,964,890
1 to 3 months	29,477,323	25,056,815
	34,437,875	28,021,705

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 2024 and 31 December 2023 was insignificant.

- (b) As at 30 June 2024, accounts receivable from regional and provincial power grid companies included clean energy power price premium receivable of RMB4,960,552,000 (31 December 2023: RMB2,964,890,000), which was unbilled and was stated after discounting.

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

The financial resource for the clean energy power price premium is the national renewable energy fund that is 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 have come into force since 2012, and such applications are 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 is decided based on the scale of subsidy funds, there will not be any new Subsidy Catalogues to be published. Power grid companies will 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 are no foreseeable obstacles that would lead to the application not being approved before entering into either the Subsidy Catalogues or the Subsidy List. It is expected that the Group’s projects of wind, photovoltaic and waste-to-energy’s power generation will be listed as qualified projects for tariff premium after 30 June 2025 (31 December 2023: after 31 December 2024) and the corresponding premium receivables are estimated to be recovered after twelve months from the reporting date. Therefore, the Directors consider 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 2024, the respective clean energy power price premiums were adjusted for this financing component based on an effective interest rate of 3.58% (2023: 3.71%) per annum. During the current period, the Group’s revenue was adjusted by RMB78,186,000 (2023: RMB43,076,000) and interest income amounting to RMB17,541,000 (2023: RMB48,976,000) (Note 8) was recognized.

- (c) As at 30 June 2024, notes receivable were bank acceptance notes issued by third parties and were normally with a maturity period within 360 days (31 December 2023: 360 days).
- (d) As at 30 June 2024, certain of the bank borrowings, other borrowings (Note 15(c)), and lease liabilities (31 December 2023: certain of the bank borrowings, other borrowings and lease liabilities) were secured by the rights on certain accounts receivable. The accounts receivable pledged under these debts as at 30 June 2024 amounted to RMB9,962,718,000 (31 December 2023: RMB7,530,108,000).

13 Assets and liabilities associated with a disposal group classified as held for sale

On 30 June 2024, the Company entered into the cooperation framework agreement with Huainan Mining Industry (Group) Company Limited (“**Huainan Mining**”), which owns 40% of equity interests in Anhui Huainan Pingwei Electric Power Company Limited (“**Pingwei Power**”), pursuant to which the Company will dispose of its existing equity interests of 11% in Pingwei Power either by way of Huainan Mining increasing the registered capital of Pingwei Power or through direct equity transfer of the Company’s interest in Pingwei Power to Huainan Mining. Accordingly, the assets and liabilities attributable to Pingwei Power have been classified as a disposal group held for sale and are separately presented in the interim condensed consolidated statement of financial position. The operations of Pingwei Power is included in the Group’s “Thermal power electricity” segment for segment reporting.

The sales proceeds are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, therefore no impairment loss has been recognized.

14 Borrowings from related parties

	As at	
	30 June 2024	31 December 2023
	Unaudited RMB'000	Audited RMB'000
Non-current		
Long-term borrowings from State Power Investment Corporation Limited* (“SPIC”) (note (b))	12,649,631	12,788,499
Long-term borrowings from SPIC Financial Company Limited* (“SPIC Financial”) (note (c))	3,326,492	4,748,492
Long-term borrowings from other related parties (note (d))	2,002,520	1,775,423
	<u>17,978,643</u>	<u>19,312,414</u>
Less: Current portion of long-term borrowings from SPIC	(5,249,340)	(1,950,000)
Current portion of long-term borrowings from SPIC Financial	(1,391,000)	(678,238)
Current portion of long-term borrowings from other related parties	(801,309)	(101,507)
	<u>(801,309)</u>	<u>(101,507)</u>
	<u>10,536,994</u>	<u>16,582,669</u>
Current		
Short-term borrowings from SPIC (note (e))	500,000	2,000,000
Short-term borrowings from SPIC Financial (note (f))	6,395,000	3,489,000
Short-term borrowings from other related parties (note (g))	2,205,611	2,222,594
Current portion of long-term borrowings from SPIC (note (b))	5,249,340	1,950,000
Current portion of long-term borrowings from SPIC Financial (note (c))	1,391,000	678,238
Current portion of long-term borrowings from other related parties (note (d))	801,309	101,507
	<u>16,542,260</u>	<u>10,441,339</u>
	<u>27,079,254</u>	<u>27,024,008</u>

Notes:

The analysis below includes those borrowings from related parties as part of a disposal group classified as held for sale (Note 13) of RMB240,000,000.

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

	As at	
	30 June	31 December
	2024	2023
	Unaudited	Audited
	RMB'000	RMB'000
Renminbi	26,606,574	26,315,738
United States Dollars	712,680	708,270
	27,319,254	27,024,008

- (b) The long-term borrowings from SPIC are unsecured, interest bearing from 2.80% to 4.50% (31 December 2023: 2.80% to 4.75%) per annum.
- (c) The long-term borrowings from SPIC Financial are unsecured, interest bearing from 2.30% to 4.23% (31 December 2023: 3.10% to 4.27%) per annum.
- (d) The long-term borrowings from other related parties are unsecured, interest bearing from 2.99% to 4.00% (31 December 2023: 3.79% to 4.30%) per annum.
- (e) The short-term borrowings from SPIC are unsecured, interest bearing from 2.00% to 2.65% (31 December 2023: 2.00% to 3.60%) per annum and repayable within one year.
- (f) The short-term borrowings from SPIC Financial are unsecured, interest bearing from 2.40% to 2.80% (31 December 2023: 2.40% to 4.27%) per annum and repayable within one year.
- (g) The short-term borrowings from other related parties are unsecured, interest bearing from 1.75% to 4.95% (31 December 2023: 2.70% to 4.35%) per annum and repayable within one year.

