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)

2024 INTERIM REPORT

20 YEARS OF LISTING

Information for our Shareholders and Investors

LISTING INFORMATION

Shares of China Power are:

- listed on the Hong Kong Stock Exchange (Stock Code: 2380/Bloomberg: 2380:HK/Reuters: 2380.HK); and
- eligible for Southbound trading through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

INTERIM REPORT

The interim report 2024 will be sent to the shareholders of the Company who have selected to receive the printed version of corporate communication by 23 September 2024.

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2024 Interim Performance Highlights

PROFIT ATTRIBUTABLE TO

for the six months ended 30 June

Equity holders of the Group

2024

2,802,197

RMB' 000

▲51.50%

2023

1,849,653 RMB' 000

Ordinary shareholders of the Company

2024

2,569,879

RMB' 000

▲52.98%

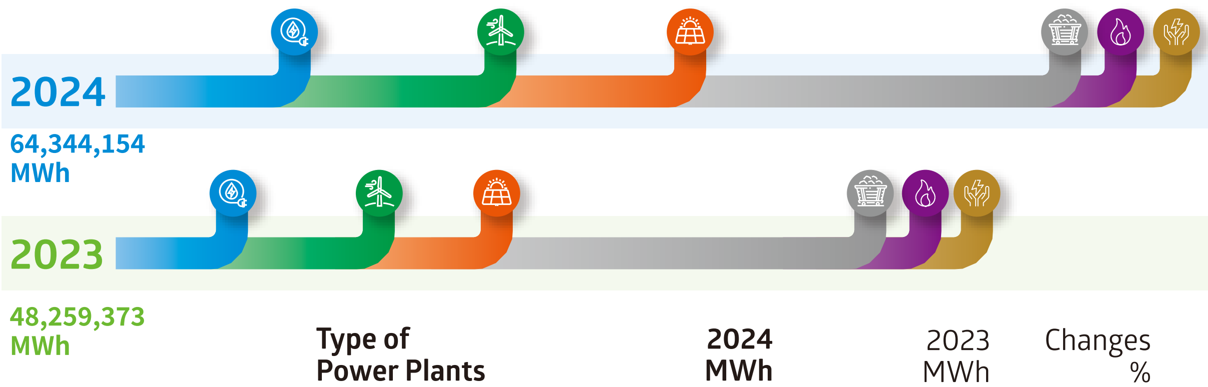
2023

1,679,854 RMB' 000

TOTAL ELECTRICITY SOLD

for the six months ended 30 June

Wholly-owned or controlled power plants



Type of Power Plants	2024 MWh	2023 MWh	Changes %
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
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
Total	**64,344,154**	48,259,373	33.33

2024 Interim Performance Highlights

NET PROFIT

for the six months ended 30 June

Proportion 2024	Proportion 2023	Net profit (loss)	2024 RMB'000	2023 RMB'000
16.69%	-5.76%	Hydropower	766,476	(146,863)
42.69%	57.00%	Wind Power	1,960,215	1,453,360
24.72%	30.40%	Photovoltaic Power	1,135,216	775,053
24.13%	22.03%	Thermal Power	1,107,884	561,718
0.87%	1.38%	Energy Storage	40,063	35,085
-9.10%	-5.05%	Unallocated	(418,091)	(128,782)
		Total	4,591,763	2,549,571

OTHER KEY PERFORMANCE INDICATORS

for the six months ended 30 June

Indicator	2024	2023	Change
Revenue	26,471,527 RMB'000	21,317,030 RMB'000	▲24.18%
Operating profit	7,466,308 RMB'000	4,478,416 RMB'000	▲66.72%
Basic earnings per share	0.21 RMB	0.14 RMB	▲50.00%
Consolidated installed capacity	48,327.8 MW	32,941.2 MW	▲46.71%

Unaudited 30 June 2024 RMB'000		Audited 31 December 2023 RMB'000	Changes %
55,150,539	Equity attributable to equity holders of the Company	53,639,741	2.82
100,271,114	Net assets	95,020,712	5.53
325,580,796	Total assets	305,806,779	6.47
6,263,294	Cash and cash equivalents	5,738,815	9.14
183,097,639	Total debts	168,714,840	8.52

Management's Discussion and Analysis

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 our parent company (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 segments 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.

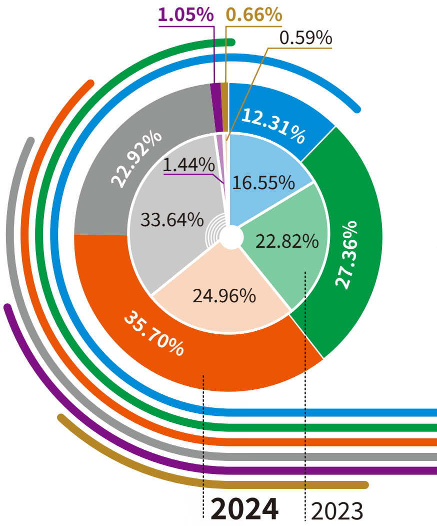
Management's Discussion and Analysis

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 net increase of 15,386.6MW or 46.71%. 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.

The details of consolidated installed capacity of the Group as at 30 June 2024 are set out as follows:



Type of Power Plants	**First half of 2024 MW**	First half of 2023 MW	Changes %
Hydropower	**5,951.1**	5,451.1	9.17
Wind Power	**13,221.5**	7,516.9	75.89
Photovoltaic Power	**17,253.0**	8,221.0	109.86
Coal-fired Power	**11,080.0**	11,080.0	–
Natural Gas Power	**505.2**	475.2	6.31
Environmental Power	**317.0**	197.0	60.91
Total	**48,327.8**	32,941.2	46.71

The Group's power generating units that commenced commercial operation and those that were acquired during the period from 1 July 2023 to 30 June 2024 presented by type are set out as follows:

Hydropower 500.0 MW

Wind Power 5,700.6 MW

Photovoltaic Power 9,059.2 MW

Natural Gas Power 30.0 MW

Environmental Power 120.0 MW

Total: 15,409.8MW

Management's Discussion and Analysis

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, and the status of key projects are 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.