15 Other borrowings

	As at	
	30 June 2024 Unaudited RMB'000	31 December 2023 Audited RMB'000
Non-current		
Medium-term notes issued by the Company (note (a))	14,500,000	13,000,000
Corporate bonds issued by the Company (note (b))	3,000,000	–
Long-term other borrowings from third parties (note (c))	<u>4,337,148</u>	<u>3,277,596</u>
	21,837,148	16,277,596
Less: Current portion of medium-term notes issued by the Company	(7,000,000)	(5,000,000)
Current portion of long-term other borrowings from third parties	<u>(125,287)</u>	<u>(63,759)</u>
	<u>14,711,861</u>	<u>11,213,837</u>
Current		
Super & short-term commercial papers issued by the Company (note (d))	–	2,000,000
Current portion of medium-term notes issued by the Company (note (a))	7,000,000	5,000,000
Current portion of long-term other borrowings from third parties (note (c))	<u>125,287</u>	<u>63,759</u>
	<u>7,125,287</u>	<u>7,063,759</u>
	<u>21,837,148</u>	<u>18,277,596</u>

Notes:

(a) The balance includes:

- (i) Two unsecured RMB denominated green medium-term notes issued by the Company in April 2024 of RMB2,000,000,000 for a term of three years and in June 2024 of RMB1,500,000,000 for a term of ten years respectively, which are interest bearing at 2.12% and 2.58% per annum respectively.

- (ii) Four unsecured RMB denominated medium-term notes issued by the Company in June, July and September 2022 respectively, each of RMB2,000,000,000 for a term of three years, which are interest bearing at 3.00%, 2.99%, 2.87% and 2.71% per annum respectively. As at 30 June 2024, two medium-term notes issued in June 2022 were classified and presented as current.
 - (iii) An unsecured RMB denominated medium-term note of RMB2,000,000,000 issued by the Company in October 2021 for a term of three years, which is interest bearing at 3.47% per annum. As at 30 June 2024, this medium-term note was classified and presented as current. An unsecured RMB denominated medium-term note of RMB2,000,000,000 issued by the Company in April 2021 for a term of three years has been repaid during the period.
 - (iv) An unsecured RMB denominated green note of RMB1,000,000,000 issued by the Company in October 2021 for a term of three years, which is interest bearing at 3.39% per annum. As at 30 June 2024, this green note was classified and presented as current.
- (b) As at 30 June 2024, the balance includes two unsecured RMB denominated corporate bonds issued by the Company in March 2024 of RMB2,000,000,000 and in April 2024 of RMB1,000,000,000 respectively, each with a term of three years, which are interest bearing at 2.67% and 2.39% per annum respectively.
 - (c) The balance includes RMB129,896,000 (31 December 2023: RMB172,576,000) was secured against the rights on certain accounts receivable (Note 12(d)) and interest bearing from 3.75% to 4.46% (31 December 2023: 3.88% to 5.10%) per annum and RMB565,342,000 (31 December 2023: RMB304,161,000) was secured by certain property, plant and equipment and interest bearing from 3.33% to 4.20% (31 December 2023: 3.33% to 4.20%) per annum, the remaining balances were unsecured and interest bearing from 3.40% to 4.15% (31 December 2023: 3.88% to 4.30%) per annum.
 - (d) As at 30 June 2024, an unsecured RMB denominated super & short-term commercial papers of RMB2,000,000,000 issued by the Company in December 2023 has been repaid during the current period.

16 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 are 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 is recognized as interest expense.

Analysis of the provisions for inundation compensations as at 30 June 2024 is as follows:

	As at	
	30 June	31 December
	2024	2023
	Unaudited	Audited
	RMB'000	RMB'000
Non-current liabilities	1,858,101	1,860,767
Current liabilities (included in other payables and accrued charges)	110,287	109,270
	1,968,388	1,970,037

The movements of the provisions for inundation compensations for the six months ended 30 June 2024 are as follows:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
At 1 January	1,970,037	1,971,993
Interest expense (Note 8)	51,974	52,026
Payment	(53,623)	(52,839)
At 30 June	1,968,388	1,971,180

17 Accounts and bills payables

	As at	
	30 June 2024 Unaudited RMB'000	31 December 2023 Audited RMB'000
Accounts payable (note (a))	3,074,036	3,371,340
Bills payable (note (b))	214,421	452,056
	<u>3,288,457</u>	<u>3,823,396</u>

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:

	As at	
	30 June 2024 Unaudited RMB'000	31 December 2023 Audited RMB'000
1 to 6 months	3,033,968	3,338,475
7 to 12 months	7,203	–
Over 1 year	32,865	32,865
	<u>3,074,036</u>	<u>3,371,340</u>

- (b) As at 30 June 2024, bills payable are bills of exchange with maturity period ranged from 3 to 12 months (31 December 2023: ranged from 3 to 12 months).

18 Event after the reporting period

On 22 August 2024, the Board has resolved to declare a special dividend of RMB0.05 per ordinary share payable in cash. Other than that, the Group has no other significant event after the reporting period.

BUSINESS REVIEW

Amid the rapidly evolving global energy landscape, China is undergoing a profound energy transformation. As of June this year, the total installed capacity of wind power and solar power surpassed that of coal-fired power for the first time, marking a milestone of China's significant progress in the clean energy sector and demonstrating its steadfast commitment to sustainable development.

In the first half of 2024, the national total electricity consumption in China rose by 8.1% year-on-year with the growth rate increased by 3.1 percentage points as compared with the corresponding period in 2023. The year-on-year increase in the growth rate of power consumption was mainly attributable to the continued momentum of national economic rebound.

In September 2023, we acquired a substantial number of project companies that are principally engaged in clean energy power generation from SPIC and its subsidiaries (the “**Clean Energy Acquisitions**”). During the period under review, these companies contributed a total net profit of RMB627,959,000 upon consolidation into the financial statements of the Group, and the profit contribution from clean energy continued to increase.