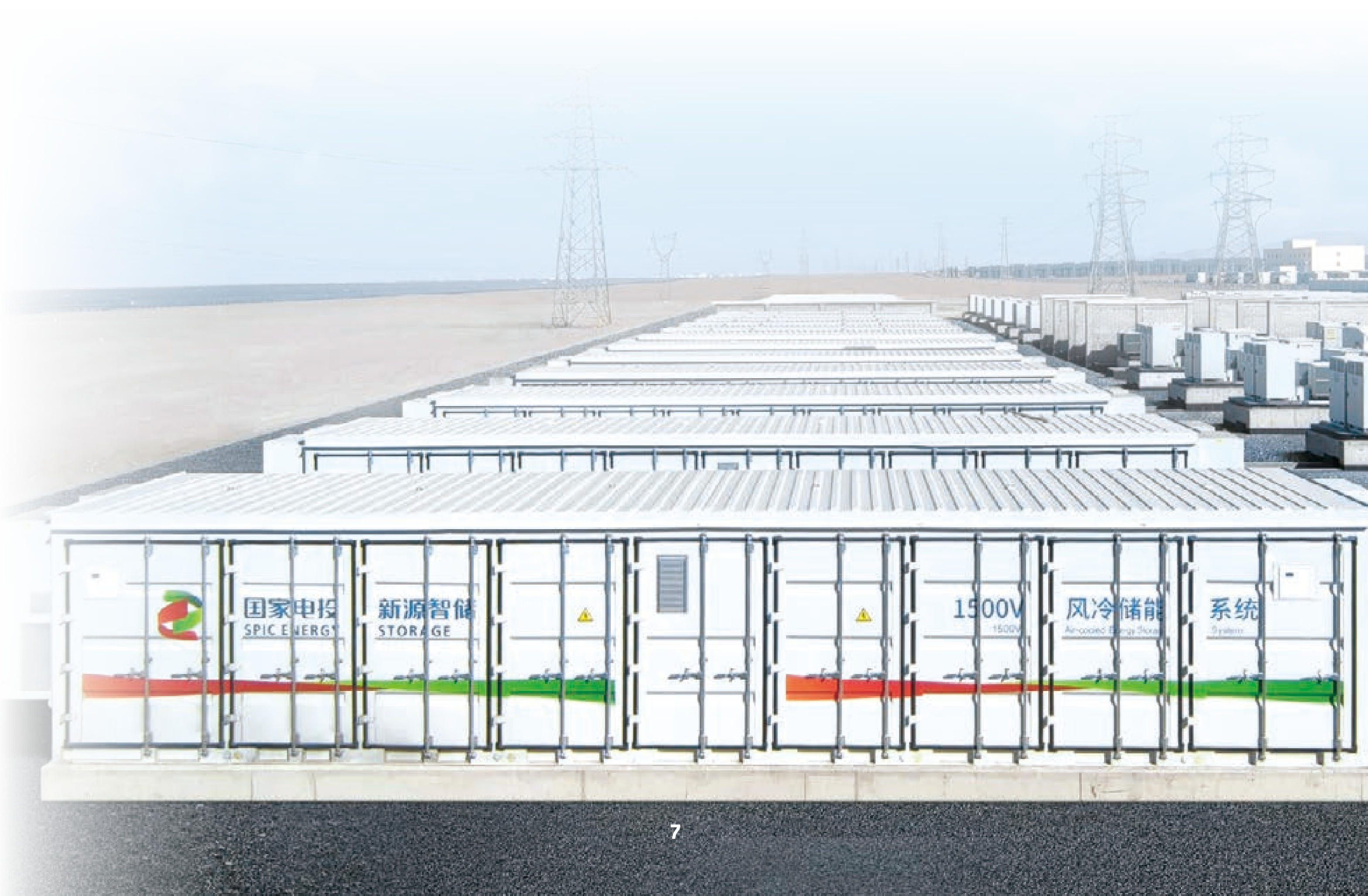
Management's Discussion and Analysis

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 energy-related 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 aspects such as 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.



Management's Discussion and Analysis

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.

Management's Discussion and Analysis

Projects under Construction

As at 30 June 2024, the consolidated installed capacity of the projects under construction was 6,157.6MW, all of which were clean energy projects and consisted of various large-scale wind power and photovoltaic power generation projects in Heilongjiang Province, Anhui Province, Shanxi Province, Guangxi Zhuang Autonomous Region and Guizhou Province.

New Development Projects

Currently, the total installed capacity of new projects of the Group at a preliminary development stage (including projects with applications submitted to the PRC government for approval) is approximately 23,593MW, all of which are clean energy projects, and are primarily located in areas with development potential, such as Shandong Province, Guangxi Zhuang Autonomous Region, Xinjiang Uygur Autonomous Region, Shanxi Province and Guizhou Province. These projects include the Shandong Peninsula South Site Q 2,000MW Offshore Wind Power Project, Guangxi Lingchuan County Yanshaping 1,200MW Wind Power Project, Xinjiang CP Shenhuo Changji Mulei 800MW Wind Power Project, Xinjiang Kashgar Prefecture Makit County Low-carbon Transformation 500MW Photovoltaic Power Generation Project, Jiangsu Guanxi Salt Field 300MW Fishery and Photovoltaic Complementary Power Generation Project and others.

Management's Discussion and Analysis

Power Generation and Electricity Sales

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

Power Generation

Management's Discussion and Analysis

Electricity Sales

TOTAL ELECTRICITY SOLD
63,344,154MWh

Compared with 2023
48,259,373MWh
▲33.33%

	2024	2023	
Hydropower	10,675,021 MWh	5,622,929 MWh	▲89.85%
Wind Power	13,147,946 MWh	8,345,931 MWh	▲57.54%
Photovoltaic Power	11,830,577 MWh	6,015,399 MWh	▲96.67%
Coal-fired Power	26,805,724 MWh	26,702,281 MWh	▲0.39%
Natural Gas Power	977,038 MWh	951,592 MWh	▲2.67%
Environmental Power	907,848 MWh	621,241 MWh	▲46.13%

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 **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, the electricity sold increased by 2.67% year-on-year.

Environmental Power

Benefited from the consolidation of the newly acquired projects in the second half of 2023, the electricity sold increased by 46.13% year-on-year.

Management's Discussion and Analysis

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:

Associates	First half of 2024 MWh	First half of 2023 MWh	Changes %
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
Total	**21,611,258**	22,685,060	-4.73

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 new 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.

Management's Discussion and Analysis

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 the market-oriented volume-tariff or market-trading-tariff has decreased substantially. During the period under review, the premium of the average market on-grid tariff over the benchmark tariff was approximately 12.43%, as compared to 20.23% of the corresponding period in 2023. Despite the decrease in market-trading-tariff, the comprehensive tariff after taking into account the capacity-tariff basically remained stable, which demonstrated the adjusting impact of the capacity-tariff policy on market-trading-tariff.

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

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

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 the grid-parity wind power generation projects during the period, and thus resulted in a lower average on-grid tariff of wind power.

Photovoltaic 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 the 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

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

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

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.

Management's Discussion and Analysis

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.

Management's Discussion and Analysis

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.

Management's Discussion and Analysis

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
Total	**4,591,763**	2,549,571	80.10

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.

Management's Discussion and Analysis

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
Total	26,471,527	21,317,030	24.18

- 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.

Management's Discussion and Analysis

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, mainly due to the business expansion brought about by the Clean Energy Acquisitions and the large number of new power generating units that commenced commercial operation during the period under review.

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.

Management's Discussion and Analysis

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 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 FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("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 Industry (Group) Company Limited*（淮南礦業（集團）有限責任公司）("**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 by way of either Huainan Mining making capital injections to 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 Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (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).

On 17 August 2023, the Company entered into a supplemental agreement to the financial services framework agreement dated 6 May 2022 with SPIC Financial Company Limited* (國家電投集團財務有限公司) ("**SPIC Financial**") to revise the annual cap for the related financial services. Following the revision, the annual cap in respect of the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial was increased to RMB9.0 billion, other principal terms should remain unchanged. Pursuant to the supplemental agreement entered into, SPIC Financial continued to agree to provide the Group with deposit services, settlement services, loan services and other financial services approved by the National Financial Regulatory Administration on a non-exclusive basis.

For the period between 1 January 2024 and 30 June 2024, the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial was approximately RMB5.74 billion (31 December 2023: RMB8.97 billion), which did not exceed the cap.

Pursuant to the aforementioned financial services framework agreement and its supplemental agreement, SPIC Financial provides an internal treasury management platform, a cross-border fund allocation platform and other financial services to the Group through its own financial resources, such as the business information system and cross-border fund allocation channels. Such platforms enable real-time monitoring of account balances as well as income and expenditure, thereby safeguarding against funding risks. At the same time, they facilitate flexible and efficient fund allocation across borders, which gives rise to more flexible capital flow at home and abroad, broadens financing channels for domestic subsidiaries and reduces uncertainties in inbound and outbound capital flows due to changes in foreign exchange regulatory policies.

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.

Management's Discussion and Analysis

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.

Management's Discussion and Analysis

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 shares 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.

REVIEW OF MAJOR POLICIES

Promoting energy conservation and carbon reduction to optimize the energy structure

In March 2024, the National Energy Administration issued the circular titled the "Guiding Opinions on Energy Work in 2024 (《2024年能源工作指導意見》)" (the "**Guiding Opinions**"), which clearly states that the main objectives of the energy work in 2024 are to improve the supply assurance capability and optimize the energy structure. In respect of optimizing the energy structure, the Guiding Opinions proposes to increase the proportion of installed capacity of non-fossil energy power generation to approximately 55%, and to increase the proportion of wind power and solar power generation in the national total power generation to over 17% simultaneously. In respect of improving the supply assurance capability, efforts shall be made to enhance the regulation capability of the power systems, promote "coal-and-power joint-operation", and ensure a reasonable layout of supporting and regulating coal-fired power. Meanwhile, the construction of ultra-low emission coal-fired power projects in provinces where the power supply is under greater pressure shall be expedited so that such projects can be put into operation as early as possible.

Management's Discussion and Analysis

In May 2024, the State Council issued the circular titled "Action Plan for Energy Conservation and Carbon Reduction during 2024-2025 (《2024–2025年節能降碳行動方案》)" (the "**Action Plan**"), which puts forward a series of key tasks targeting different sectors and industries with an aim to control the consumption of fossil energy, enhance the management of carbon emission intensity and increase the consumption of non-fossil energy. In particular, in respect of controlling the consumption of fossil energy, the Action Plan emphasizes the need to strengthen the clean and efficient use of coal and to promote the "Three Synergistic Transformations (三改聯動)" for coal-fired power, namely the transformation for energy conservation and carbon reduction, transformation for flexibility and transformation for heat supply, in order to reduce the intensity of carbon emission. In respect of increasing the consumption of non-fossil energy, the Action Plan proposes to accelerate the construction of new energy projects, particularly large-scale wind power and photovoltaic power bases focusing on deserts, Gobi and barren land, as well as the rational and orderly development of offshore wind power, aiming to increase the proportion of national non-fossil energy power generation to approximately 39% by the end of 2025. In addition, the Action Plan also proposes to increase the consumption capacity of renewable energy and accelerate the transformation of power distribution networks to improve the cross-provincial and cross-regional power transmission capacity of large-scale wind power and photovoltaic power bases, at the same time enhancing the application of green power certificates for renewable energy and their linkages with energy conservation and carbon reduction initiatives.

Expanding the market-based mechanism to promote green power consumption

In February 2024, the National Development and Reform Commission of the People's Republic of China (the "**NDRC**") issued the "Regulatory Measures for Fully Guaranteed Purchase of Electricity Generated from Renewable Energy (《全額保障性收購可再生能源電量監管辦法》)" (the "**New Measures**"), which officially took effect on 1 April 2024, and the "Regulatory Measures for Full Purchase of Electricity Generated from Renewable Energy by Power Grid Companies (《電網企業全額收購可再生能源電量監管辦法》)", which took effect from 1 September 2007, was repealed at the same time. The New Measures made significant adjustments to policies in relation to purchase of green power by renewable energy power generation projects. Pursuant to the New Measures, the on-grid electricity generated by renewable energy power generation projects are classified into two categories, namely guaranteed purchase electricity and market trading electricity. For guaranteed purchase electricity, the purchase obligations shall be jointly assumed by the relevant participants in the market, such as power grid companies, electricity sales companies and power users, in accordance with the renewable energy consumption assurance mechanism, the target percentage and other relevant requirements of the State. For market trading electricity, the electricity shall be jointly purchased by the relevant participants in the market, such as electricity sales companies and power users, based on prices formed through the market-oriented approach. The New Measures offers an opportunity for other participants in the power market to purchase green power directly. By connecting the supply- and demand-side through the market, it is expected that the allocation efficiency of green power resources will be enhanced.

Management's Discussion and Analysis

The power grid system is the core aspect for the efficient transmission and consumption of new energy. With the large-scale grid connection of new energy, the demand for the construction of ancillary power grids has increased significantly. In May 2024, the National Energy Administration issued the "Circular on Making Effective Efforts in New Energy Consumption to Ensure the High-quality Development of New Energy (《關於做好新能源消納工作保障新能源高質量發展的通知》)" (the "**Development Circular**"), which proposes solutions for the difficulties encountered in the grid connection process. At the planning level, the Development Circular opens up a "green channel" for key projects such as large-scale wind and photovoltaic power bases and integrated river-basin hydropower-wind-photovoltaic power bases laid out by the State to accelerate the incorporation of new energy ancillary power grid projects into the scope of planning. In terms of grid connection, the Development Circular emphasizes the necessity for power grid companies to simplify the review process to speed up grid connection of the new energy projects, thereby saving time required for grid connection. In addition, the new energy consumption capacity of some regions is unevenly distributed, and the power generation capacity has far exceeded the local demand for electricity. To this end, the Development Circular calls for breaking down barriers between provinces, prohibiting restrictions on cross-provincial new energy transactions and proposing measures such as accelerating the exploration of the establishment of regional power markets to further optimize the resource allocation capability.

It is expected that the various energy policies described above will be favorable to the consumption of green power, and the simplified grid connection process and related planning will accelerate the grid connection of new energy projects, enhance efficiency and curb operating costs.

RISK MANAGEMENT

Risk management provides strong support and basic guarantee for the high-quality and sustainable development of the Group. The Group has implemented all-rounded risk management and has established a systematic and comprehensive risk management mechanism and internal control system. Furthermore, the Group has established a comprehensive risk management structure covering the governing body, the management and internal audit, which promotes risk management responsibilities to all employees and the entire business system, thereby effectively enhancing the corporate risk prevention and control capabilities and safeguarding the corporate governance in compliance with the laws in all aspects.

The Group also has a Risk Management Committee and a Strategic and Sustainable Development Committee, which are accountable to the Board and assist the Board in providing leadership, direction and oversight with regard to the overall risk management and sustainable development strategy, risk appetite and tolerance and risk management framework of the Group, including risk policies, processes and controls. The Group also has an internal audit department in place for the execution and implementation of risk management measures.

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.

Management's Discussion and Analysis

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.

Risks of Policy Changes

The New Measures issued by the NDRC redefines the scope of full purchase and further accelerates the pace of new energy's full participation in the market. The increasing proportion of new energy participating in the market and the continuously low tariffs have led to intensified market competition.

The Group will strengthen its review of the market conditions and analysis of economic activities, closely monitor the key indicators such as electricity volume and tariffs, and optimize the timing and structure of power generation in order to strive for opportunities to generate electricity during high-priced periods.