The Group has been actively developing its clean energy and emerging energy related businesses. Wind power and photovoltaic power generation projects continued to be the profit growth drivers of the Group. The hydropower segment successfully achieved a turnaround from loss to profit, primarily benefited from a year-on-year increase in average rainfall. On the other hand, benefited from the reduction in fuel costs due to the decrease in average purchase price of coal and a series of cost reduction and efficiency enhancement measures adopted by the Group, the thermal power segment achieved a substantial year-on-year growth in profit.

For the six months ended 30 June 2024, the profit attributable to equity holders of the Group amounted to RMB2,802,197,000 (2023: RMB1,849,653,000). Profit attributable to ordinary shareholders of the Company amounted to RMB2,569,879,000 (2023: RMB1,679,854,000). Basic earnings per share was approximately RMB0.21 (2023: RMB0.14). As at 30 June 2024, net assets per share (excluding non-controlling interests and other equity instruments) was approximately RMB3.22.

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

Installed Capacity

As at 30 June 2024, the consolidated installed capacity of the Group's power plants was 48,327.8MW, representing a year-on-year increase of 15,386.6MW. The Group's consolidated installed capacity of clean energy (inclusive of hydropower, wind power, photovoltaic power, natural gas power and environmental power) was 37,247.8MW, accounting for approximately 77.07% of the total consolidated installed capacity of the Group, and representing a significant increase of approximately 10.71 percentage points as compared with the corresponding period last year.

Status of Key Projects

2024 is a crucial year for the Group to accomplish its strategic goal of becoming a leading green and low-carbon energy provider in China by 2025. The Company has stayed committed to high-quality development and accelerated its low-carbon and green transformation, with the status of key projects as follows:

Integrated Multi-energy Complementary Project

In the first half of 2024, Phases I and II of the Multi-energy Complementary Million-kW New Energy Base with a total installed capacity of 700MW of China Power (Hubei) New Energy Co., Ltd.* (中電(湖北)新能源有限公司), a subsidiary of the Company, have commenced commercial operation at full capacity. The project has effectively reduced the emission of air pollutants and hence protected the local environment, at the same time realizing the integration of diversified development of local industries and rural revitalization.

Photovoltaic Power Generation Project

The Artush 400MW Photovoltaic Power Generation Project of Kezhou Lvdong Energy Development Co., Ltd.* (克州綠動能源發展有限公司), a subsidiary of the Company, has commenced commercial operation at full capacity during the period. The project is located in Artush City, Kizilsu Kyrgyz Autonomous Prefecture, Xinjiang Uygur Autonomous Region, and is equipped with ancillary energy storage facilities with a capacity of 100MW/400MWh. The project will be able to provide approximately 600,000MWh of clean energy power to the local area annually, which will substantially reduce the amount of coal use and will have a positive effect on local environmental protection and reduction of air pollution.

Innovation of Energy Technology

In order to strengthen and enhance its advantages in the development of clean energy, the Group accelerated the promotion of technological innovation and stepped up its investment in technological research and development. Upon the successful implementation of various innovation plans, we have effectively enhanced our level of digitalization and intelligence. Besides, with a strong emphasis on innovating key technologies, recruiting and nurturing key personnel, we have also accelerated the incubation of our strategic emerging industries, thereby initiating a new phase of innovation-driven development.

Intelligent Energy Storage

During the period under review, Xinyuan Smart Storage Energy Development (Beijing) Co., Ltd.* (新源智儲能源發展(北京)有限公司) (“**Xinyuan Smart Storage**”), a subsidiary of the Company, achieved remarkable results in the “6th Energy Storage Carnival and the Press Conference of the 2023 Global Shipment Ranking of China’s Energy Storage Enterprises”. Among the providers of “AC-side energy storage system solutions”, Xinyuan Smart Storage ranked second in China and fourth globally in terms of shipment volume, and was honored with the “Top 100 Brands of Noval Energy Storage in China” award. In addition, Xinyuan Smart Storage developed a number of new products, including the 5MWh liquid-cooled energy storage system, industrial and commercial all-in-one machine, emergency safe shelters, and operation system with digital twin application in centralized control of energy storage, providing comprehensive intelligent energy storage solutions catering to the demands of the energy storage market and the difficulties faced by the industry. These products have covered the safety, intelligent operation and maintenance, and operational decision-making of energy storage, fully demonstrating Xinyuan Smart Storage’s innovation capabilities and technological advantages in the arena of energy storage.

Green Power Transportation

During the first half of 2024, Shanghai Qiyuanxin Power Technology Co., Ltd.* (上海啟源芯動力科技有限公司) (“**Qiyuanxin Power**”), an associate of the Company, achieved significant results in both domestic and international markets. Qiyuanxin Power successfully launched its first overseas charging and battery-swap business in Sulawesi, Indonesia, marking its important step in opening up the international market. In addition, the completion of the Northern Shanxi Railway and the Hainan Ring Expressway further consolidated its leading position in the domestic charging and battery-swap network. In the arena of vessel electrification, Qiyuanxin Power and Zhuhai Gree Group Co., Ltd. (珠海格力集團有限公司) have planned to establish a vessel electrification R&D center in Zhuhai High-tech Zone to expand the sales of newly built electric vessels in the future. In terms of technological innovation, Qiyuanxin Power launched a new generation of high-efficiency batteries, which significantly enhanced the battery’s range, charging speed and thermal management performance. On the other hand, Qiyuanxin Power has fully commissioned the first unmanned and electrified heavy-duty trucks project in mining areas in Xinjiang. Currently, the project is the longest and largest L4 self-driving project in closed scenarios in China. Its successful operation has indicated the huge market potential of unmanned driving in mining areas. Looking ahead, Qiyuanxin Power will continue to further consolidate its leadership position in the sector of battery-swap heavy-duty trucks through technological innovation and market expansion.

Electricity Sales

For the first half of 2024, the details of electricity sold by the Group are set out as follows:

	First half of 2024 MWh	First half of 2023 MWh	Changes %
Total electricity sold	64,344,154	48,259,373	33.33
Hydropower	10,675,021	5,622,929	89.85
Wind power	13,147,946	8,345,931	57.54
Photovoltaic power	11,830,577	6,015,399	96.67
Thermal power			
– Coal-fired power	26,805,724	26,702,281	0.39
– Natural gas power	977,038	951,592	2.67
– Environmental power	907,848	621,241	46.13

In the first half of 2024, the total electricity sold by the Group amounted to 64,344,154MWh, representing an increase of 33.33% 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 89.85% in electricity sold was recorded 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 – Benefited from the mergers and acquisitions as well as the commencement of commercial operation of new generating units, the electricity sales of wind power and photovoltaic power recorded year-on-year increases of 57.54% and 96.67%, respectively.
- Coal-fired power – During the period under review, favorable national policies and declining coal prices have fostered a conducive environment for coal-fired power generation, which is beneficial for maintaining a stable energy supply. Consequently, electricity sales increased slightly as compared with the corresponding period last year.
- Natural gas power – Benefited from the commencement of commercial operation of new projects in the second half of 2023, the electricity sold increased by 2.67% year-on-year.
- Environmental power – Benefited from the consolidation of new projects in the second half of 2023, the electricity sold increased by 46.13% year-on-year.

For the first half of 2024, the details of electricity sold by the Group's main associates and joint ventures are set out as follows:

	First half of 2024 MWh	First half of 2023 MWh	Changes %
Total electricity sold	21,611,258	22,685,060	-4.73
Associates			
– Wind power	702,158	406,613	72.68
– Photovoltaic power	53,273	58,754	-9.33
– Coal-fired power	18,784,457	20,397,058	-7.91
Joint ventures			
– Wind power	855,964	439,581	94.72
– Photovoltaic power	45,244	2,300	1,867.13
– Coal-fired power	1,170,162	1,380,754	-15.25

Heat Sales

For the first half of 2024, the total heat sold by the subsidiaries of the Group was 11,418,749GJ, representing an increase of 3,231,656GJ or 39.47% as compared with the corresponding period last year. The growth was mainly due to the fact that the Group actively stepped up its efforts in market development, which led to a significant year-on-year increase in the customer base. The Group's main associates and joint ventures recorded total heat sold of 9,392,686GJ, representing a decrease of 72,927GJ or 0.77% as compared with the corresponding period last year. The decrease was mainly due to the shutdown of one of the production lines that needed to be upgraded and transformed, resulting in a decrease in output in the first half of the year. The heat sales of the Group were recognized as other gains and losses in the interim condensed consolidated income statement. During the period under review, profits on sales of heat, trading of coal, coal by-products, spare parts and others amounted to RMB144,966,000 (2023: RMB72,387,000), representing an increase of 100.27% as compared with the corresponding period last year.

Market-Power Transactions

The Group has actively responded to the market-oriented reform of the national power industry and enhanced the research on electricity market policies and regulations, particularly in aspects such as the trading of spot electricity, green certificate/green energy and carbon emission allowances. Keeping abreast of the reform, the Group maximized market power sales and market share through increased participation in market-power transactions. Subsidiaries in various provinces have also established their power sales centers to attract more target customers through the provision of quality services.

In 2024, the capacity tariff for coal-fired power was implemented nationwide, which aimed to optimize the revenue structure of the coal-fired power market. Based on the trading conditions of the power market in different regions during the first half of the year, the comprehensive tariff (i.e. capacity tariff plus volume tariff) of each coal-fired power generating unit was basically maintained at a level of 20% premium over the benchmark tariff. The capacity tariff was determined by way of recovering a certain percentage of the fixed costs of the coal-fired power generating units, while the volume tariff was formed through the market-oriented approach, which sensitively reflected the supply and demand in the power market, changes in fuel costs and other conditions. The fall of fuel prices may help to lower the volume tariff.

For the first half of 2024, all the power production quota of large-scale coal-fired power generating units of the Group were obtained through market transactions, as such, market transactions accounted for 100% of the sales (2023: 100%). With the implementation of the capacity tariff policy, the premium over volume tariff or market trading tariff has decreased remarkably, and the average market on-grid tariff was at a premium of approximately 12.43% (2023: 20.23%) as compared with the benchmark tariff. Despite the decrease in market trading tariff, the comprehensive tariff after taking into account the capacity tariff basically remained flat, which demonstrated the effect of adjustments to market trading tariff as a result of the capacity tariff policy.

Average On-Grid Tariff

For the first half of 2024, the Group's average on-grid tariffs of each power segment as compared with the corresponding period last year were as follows:

- Hydropower was RMB251.81/MWh, representing a decrease of RMB11.84/MWh as compared with the corresponding period last year. The slight decrease in on-grid tariff was mainly due to the impact of the increase in electricity auxiliary fees of power grid to be shared by the hydropower plants a result of the increase in power generation.
- Wind power was RMB446.62/MWh, representing a decrease of RMB30.11/MWh as compared with the corresponding period last year. It was mainly attributable to the commencement of operation or consolidation of grid parity wind power generation projects during the period, and thus resulted in a lower average on-grid tariff of wind power.

- Photovoltaic power was RMB400.72/MWh, representing a decrease of RMB17.92/MWh as compared with the corresponding period last year. It was mainly attributable to the commencement of operation or consolidation of grid parity photovoltaic power generation projects during the period, and thus resulted in a lower average on-grid tariff of photovoltaic power.
- Coal-fired power was RMB392.16/MWh, representing a decrease of RMB10.52/MWh as compared with the corresponding period last year. It was mainly attributable to the falling fuel prices, and the decrease in spot market price of electricity in Shanxi Province.
- Natural gas power was RMB635.03/MWh, representing a decrease of RMB19.09/MWh as compared with the corresponding period last year. It was mainly affected by the fluctuation in tariffs under long-term contracts, which has in turn affected the tariff of market-power transactions through the power grid company in Guangdong Province.
- Environmental power was RMB561.76/MWh, representing an increase of RMB20.87/MWh as compared with the corresponding period last year. It was mainly attributable to the higher average on-grid tariff of the newly operating projects in the second half of last year as compared with the average on-grid tariff of the corresponding period last year.