SOCIAL AND ENVIRONMENTAL GOVERNANCE

Operational Safety

The Group has set the goal of "zero fatality and zero accident" and strived to enhance the production safety management capability of its management personnel. Focusing on the two main strategies of "strengthening supervision while putting safety standards in place and reinforcing the foundation before expanding construction", the Group has taken a multi-pronged approach to achieve steady improvement in production safety standards. During the period under review, the Company strengthened its management, regularly investigated and sorted out the functional risks and operational risks of the power generating units and equipment, strictly implemented risk prevention and control, and carried out continuous tracking on equipment risk management in combination with the deployment of video conference and telephone conference and on-site special inspections. It also strictly examined the control programs and measures for high-risk operations, and supervised various tasks such as the effective implementation of safety measures, technical briefings and resumption of work and production after holidays. At the same time, the Company actively conducted 7 coal-fired power generating unit level inspections and repairs, identified and treated 18 major potential hazards of equipment such as large vibration of various turbine bearings in the no. 1 power generating unit of Shangqiu Power Plant, realized a total of 6 power generating units running continuously for more than a hundred days in a long cycle, and reduced unplanned shutdowns by 2 power generating units year-on-year, and the no. 4 power generating unit of Pingwei Power was honored with the title of "4A Superior Unit" by the China Electricity Council.

Management's Discussion and Analysis

During the period under review, the Company continued to improve and upgrade its working mechanism of production safety contact points by formulating and publishing the "China Power's Production Safety Contact Points of 2024 (《中國電力2024年度安全生產聯繫點》)", in which the Company's leadership and subsidiaries launched point-to-point assistance to promote the improvement of the standard of production safety management in fundamental business units. In addition, according to the differences in installed capacity and management difficulty, the Company has compiled and published the "Implementation Plan for Safety Guarantee Fund of China Power (《中國電力安全保證金實施方案》)", which gives full play to the role of rewards and punishments as incentives for safe production, and promotes the effective implementation of the safety responsibility system through vertical collaboration and horizontal synergy.

During the period under review, the Group continued to improve the conditions for operation in strict compliance with the "Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》)", the "Prevention and Control of Occupational Diseases Law of the People's Republic of China (《中華人民共和國職業病防治法》)" and other laws and regulations relating to safety and hygiene. It equipped its employees with work equipment and labor protective gears in line with safety standards and arranged various training programs on safety knowledge and safety skills as well as emergency training and drills.

In order to further enhance its core competitiveness and promote sustainable development, the Group has established the "three standards" Quality, Occupational Health and Safety, and Environment ("**QHSE**") management system in compliance with international standards, which maintained stable implementation and played a significant role in enhancing management and implementing its transformational development.

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.

During the period under review, all operating power plants over which the Group has operational control complied with relevant local production safety regulations. No fines or charges were imposed on the Group due to violation of regulations.

Human Resources

The Group has placed great emphasis on the establishment of the performance appraisal, rewarding and punishment mechanism for all employees. It determines the emoluments of its directors and employees based on their respective performance, working experience, duties of the position, the remuneration system of the Company's parent company and prevailing market conditions. In addition, the Group has implemented an incentive policy that links emoluments with overall business performance.

The Company adopted a share incentive scheme on 15 June 2022 with an objective to effectively attract, motivate and retain core backbone employees of the Company to support the Company's strategic transformation and long-term development. The Group has also attached great importance to the learning and training of employees and to the communication and exchange between employees in different positions. It has improved the professional and technical capabilities and overall competence of its employees on an ongoing basis, so as to meet the needs of its continuously expanding businesses.

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

During the period under review, all business units over which the Group has operational control complied with the local labor laws. No fines or charges were imposed on the Group due to violation of regulations.

Management's Discussion and Analysis

Stakeholder Engagement

The Group has been actively responding to the local policy requirements of the places where it operates by supporting local communities in terms of green development and environmental protection, providing reliable electricity to cope with challenges arising from extreme weather such as flooding, typhoon and cold wave, and establishing sound cooperation relationship with governments, universities and enterprises in areas including energy, technology and talents development.

Climate Change

The Group recognizes the real and present danger of climate change, assumes the mission of accelerating the transformation of the power and energy industries and the development of clean energy, and actively takes actions to address climate change. In recent years, the Group further pressed ahead with clean energy development, optimized the operation of various power plants, actively carried out optimization for carbon reduction and efficiency enhancement, and continued to promote the orderly elimination of traditional coal-fired power generating units with lagging production capacity or carry out energy-saving and environmental upgrades and transformation. In addition, the Group pursued the "dual-wheel drive" strategic development model that focuses on the development of clean and low-carbon energy and strategic emerging industries, so as to fundamentally respond to the core requirements of sustainable development.

The Group pays high regards to environmental, social and governance ("**ESG**") related work and has established the Strategic and Sustainable Development Committee under the Board in 2023 to optimize the ESG governance structure of the Company and further promote the integration of ESG into the production, operation and corporate culture of the Group. During the period under review, we successfully joined the United Nations Global Compact ("**UNGC**") and was shortlisted as one of "Top 100 ESG Pioneer Among Listed Companies in China (2024)".

The Company published its latest Sustainability Report in April 2024. The report identified and analyzed its corporate climate risks and opportunities in line with the "Climate-related Risks, Opportunities and Financial Impacts" framework put forward by the Task Force on Climate-related Financial Disclosures ("**TCFD**") and highlighted the Group's efforts and relevant achievements in maintaining sustainable growth. We have adopted and followed the procedures recommended by the TCFD so as to determine the suitable governance structure, study and formulate ESG strategies, identify climate-related risks and opportunities, tackle business and material risks, devise the climate action list, conduct analysis on climate scenarios and assess potential financial impacts. In order to proactively respond to climate risks and opportunities, we compiled the "Carbon Emissions Peak Action Plan" in early 2024 to further meet the overall requirements of the "Dual Carbon Goals" and incorporate climate issues into our overall corporate strategy. We have also formulated ESG strategies and included "climate actions" as one of the key aspects of our strategy. Climate-related goals and the implementation methods, such as emission of carbon dioxide, emission intensity of air pollutants, linkage between climate risk indicators and remuneration of senior management, etc., were also incorporated therein.

With reference to the two disclosure standards of "IFRS S1 – General Requirements for Disclosure of Sustainability-Related Financial Information" and "IFRS S2 – Climate-Related Disclosures" which were officially issued by the International Sustainability Standards Board ("**ISSB**") in June 2023, the Group will continue to further improve our environmental and climate governance system based on the recommendations of the TCFD to combat climate change with our best efforts.

Management's Discussion and Analysis

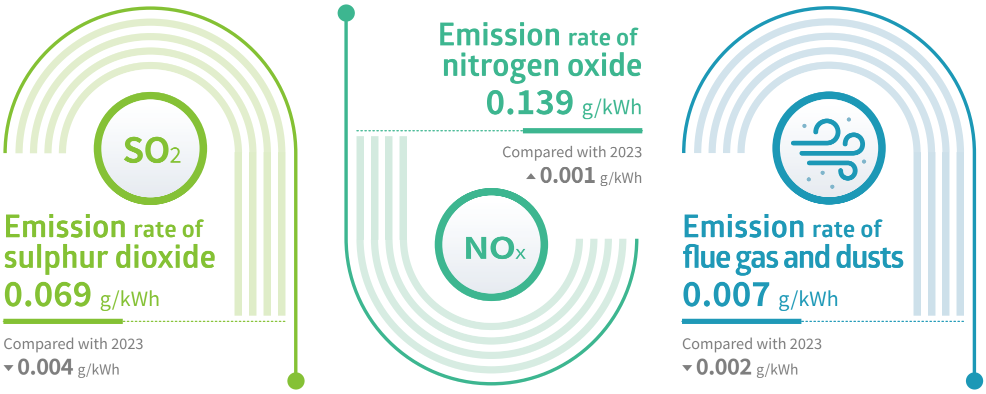
Energy Saving and Emissions Reduction

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 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. 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 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:



The Group has always been closely following the environmental protection policies, continuing to carry out governance on its pollutants and strictly implementing the requirements of various national and local environmental protection policies. During the period under review, the Group carried out transformations for enhancement of environmental emission standards and comprehensive governance on environmental protection. In addition, it has completed the transformation for capacity expansion of the desulphurization system of the no. 2 furnace of Shangqiu Thermal Power; the transformation for enhancement of the flue gas purification standards of Bazhou Environmental and the transformation for the flue gas deacidification of Handan Environmental have entered the testing and commissioning stage; the phasal heightening of the ash field of Pu'an Power Plant has been completed; the key projects such as closure and transformation of the coal yard and zero discharge of desulfurization wastewater of Pingwei Power Plant have been initiated. At the same time, in collaboration with the Science and Technology Innovation Center (科技創新中心), the Group has improved the construction of a data middle office in relation to the environmental protection segment of the thermal power industry, thereby achieving real-time monitoring and trend analysis of the environmental protection data of the thermal power generating units, and ensuring that the environmental protection data are true, accurate, complete and effective.

During the period under review, all the power plants over which the Group has operational control complied with the relevant local environmental protection regulations. No fines or charges were imposed on the Group due to violation of regulations.

Outlook and Special Dividend

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".

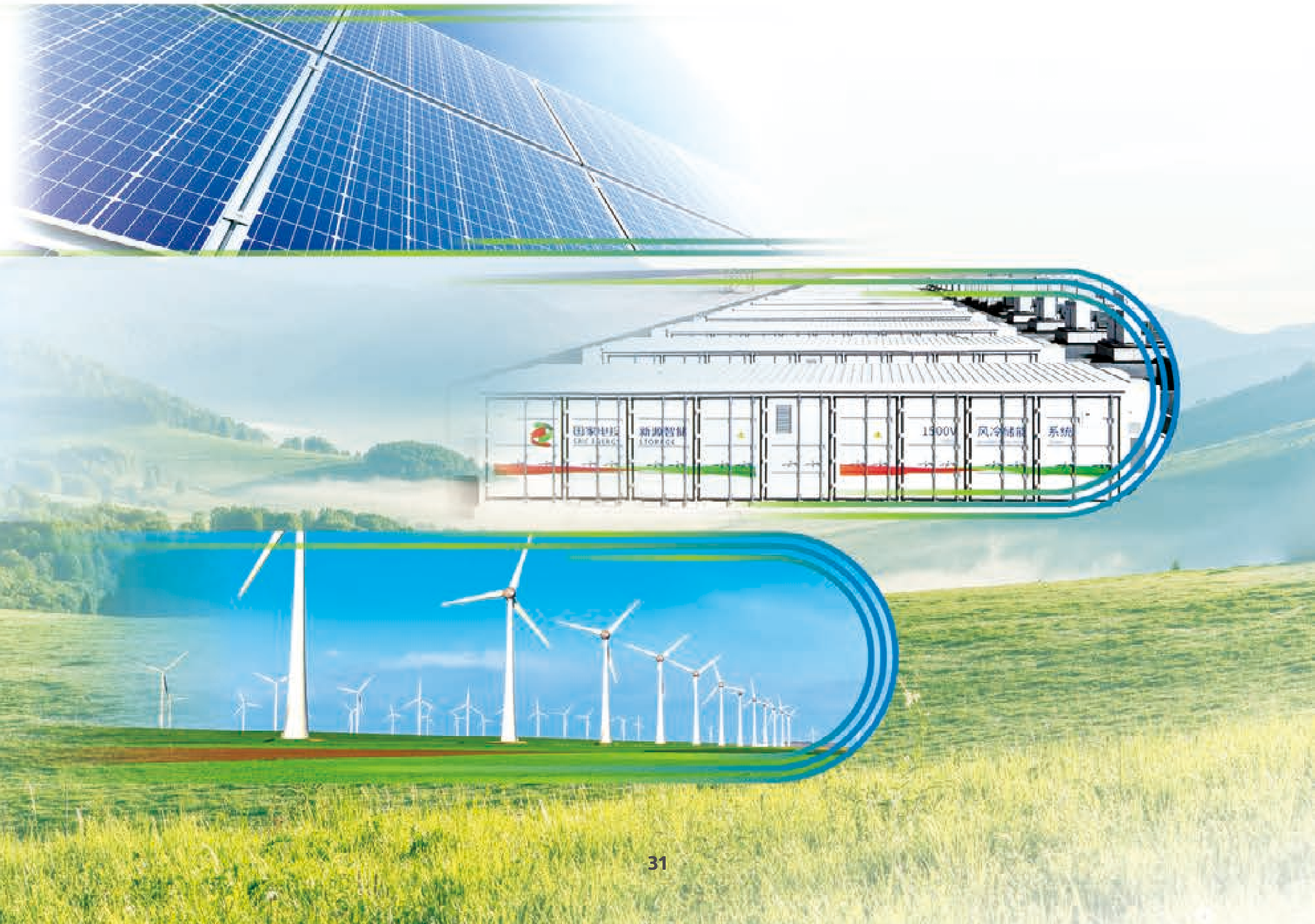
Outlook and Special Dividend

SPECIAL DIVIDEND

In appreciation of our shareholders' long-standing support, the Board has resolved to declare the 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 22 August 2024 for details.

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

Ex-dividend date	30 September 2024
Closure of register of members for determining shareholders' entitlement to the Special Dividend	3 October 2024 to 4 October 2024 (both days inclusive)
Record date for the Special Dividend	4 October 2024
Payable date for the Special Dividend	15 October 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. We conduct periodic reviews of the effectiveness of risk management and internal control systems to ensure they are robust and adequate to address and mitigate significant risks that can undermine achieving our strategic goals.

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 the Corporate Governance Code (the "**CG 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 the 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 (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Having made specific enquiries to each of the Directors, they all confirmed that they have fully complied with the Code of Conduct throughout the six months ended 30 June 2024.

FINANCIAL REPORTING

The Audit Committee has reviewed the accounting principles adopted by the Group and the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024.

The Company has engaged Ernst & Young to perform a review on the Group's interim condensed consolidated financial information for the six months ended 30 June 2024, and the "Independent Review Report" is set out on page 39.

RISK MANAGEMENT AND INTERNAL CONTROL

For the six months ended 30 June 2024, the Company has strictly complied with the relevant provisions of the CG Code regarding risk management and internal control. We have carried out major works in relevant respects during the period, which included the following:

Comprehensive internal audit coverage

In respect of internal audit for the year, we have formulated a comprehensive coverage plan. During the period under review, we have organized 15 audit projects, in which we put forward various management advice and risk alerts to assist the relevant units to enhance their risk management standards. We also optimized the rectification supervision mechanism and established mechanisms for special meetings, on-site supervision and close tracking on key issues to ensure full utilization of the audit findings, and make certain the enforcement of accountability for audit rectification in all aspects. In addition, we promoted the application of the "digital intelligent audit system" and inspected the problems or risks raised by the audit model in a timely manner, thereby enhancing both the quality and efficiency of our audit tasks.