Average Utilization Hours of Power Generating Units

For the first half of 2024, 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 were 1,821 hours, representing an increase of 775 hours as compared with the corresponding period last year. It 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 were 1,066 hours, representing a decrease of 97 hours as compared with the corresponding period last year. It was mainly attributable to the lower availability of wind resources as compared with the corresponding period last year.
- The average utilization hours of photovoltaic power were 738 hours, representing a decrease of 31 hours as compared with the corresponding period last year. It was mainly attributable to the decrease in solar irradiance for photovoltaic power as compared with the corresponding period last year, as well as the commencement of operation of various distributed and household photovoltaic projects with relatively lower utilization hours.
- The average utilization hours of coal-fired power were 2,565 hours, representing a year-on-year increase of 9 hours, which was maintained at a similar level as that in the corresponding period last year.

- The average utilization hours of natural gas power were 1,994 hours, representing a decrease of 66 hours as compared with the corresponding period last year. It was mainly attributable to the decrease in the power generation of the Group's power stations in Guangdong Province as a result of insufficient natural gas supply and falling unit price of electricity sales during the period, and also due to the lower utilization hours of the generating units that commenced operation in the second half of last year as compared with the average utilization hours of the existing generating units.
- The average utilization hours of environmental power were 3,385 hours, representing a decrease of 374 hours as compared with the corresponding period last year. It was mainly attributable to the relatively lower utilization hours of the projects being consolidated in the second half of last year.

Energy Storage Business

For the first half of 2024, the revenue from the energy storage business amounted to RMB1,527,986,000, representing a year-on-year decrease of RMB98,384,000; and the net profit amounted to RMB40,063,000, representing an increase of RMB4,978,000 or 14.19% as compared with the corresponding period last year. During the period under review, the revenue from the energy storage business was affected by intense market competition and falling market prices to a certain extent. However, by enhancing its bargaining power with upstream suppliers and further implementing the intensive procurement model and technological innovation, the Group has reduced its subcontracting and materials costs, hence maintained promising growth of profits. In addition, the Group actively expanded its external cooperation network and pressed ahead with its expansion into overseas markets. As part of the emerging energy industry, the energy storage business will have huge potential for development and enjoy a promising outlook as supported by the favorable national and industry policies.

OPERATING RESULTS OF THE FIRST HALF OF 2024

For the first half of 2024, the net profit of the Group amounted to RMB4,591,763,000, representing an increase of RMB2,042,192,000 or 80.10% as compared with the corresponding period last year.

For the first half of 2024, the net profit (loss) of each operating segment and their respective changes over the corresponding period last year were as follows:

Operating Segment	First half of 2024 RMB'000	First half of 2023 RMB'000	Changes %
– Hydropower	766,476	(146,863)	621.90
– Wind power	1,960,215	1,453,360	34.87
– Photovoltaic power	1,135,216	775,053	46.47
– Thermal power	1,107,884	561,718	97.23
– Energy storage	40,063	35,085	14.19
– Unallocated	(418,091)	(128,782)	-224.65

As compared with the first half of 2023, the changes in net profit were mainly due to the following factors:

Revenue

The revenue of the Group was mainly derived from the sales of electricity, and the provision of power generation and energy storage-related services. For the first half of 2024, the Group recorded a revenue of RMB26,471,527,000, representing an increase of 24.18% as compared with RMB21,317,030,000 of the corresponding period last year.

For the first half of 2024, the details of revenue of each operating segment are set out as follows:

Operating Segment	First half of 2024 RMB'000	First half of 2023 RMB'000	Changes %
– Hydropower	2,688,047	1,482,497	81.32
– Wind power	5,872,111	3,978,786	47.59
– Photovoltaic power	4,740,803	2,518,311	88.25
– Thermal power	11,642,580	11,711,066	-0.58
– Energy storage	1,527,986	1,626,370	-6.05

- Revenue from hydropower increased by RMB1,205,550,000, which was attributable to the increase in electricity sales of hydropower during the period.
- Revenue from wind power and photovoltaic power increased by RMB4,115,817,000 in total, primarily driven by the Clean Energy Acquisitions and commencement of commercial operation of various projects.
- Revenue from thermal power decreased by RMB68,486,000, which was attributable to the decrease in average market on-grid tariff of coal-fired power.
- Revenue from energy storage decreased by RMB98,384,000, which was affected by intense market competition and falling market prices.

Operating Costs

Operating costs of the Group mainly consist of fuel costs, repairs and maintenance expenses for power generating units and facilities, depreciation and amortization, staff costs, subcontracting costs, cost of sales of energy storage equipment, consumables and other operating expenses. For the first half of 2024, the operating costs of the Group amounted to RMB20,289,101,000, representing a rise of 15.34% as compared with RMB17,590,882,000 of the corresponding period last year. The increase in operating costs was attributable to the Clean Energy Acquisitions as well as the commencement of operation and consolidation of various other clean energy projects, which was partially offset by a year-on-year decrease in fuel costs.

Total Fuel Costs

The total fuel costs decreased by RMB551,532,000 or 6.51%, mainly due to the year-on-year decrease in coal prices.

Unit Fuel Cost

The average unit fuel cost of the Group's coal-fired power business was RMB274/MWh, representing a decrease of 8.01% from that of RMB297.87/MWh of the corresponding period last year. Along with the steady growth of the domestic economy and the rapid development of the new energy sector, the growth in demand for thermal coal has slowed down. In addition, with the stable supply from major importing countries, the import volume remained at a high level, which has exerted pressure on the price of thermal coal. In order to further lower the unit fuel cost, the Group continued to optimize the procurement structure and captured the opportunities arising from falling coal prices for the procurement of market coal and imported coal to supplement or replace coal supply under long-term contracts. Meanwhile, we carried out in-depth study on the preferential policies for railway transportation costs, making every effort to gain support for our railway transportation capacity and incentives for costs in relation thereto to lower the unit fuel cost.

Depreciation and Staff Costs

Depreciation of property, plant and equipment and the right-of-use assets and staff costs increased by RMB2,566,501,000 in aggregate as a result of business expansion and the large number of new power generating units that commenced commercial operation and being consolidated.

Cost of Energy Storage Equipment Sales and Subcontracting Costs

The Group's energy storage segment is principally engaged in sales of energy storage equipment and the provision of subcontracting services for the development and assembly of power stations integrated with energy storage. In the first half of 2024, the cost of energy storage equipment sales and subcontracting costs totaled RMB1,331,780,000, representing a decrease of RMB213,567,000 or 13.82% as compared to the corresponding period last year. It was primarily attributable to the Group's improving bargaining power with upstream suppliers, coupled with its efforts to further implement the intensive procurement model, resulting in a significant decrease in subcontracting and material costs.

Other Operating Expenses

Other operating expenses increased by RMB891,012,000 or 65.81% year-on-year, mainly due to the increase in operating costs related to power generation and the increase in the amortization of other intangible assets.

Other Gains and Losses, Net

The net gains from other gains and losses increased by RMB95,643,000 or 50.66% year-on-year, mainly due to the year-on-year increase in profits on sales of heat, trading of coal, coal by-products, spare parts and others, as well as government subsidies.

Operating Profit

For the first half of 2024, the Group's operating profit was RMB7,466,308,000, representing an increase of 66.72% as compared with the operating profit of RMB4,478,416,000 of the corresponding period last year.

Finance Costs

For the first half of 2024, the finance costs of the Group amounted to RMB2,575,678,000 (2023: RMB1,986,918,000), representing an increase of RMB588,760,000 or 29.63% as compared with the corresponding period last year. The increase in finance costs was primarily attributable to the Clean Energy Acquisitions that occurred in the second half of last year. The Group will continue to monitor market changes and capitalize on the window of opportunity of lower financing interest rates to actively optimize the debt structure by replacing the high-interest borrowings.

Share of Results of Associates

For the first half of 2024, the share of results of associates was a profit of RMB366,864,000, representing an increase of RMB116,091,000 as compared to RMB250,773,000 of the corresponding period last year. The increase in profits was primarily driven by the year-on-year decrease in coal prices, which lowered the related power generation cost and offset the drop in revenue resulted from the decrease in power generation, and hence led to the profit growth of associates engaged in coal-fired power-related businesses. In addition, the profit from associates engaged in wind power-related businesses also increased.

Share of Results of Joint Ventures

For the first half of 2024, the share of results of joint ventures was a profit of RMB116,775,000, representing an increase of RMB54,884,000 as compared to RMB61,891,000 of the corresponding period last year. The increase in profits was primarily driven by the profit growth of joint ventures engaged in wind power-related businesses.

Income Tax Expense

For the first half of 2024, income tax expense of the Group was RMB877,049,000, representing an increase of 103.92% as compared with RMB430,088,000 of the corresponding period last year. The increase was mainly due to the turnaround of the hydropower segment from loss to profit year-on-year, and the continued increase in profit from clean energy projects.

Interim Dividend

The Board has resolved not to distribute any interim dividend for the six months ended 30 June 2024.

Special Dividend

In celebration of the 20th anniversary of the Company's listing on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and to reward our shareholders for their long-standing support, at the Board meeting held on 22 August 2024, the Board has resolved to declare a special dividend of RMB0.05 (equivalent to HK\$0.0547 at the exchange rate announced by the People's Bank of China on 22 August 2024) per ordinary share (the "**Special Dividend**") in cash. Based on the Company's existing total number of ordinary shares of 12,370,150,983, a total amount of approximately RMB618,508,000 (equivalent to HK\$676,647,000) will be distributed. It is expected that the Special Dividend will be payable on or around 15 October 2024.

EQUITY INSTRUMENTS AT FVTOCI

As at 30 June 2024, the carrying amount of equity instruments at FVTOCI was RMB5,397,013,000, accounting for 1.66% of total assets, including listed equity securities of RMB3,592,961,000 and unlisted equity investments of RMB1,804,052,000.

Listed equity securities represent the equity interests in Shanghai Electric Power Co., Ltd.* (上海電力股份有限公司) (“**Shanghai Power**”) held by the Group. As at 30 June 2024, the Group held 12.90% (31 December 2023: 12.90%) of the issued share capital of Shanghai Power, the A shares of which are listed on the Shanghai Stock Exchange. It was categorized as level 1 financial assets of fair value measurements, and its fair value increased by 16.90% as compared with RMB3,073,452,000 as at 31 December 2023.

Unlisted equity investments represent the Group’s investment in equity of certain unlisted companies principally engaged in financial services, coal production and electricity trading services respectively. They were categorized as level 3 financial assets of fair value measurements, and their fair values increased by 6.95% from RMB1,686,892,000 as at 31 December 2023.

The valuation methods and key inputs used for measuring the fair values of the above level 3 financial assets were market approach, i.e. fair values of such equity instruments were 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 (1.60) and price-earning ratio (9.60) of the comparable companies, and (iii) the discount for lack of marketability (27.60% – 28.60%).

The fair value gain on equity instruments at FVTOCI (net of tax) for the six months ended 30 June 2024 of RMB417,502,000 (2023: RMB189,291,000) was recognized in the interim condensed consolidated statement of comprehensive income.