Corporate Governance

Strengthening risk management

In respect of risk management, we formulated a "company-specific" list for prevention and control of major risks to implement precise risk prevention and control measures. Meanwhile, we prepared and reviewed the risk assessment reports in strict accordance with the relevant requirements, ensuring that comprehensive and effective risk alerts would be available to the decision-making level for reference. We also issued the job-specific risk management manual that closely integrates job responsibilities with risk prevention and control, encouraging our staff to take initiatives in risk prevention at work.

Enhancing internal control assessment

We carried out internal control assessment on the following special topics: (i) the risk and internal control management and reorganization of the newly acquired companies; (ii) the corporate governance, decision-making process and internal control of the "coal-and-power joint-operation" enterprises, as well as the authorities and responsibility boundaries of the joint venture or cooperating partners; (iii) the construction and implementation of internal control design system of the newly established companies; and (iv) the construction and implementation of internal control mechanism in high-risk areas (e.g. fund management and procurement management, inclusive of transactions with connected parties).

Optimizing post-investment evaluation

We carried out post-investment evaluation for investment projects, deployed and promoted the rectification for evaluation findings and deficiencies, and set up ledgers for tracking the effectiveness of post-evaluation to improve the result reporting mechanism. In addition, we summarized the status of the audit findings for projects in 2023 and reported them in the Group's internal system to all subsidiaries and business units, so as to ensure the optimal use of the evaluation findings, and hence enhance the verification, decision-making, and internal control system construction and operation standards for investment projects.

Reviewing the continuing connected transactions

The Internal Audit Department also took appropriate measures to review the implementation of the Group's existing continuing connected transactions on a quarterly basis. For the six months ended 30 June 2024, each of the relevant companies of the Group had strictly monitored the agreed prices and terms of the various continuing connected transactions in the actual course of business operations, hence none of the transactions exceeded the relevant annual caps as disclosed.

Corporate Governance

Review of the Inside Information Management Policy and Whistleblowing Policy

In light of the evolving corporate governance standards and the increasing emphasis on ethical conduct within the business environment, we have updated our internal Inside Information Management Policy and Whistleblowing Policy. These updates align with the best market practices with emphases on the critical importance of transparency, accountability and responsible information management. The updated Inside Information Management Policy is designed to ensure that we always stay alert and handle sensitive information responsibly and in accordance with the latest regulatory, legal and ethical standards. The updated Whistleblowing Policy reflects our commitment to protecting whistleblowers and encouraging the reporting of unethical behavior without fear of retaliation.

INVESTOR RELATIONS

Shareholders and investors could be informed of the latest business performance and development of the Group by means of various communication channels, including the corporate news posted under the "Media Centre" section at the Company's website at www.chinapower.hk, the publication of the annual and interim reports, the monthly trading update announcements on the Group's electricity sales and other announcements on the Group's key business development and corporate activities.

In the first half of 2024, the Group organized a press conference immediately after the publication of its annual results 2023. At the same time, we also launched several roadshows in Hong Kong and Mainland China to coordinate with the annual results announcement and to apprise the Company's strategic and business development prospects to the market. During the first half of the year, our investor relations team has engaged with over 700 representatives from various investment institutions, maintained ongoing dialogues with investors through telephone conferences, on-site meetings, emails and other mediums, promptly responded to investors' enquiries.

SHARE INCENTIVE SCHEME

The Company's current Share Incentive Scheme was approved by the shareholders at an extraordinary general meeting held on 15 June 2022. The Share Incentive Scheme aims at (i) further improving the incentive mechanism of the Company in support of the transformation and development of the Company; (ii) fully motivating the Company's senior management, middle management and core business backbone personnel; and (iii) aligning the interest of the shareholders of the Company, the Company and the individual interest of the core backbone employees effectively, so that all parties will share a common concern for the long-term development of the Company. Details of the Share Incentive Scheme was set out in the Company's circular dated 27 May 2022, and their principal terms were summarized in the Company's annual report 2023.

Corporate Governance

Movements of the share options granted under the Share Incentive Scheme for the six months ended 30 June 2024 are as follows:

Name or Category of Grantees	Date of Grant	Exercise Price (HK$)	Closing Price on the date of grant (HK$)	Waiting Period	Exercise Period	As at 1 January 2024	Exercised during the period	Cancelled during the period	Lapsed during the period	As at 30 June 2024
Directors										
HE Xi	5 July 2022	4.82	4.69	5 July 2022 - 4 July 2024	5 July 2024 - 4 July 2025	363,000	-	-	(363,000)	-
		4.82	4.69	5 July 2022 - 4 July 2025	5 July 2025 - 4 July 2026	363,000	-	-	-	363,000
		4.82	4.69	5 July 2022 - 4 July 2026	5 July 2026 - 4 July 2027	374,000	-	-	-	374,000
						1,100,000			**(363,000)**	**737,000**
GAO Ping	5 July 2022	4.82	4.69	5 July 2022 - 4 July 2024	5 July 2024 - 4 July 2025	363,000	-	-	(363,000)	-
		4.82	4.69	5 July 2022 - 4 July 2025	5 July 2025 - 4 July 2026	363,000	-	-	-	363,000
		4.82	4.69	5 July 2022 - 4 July 2026	5 July 2026 - 4 July 2027	374,000	-	-	-	374,000
						1,100,000			**(363,000)**	**737,000**
Other Employees	5 July 2022	4.82	4.69	5 July 2022 - 4 July 2024	5 July 2024 - 4 July 2025	23,849,100	-	-	(23,849,100)	-
		4.82	4.69	5 July 2022 - 4 July 2025	5 July 2025 - 4 July 2026	23,849,100	-	-	(980,100)	22,869,000
		4.82	4.69	5 July 2022 - 4 July 2026	5 July 2026 - 4 July 2027	24,571,800	-	-	(1,009,800)	23,562,000
						72,270,000			**(25,839,000)**	**46,431,000**
	20 July 2022	4.90	4.65	20 July 2022 - 19 July 2024	20 July 2024 - 19 July 2025	6,134,700	-	-	(6,134,700)	-
		4.90	4.65	20 July 2022 - 19 July 2025	20 July 2025 - 19 July 2026	6,134,700	-	-	-	6,134,700
		4.90	4.65	20 July 2022 - 19 July 2026	20 July 2026 - 19 July 2027	6,320,600	-	-	-	6,320,600
						18,590,000			**(6,134,700)**	**12,455,300**
Total						**93,060,000**			**(32,699,700)**	**60,360,300**

As at 30 June 2024, the number of shares of the Company that may be issued in respect of share options granted but not yet lapsed or cancelled under the Share Incentive Scheme was 60,360,300. The number of share options available for grant under the Share Incentive Scheme as at 1 January 2024 and 30 June 2024 were 8,531,100, representing approximately 0.07% of the number of the existing issued shares of the Company. For further information on the fair value of these share options, please refer to Note 19 to the Interim Condensed Consolidated Financial Information.

Corporate Governance

UPDATED DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the updated information of the Directors that is required to be disclosed since the date of the annual report 2023 to the date of this report is as follows:

Mr. HE Xi has been appointed as the director and chairman of China Power International Holding Limited ("**CPI Holding**", an intermediate holding company of the Company) and has resigned from the position of chief engineer of new energy of State Power Investment Corporation Limited*（國家電力投資集團有限公司, "**SPIC**" the ultimate holding company of the Company), effective from 25 April 2024.

Mr. YAU Ka Chi has stepped down from his role as an independent non-executive director of Yihai International Holding Ltd. and HBM Holdings Limited, with his resignation taking effective on 26 March 2024 and 21 June 2024, respectively. Both companies are listed on the Main Board of the Hong Kong Stock Exchange.