MATERIAL ACQUISITIONS AND DISPOSALS

On 30 June 2024, the Company entered into the Cooperation Framework Agreement with Huainan Mining, which owns 40% of equity interests in Pingwei Power, pursuant to which the Company will dispose of its existing equity interests of 11% in Pingwei Power by way of either Huainan Mining increasing the registered capital of Pingwei Power or through direct equity transfer of the Company’s interest in Pingwei Power to Huainan Mining. Accordingly, the assets and liabilities attributable to Pingwei Power have been classified as a disposal group held for sale and are separately presented in the interim condensed consolidated statement of financial position. The operations of Pingwei Power are included in the Group’s “thermal power electricity” segment for segment reporting. The potential equity disposal mentioned above may or may not proceed further. Its progression will depend on several factors, including the negotiation and execution of definitive agreements between the Company and Huainan Mining, approval from the relevant regulatory authorities, and compliance with applicable requirements under the Listing Rules. If the potential equity disposal does not materialize, the disposal group held for sale will be reclassified back into the Group’s assets and liabilities and measured in accordance with the relevant accounting standards.

LIQUIDITY, CASH FLOWS AND FINANCIAL RESOURCES

As at 30 June 2024, cash and cash equivalents of the Group were RMB6,263,294,000 (31 December 2023: RMB5,738,815,000). Current assets amounted to RMB49,024,879,000 (31 December 2023: RMB45,642,151,000), current liabilities amounted to RMB84,470,143,000 (31 December 2023: RMB75,170,626,000) and current ratio was 0.58 (31 December 2023: 0.61).

During the period under review, the Group recorded a net increase in cash and cash equivalents (including cash and cash equivalents as part of a disposal group classified as held for sale) of RMB527,712,000 (2023: net increase of RMB3,905,160,000). For the six months ended 30 June 2024:

- net cash generated from operating activities amounted to RMB5,422,743,000 (2023: RMB3,248,977,000). The significant increase in cash inflow was mainly attributable to the significant year-on-year increase in operating profit.
- net cash used in investing activities amounted to RMB14,055,098,000 (2023: RMB7,526,899,000). The increase in cash used was mainly attributable to the year-on-year increase in payments of consideration payable for acquisition of subsidiaries in prior years, and the year-on-year increase in payments for property, plant and equipment, and right-of-use assets and prepayments for construction of power plants.
- net cash generated from financing activities amounted to RMB9,160,067,000 (2023: RMB8,183,082,000). The increase in net cash inflow was mainly attributable to the year-on-year increase in net other borrowings.

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

DEBTS

As at 30 June 2024, total debts of the Group amounted to RMB183,097,639,000 (31 December 2023: RMB168,714,840,000). Over 99% of the Group's total debts are denominated in RMB.

As at 30 June 2024, 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 64% (31 December 2023: approximately 63%). The Group's gearing ratio remained stable.

As at 30 June 2024, the amount of borrowings granted by SPIC Financial was approximately RMB9.72 billion (31 December 2023: approximately RMB8.24 billion).

ASSET IMPAIRMENT

When there is any indication of asset impairment, the Group will conduct an impairment test on the assets to assess whether an impairment has occurred.

For the first half of 2024, the Group recognized an impairment of RMB81,622,000, which was mainly attributable to an asset impairment of property, plant and equipment recognized for a photovoltaic power station.

SIGNIFICANT FINANCING

Issuance of Debt Financing Instruments

The Company has obtained approval from the China Securities Regulatory Commission (中國證券監督管理委員會) for the public issuance of corporate bonds onshore of the PRC and to be listed on the Shanghai Stock Exchange, with an aggregate amount of not exceeding RMB3 billion and an effective registration period of 2 years which could be issued in tranches. The Company issued (i) the first tranche of the corporate bonds in a principal amount of RMB2 billion at the interest rate of 2.67% per annum and a maturity period of 3 years; and (ii) the second tranche of the corporate bonds in a principal amount of RMB1 billion at the interest rate of 2.39% per annum and a maturity period of 3 years, in March and April 2024, respectively.

Green Notes

Under the current registration with National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) for issuing debt financing instruments, the Company issued (i) the first tranche of (sustainability-linked) green medium-term note in a principal amount of RMB2 billion at the interest rate of 2.12% per annum and a maturity period of 3 years, which is the first commercial note issued in the China's bond market that linked its coupon rate with the issuer's China Certified Emission Reductions (國家核證自願減排量) performance target; and (ii) the second tranche of green medium-term note in a principal amount of RMB1.5 billion at the interest rate of 2.58% per annum and a maturity period of 10 years, in April and June 2024, respectively.

The proceeds from the above debt instruments have been fully applied towards the repayment of the existing borrowings.

SHARE INCENTIVE SCHEME

The Company adopted a share option incentive scheme (the “**Share Incentive Scheme**”) upon the approval by its shareholders at an extraordinary general meeting held on 15 June 2022. Under the Share Incentive Scheme, the Company granted a total of 103,180,000 share options in two tranches in July 2022. All the aforesaid grantees were employees of the Company or its controlled subsidiaries. As at 1 January 2024, there were 93,060,000 share options granted but not yet lapsed or canceled. There were 32,699,700 share options lapsed during the period under review. Consequently, the Company had 60,360,300 share options outstanding under the Share Incentive Scheme as at 30 June 2024. Taking into account the leaving of grantees and based on the revised estimates of the number of share options that will lapse in the future, the Company recognized share-based payment expenses of RMB11,523,000 (2023: RMB21,139,000) during the period under review.

CAPITAL EXPENDITURE

For the first half of 2024, the capital expenditure of the Group was RMB11,496,469,000 (2023: RMB8,632,097,000). In particular, the capital expenditure for clean energy segments (hydropower, wind power, photovoltaic power and energy storage) was RMB9,776,142,000 (2023: RMB8,113,490,000), 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 thermal power segment was RMB1,513,946,000 (2023: RMB290,305,000), which was mainly applied for the engineering construction of new power generating units and technical upgrade for the existing power generating units. These expenditures were mainly funded by project financing, debt instruments, funds generated from business operations and borrowings from related parties.