Mr. HUI Hon Chung, Stanley has resigned from the position of the chief executive officer of Greater Bay Airlines, effective from 1 April 2024.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2024, the following Directors have the following interest in the shares or underlying shares of the Company:

Name	Capacity	Number of share options held	Percentage of issued share capital of the Company (%)	Long/short position
HE Xi	Beneficial owner	737,000	0.006	Long
GAO Ping	Beneficial owner	737,000	0.006	Long

Save as disclosed above, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "**SFO**") which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which would be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2024, save as disclosed below, no person, not being a Director nor chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which should be recorded in the register kept under Section 336 of the SFO.

Name	Capacity	Number of shares in which interested other than under equity derivatives[4]	Percentage of issued share capital of the Company (%)	Long/ short position
SPIC Innovation Investment Co., Ltd. ("**SPIC Fund**")	Beneficial owner	126,870,000	1.02	Long
SPIC International Finance (Hong Kong) Company Limited ("**SPIC Finance HK**")	Beneficial owner	446,275,453	3.61	Long
China Power Development Limited ("**CPDL**")	Beneficial owner	2,662,000,000	21.52	Long
China Power (New Energy) Holdings Limited ("**CPNE**")	Beneficial owner	1,854,648,662	14.99	Long
CPI Holding[1]	Interest of controlled corporations	4,516,648,662	36.51	Long
	Beneficial owner	2,833,518,060	22.91	Long
SPIC[2]	Interest of controlled corporations	7,923,312,175	64.05	Long
China CITIC Financial AMC International Holdings Limited ("**CITIC International**")	Beneficial owner	618,237,000	5.00	Long
China CITIC Financial Asset Management Co., Ltd. ("**CITIC Financial AMC**")[3]	Interest of controlled corporation	618,237,000	5.00	Long
	Beneficial owner	12,650,000	0.10	Long

Notes:

(1) CPI Holding is the beneficial owner of CPDL and CPNE and therefore CPI Holding is deemed to be interested in the shares of the Company owned by CPDL and CPNE for the purposes of the SFO.

(2) SPIC is the beneficial owner of CPI Holding, SPIC Finance HK and SPIC Fund and therefore SPIC is deemed to be interested in the shares of the Company owned by CPI Holding, SPIC Finance HK and SPIC Fund for the purposes of the SFO.

Corporate Governance

(3) According to the Corporate Substantial Shareholder Notice filed by CITIC Financial AMC with the Hong Kong Stock Exchange pursuant to Part XV of the SFO – Disclosure of Interests, as of 30 June 2024, CITIC Financial AMC directly holds 12,650,000 shares of the Company and indirectly holds 618,237,000 shares of the Company through its wholly-owned subsidiary, CITIC International. CITIC Financial AMC is the beneficial owner of CITIC International and therefore CITIC Financial AMC is deemed to be interested in the shares of the Company owned by CITIC International for the purpose of the SFO.

(4) Save as disclosed above, SPIC, CPI Holding, CPDL, CPNE, SPIC Finance HK, SPIC Fund, CITIC Financial AMC and CITIC International do not have any interest in the equity derivatives of the Company.

PURCHASE, SALE OR REDEMPTION OF THE 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.

PUBLIC FLOAT

As at the date of this report, based on public information available to the Company and to the best knowledge of the Directors, the Company has maintained sufficient public float, being no less than 25% of the Company's number of shares in issue as required under the Listing Rules.

Independent Review Report

Ernst & Young
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To the board of directors of China Power International Development Limited
(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 40 to 86, which comprises the interim condensed consolidated statement of financial position of China Power International Development Limited (the "Company") and its subsidiaries (collectively, the "Group") as at 30 June 2024 and the related interim condensed consolidated income statement, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *"Interim Financial Reporting"* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
22 August 2024

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2024

	Notes	Six months ended 30 June 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
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)
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
Profit before taxation		5,468,812	2,979,659
Income tax expense	9	(877,049)	(430,088)
Profit for the period		4,591,763	2,549,571
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
		4,591,763	2,549,571
Earnings per share for profit attributable to ordinary shareholders of the Company (expressed in RMB per share)			
– Basic	10	0.21	0.14
– Diluted	10	0.21	0.14

The notes on pages 47 to 86 are an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	Notes	Six months ended 30 June 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Profit for the period		**4,591,763**	2,549,571
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Fair value gain on equity instruments at fair value through other comprehensive income("FVTOCI"), net of tax	13	**417,502**	189,291
Item that may be reclassified subsequently to profit or loss:			
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

The notes on pages 47 to 86 are an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	12	**214,628,358**	202,555,694
Right-of-use assets	12	**7,952,832**	8,494,624
Prepayments for construction of power plants	12	**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	13	**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	14	**11,361,838**	9,383,080
		272,753,869	260,164,628
Current assets			
Inventories		**1,672,430**	2,380,212
Accounts receivable	15	**29,100,657**	25,235,221
Prepayments, deposits and other receivables		**8,430,384**	7,967,510
Amounts due from related parties	29(c)	**3,427,295**	4,111,062
Tax recoverable		**73,743**	69,473
Debt instruments at FVTOCI	16	**51,774**	59,345
Restricted deposits		**5,302**	80,513
Cash and cash equivalents		**6,263,294**	5,738,815
		49,024,879	45,642,151
Assets associated with a disposal group classified as held for sale	17	**3,802,048**	–
Total assets		**325,580,796**	305,806,779
EQUITY			
Equity attributable to ordinary shareholders of the Company			
Share capital	18	**24,508,986**	24,508,986
Reserves	20	**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

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
LIABILITIES			
Non-current liabilities			
Deferred income		92,600	58,107
Bank borrowings	21	105,238,365	99,651,965
Borrowings from related parties	22	10,536,994	16,582,669
Other borrowings	23	14,711,861	11,213,837
Lease liabilities	24	3,267,204	3,398,570
Deferred income tax liabilities		2,946,882	2,849,526
Provisions for other long-term liabilities	25	1,858,101	1,860,767
		138,652,007	135,615,441
Current liabilities			
Accounts and bills payables	26	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	29(c)	6,388,028	10,965,201
Bank borrowings	21	25,158,568	19,628,679
Borrowings from related parties	22	16,542,260	10,441,339
Other borrowings	23	7,125,287	7,063,759
Lease liabilities	24	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	17	2,187,532	–
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

The notes on pages 47 to 86 are an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to ordinary shareholders of the Company						
	Share capital (Note 18) RMB'000	Other reserves (Note 20) RMB'000	Retained earnings (Note 20) RMB'000	Sub-total RMB'000	Other equity instruments RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024 (audited)	24,508,986	6,300,008	7,656,238	38,465,232	15,174,509	41,380,971	95,020,712
Profit for the period	–	–	2,569,879	2,569,879	232,318	1,789,566	4,591,763
Other comprehensive income for the period:							
Fair value gain on equity instruments at FVTOCI, net of tax	–	417,312	–	417,312	–	190	417,502
Fair value loss on debt instruments at FVTOCI, net of tax	–	(499)	–	(499)	–	(266)	(765)
Release on derecognition of debt instruments at FVTOCI, net of tax	–	533	–	533	–	292	825
Total comprehensive income for the period	–	417,346	2,569,879	2,987,225	232,318	1,789,782	5,009,325
Issuance of perpetual debts	–	–	–	–	32,050	–	32,050
Share-based payment expenses	–	11,523	–	11,523	–	–	11,523
Appropriation of safety production funds	–	245,466	(245,466)	–	–	–	–
Share of changes of reserves of associates and joint ventures	–	2,728	(2,728)	–	–	–	–
Capital injections from non-controlling shareholders of subsidiaries	–	–	–	–	–	1,908,773	1,908,773
Distributions to holders of other equity instruments	–	–	–	–	(119,458)	–	(119,458)
Change of associates to subsidiaries (Note 31(b))	–	–	–	–	–	1,198,018	1,198,018
Dividends paid to non-controlling interests	–	–	–	–	–	(1,156,969)	(1,156,969)
2023 final dividend (Note 11)	–	–	(1,632,860)	(1,632,860)	–	–	(1,632,860)
Total transactions recognized directly in equity	–	259,717	(1,881,054)	(1,621,337)	(87,408)	1,949,822	241,077
At 30 June 2024 (unaudited)	24,508,986	6,977,071	8,345,063	39,831,120	15,319,419	45,120,575	100,271,114