PLEDGE OF ASSETS

As at 30 June 2024, certain bank borrowings and other borrowings totaling RMB1,490,464,000 (31 December 2023: RMB1,235,982,000) were secured by certain property, plant and equipment with a net book value of RMB2,432,817,000 (31 December 2023: RMB2,235,221,000). In addition, certain bank borrowings, other borrowings and lease liabilities totaling RMB31,799,752,000 (31 December 2023: RMB33,517,642,000) were secured by the rights on certain accounts receivable amounted to RMB9,962,718,000 (31 December 2023: RMB7,530,108,000).

CONTINGENT LIABILITIES

As at 30 June 2024, 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, 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 Japanese Yen (“JPY”) and United States Dollars (“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 2024, the Group's borrowings denominated in foreign currencies amounted to RMB901,063,000 (31 December 2023: RMB926,998,000), which accounted for 0.49% (31 December 2023: 0.55%) of the total debts of the Group.

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

FUNDING RISKS

With the Group's strengthened efforts in developing all kinds of new energy and innovative technology projects, funding adequacy has become an important issue for the Group. The financing market is affected by a number of factors such as the liquidity of the lending market, interest rates and the economic environment, which in turn may also affect the effectiveness and costs of the Group's borrowing. Financing in the form of perpetual debt instruments has significantly increased the financial resources available to the Group. In addition, the Group has always leveraged its capability of accessing the Mainland China and overseas markets to optimize its funding sources in all aspects, increase the credit facilities and lower its financing costs. Moreover, the financial services framework agreement with SPIC Financial also facilitates the mitigation of funding risks.

As at 30 June 2024, the Group had sufficient available unutilized financing facilities amounting to RMB45,251,637,000 (31 December 2023: RMB42,848,259,000). The Group will refinance and restructure the existing loan terms when appropriate to safeguard against funding risks. As the Group will be able to meet its liabilities as and when they fall due within the next twelve months, the interim condensed consolidated financial information therefore has been prepared on a going concern basis.

SOCIAL AND ENVIRONMENTAL GOVERNANCE

Operational Safety

In the first half of 2024, there had been no material accidents in relation to employees, facilities and environmental protection or environmental emergencies of the Group.

Human Resources

As at 30 June 2024, the Group had a total of 14,241 (2023: 10,636) full-time employees.

Energy Saving and Emissions Reduction

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

For the first half of 2024, the net coal consumption rate for power supply of the Group was 299.60g/kWh, representing a slight increase of 1.13g/kWh as compared with the corresponding period last year. It was primarily affected by the decrease in market demand for power consumption, the overall load ratio of coal-fired power generating units and the proportion of power generation from generating units with low power consumption, and also due to the fact that new energy power generation squeezed the room for coal-fired power generation. These factors led to intensified deep peak shaving and a higher unit energy consumption of coal-fired power generating units. In the future, the Group will continue to optimize the management of operating quotas, undertake energy-saving technological transformation of generating units and develop the heat supply market, with a view to improving equipment performance, utilizing the enthalpy of steam on a tiered basis and enhancing the overall energy efficiency of generating units.

For the first half of 2024, the operational ratio of desulphurization facilities for the coal-fired power generating units of the Group was 100% (2023: 100%), and the efficiency ratio of desulphurization reached 99.41% (2023: 99.45%); while the operational ratio of denitration facilities was 100% (2023: 100%) and the efficiency ratio of denitration reached 87.92% (2023: 89.16%).

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

- Emission rate of sulphur dioxide (SO₂) was 0.069g/kWh, representing a decrease of 0.004g/kWh as compared with the corresponding period last year;
- Emission rate of nitrogen oxide (NO_x) was 0.139g/kWh, representing an increase of 0.001g/kWh as compared with the corresponding period last year; and
- Emission rate of flue gas and dusts was 0.007g/kWh, representing a decrease of 0.002g/kWh as compared with the corresponding period last year.

OUTLOOK FOR THE SECOND HALF OF 2024

In the course of continuous growth in the production capacity of clean energy, challenges such as power curtailment and intermittency remained. To address these issues, the Chinese government has introduced a series of policies and action plans aimed at enhancing power grid flexibility and increasing the consumption capacity of green power. These measures will not only help optimize the energy structure, but also promote technological innovation and improvement of market mechanisms. Looking ahead, we firmly believe that through sustained efforts and innovation, China's energy system will become cleaner, more efficient and more sustainable, hence setting an example for global energy transformation and laying a solid foundation for achieving the goal of carbon neutrality.

In 2024, the year marking the 20th anniversary of the Company's listing on the Hong Kong Stock Exchange, the Group will continue to adhere to the main theme of "enhancing the quality of existing assets, optimizing incremental growth opportunities, and cultivating momentum for future development and success" and press ahead with its high-quality transformation and development in full force, secure the safety of energy and electricity and nurture new quality productive forces, making every effort to progress towards the strategic goal of becoming a "world-class clean energy provider".

In appreciation of our shareholders' long-standing support, the Board has resolved to declare a special dividend of RMB0.05 (equivalent to HK\$0.0547) per ordinary share in cash to celebrate the 20th anniversary of the Company's listing. Please refer to the Company's announcement titled "Declaration of Special Dividend" published on the even date for details.

This special dividend speaks volumes of our confidence in the Group's strong sustainable growth in the future.

REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION 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 information for the six months ended 30 June 2024.

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 2024.

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 practices have been fully disclosed in the "Corporate Governance Report" of the Company's annual report 2023. The Company has complied with all the applicable provisions of Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2024.

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 C3 to the Listing Rules. Having made specific enquiries to each of the Directors, they confirmed that they have fully complied with the Code of Conduct throughout the six months ended 30 June 2024.

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

This results announcement is published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and on the Company's websites at www.chinapower.hk and irasia.com/listco/hk/chinapower, respectively.

The interim report 2024 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 purpose only*

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

Hong Kong, 22 August 2024

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 HUANG Qinghua, and independent non-executive directors LI Fang, YAU Ka Chi and HUI Hon Chung, Stanley.