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to ordinary shareholders of the Company						
	Share capital (Note 18) RMB'000	Other reserves (Note 20) RMB'000	Retained earnings (Note 20) RMB'000	Sub-total RMB'000	Other equity instruments RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023 (audited)	24,508,986	6,732,799	7,087,579	38,329,364	8,639,281	21,621,460	68,590,105
Profit for the period	–	–	1,679,854	1,679,854	169,799	699,918	2,549,571
Other comprehensive income for the period:							
Fair value gain/(loss) on equity instruments at FVTOCI, net of tax	–	192,160	–	192,160	–	(2,869)	189,291
Fair value loss on debt instruments at FVTOCI, net of tax	–	(176)	–	(176)	–	(90)	(266)
Release on derecognition of debt instruments at FVTOCI, net of tax	–	1,214	–	1,214	–	195	1,409
Total comprehensive income for the period	–	193,198	1,679,854	1,873,052	169,799	697,154	2,740,005
Issuance of perpetual debts	–	–	–	–	2,967,300	–	2,967,300
Share-based payment expenses	–	21,139	–	21,139	–	–	21,139
Appropriation of safety production funds	–	77,275	(77,275)	–	–	–	–
Share of changes of reserves of associates and joint ventures	–	18,195	(18,195)	–	–	–	–
Capital injections from non-controlling shareholders of subsidiaries	–	–	–	–	–	2,090,025	2,090,025
Distributions to holders of other equity instruments	–	–	–	–	(87,084)	–	(87,084)
Dividends paid to non-controlling interests	–	–	–	–	–	(462,925)	(462,925)
2022 final dividend (Note 11)	–	–	(1,360,717)	(1,360,717)	–	–	(1,360,717)
Total transactions recognized directly in equity	–	116,609	(1,456,187)	(1,339,578)	2,880,216	1,627,100	3,167,738
At 30 June 2023 (unaudited)	24,508,986	7,042,606	7,311,246	38,862,838	11,689,296	23,945,714	74,497,848

The notes on pages 47 to 86 are an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Notes	Six months ended 30 June 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Cash flows from operating activities			
Net cash generated from operating activities	31(a)	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 year		(4,316,107)	(750,975)
Cash inflow on change of associates to subsidiaries	31(b)	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
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)
Cash and cash equivalents at 30 June (note)		6,266,629	8,122,121

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 of RMB3,335,000 (Note 17) (30 June 2023: Nil).

The notes on pages 47 to 86 are an integral part of the interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information

1. BASIS OF PREPARATION

(a) China Power International Development Limited (the "Company") was incorporated in Hong Kong on 24 March 2004 as a limited liability company under the Hong Kong Companies Ordinance. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

(b) The Company and its subsidiaries (together referred to as the "Group") are principally engaged in generation and sales of electricity in the People's Republic of China (the "PRC"), including investment, development, operation and management of hydropower, wind power, photovoltaic power and thermal power plants, and the provision of energy storage, green power transportation and integrated intelligent energy solution services. Its businesses are mainly located in various major power grid regions of the PRC.

(c) The Group is controlled by China Power International Holding Limited ("CPI Holding"), an intermediate holding company which directly holds the Company's shares and also indirectly holds through China Power Development Limited ("CPDL"), a wholly-owned subsidiary of CPI Holding. The directors of the Company (the "Directors") regard State Power Investment Corporation Limited (國家電力投資集團有限公司) ("SPIC"), a wholly state-owned enterprise established in the PRC which is the beneficial owner of CPI Holding, as the ultimate holding company.

(d) 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 Hong Kong Stock Exchange.

(e) The financial information relating to the year ended 31 December 2023 that is included in the interim condensed consolidated financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

- 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.

(f) The interim condensed consolidated financial information is prepared on a going concern basis, details of which are set out in Note 28.1. They are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated, and have been approved by the board of Directors (the "Board") on 22 August 2024.

(g) The interim condensed consolidated financial information has not been audited.

Notes to the Interim Condensed Consolidated Financial Information

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	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and impact of the revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

Notes to the Interim Condensed Consolidated Financial Information

3. REVENUE AND SEGMENT INFORMATION

Revenue recognized during the period is as follows:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
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
	26,471,527	21,317,030
Timing of revenue recognition:		
Goods – at a point in time	**26,462,460**	20,988,703
Services – over time	**9,067**	328,327
	26,471,527	21,317,030
Geographical markets:		
The PRC	**26,444,116**	21,317,030
Other country	**27,411**	–
	26,471,527	21,317,030

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 income 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.

Notes to the Interim Condensed Consolidated Financial Information

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

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.

	Six months ended 30 June 2024 (unaudited)							
	Thermal power electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total 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	-	24,900,463
Provision of power generation	5,939	-	127	37,012	-	43,078	-	43,078
Energy storage revenue	-	-	-	-	1,527,986	1,527,986	-	1,527,986
	11,642,580	2,688,047	5,872,111	4,740,803	1,527,986	26,471,527	-	26,471,527
Segment results	1,517,581	1,345,943	2,850,627	2,133,086	54,822	7,902,059	-	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	7,902,059	(435,751)	7,466,308
Finance income	2,612	3,969	47,793	3,336	1,884	59,594	34,949	94,543
Finance costs	(347,385)	(378,133)	(898,617)	(846,104)	(13,361)	(2,483,600)	(92,078)	(2,575,678)
Share of results of associates	174,647	-	74,688	27,545	-	276,880	89,984	366,864
Share of results of joint ventures	(15,171)	-	109,262	7,304	-	101,395	15,380	116,775
Profit/(loss) before taxation	1,332,284	971,779	2,183,753	1,325,167	43,345	5,856,328	(387,516)	5,468,812
Income tax expense	(224,400)	(205,303)	(223,538)	(189,951)	(3,282)	(846,474)	(30,575)	(877,049)
Profit/(loss) for the period	1,107,884	766,476	1,960,215	1,135,216	40,063	5,009,854	(418,091)	4,591,763
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	11,290,088	206,381	11,496,469
Depreciation of property, plant and equipment	938,208	802,438	2,280,712	1,719,772	48,270	5,789,400	37,707	5,827,107
Depreciation of right-of-use assets	59,393	23,882	13,019	114,271	276	210,841	32,710	243,551
Amortization of other intangible assets	122,459	-	277,380	187,539	-	587,378	-	587,378
Loss/(gain) on disposal of property, plant and equipment, net	-	-	2	304	-	306	(36)	270
Impairment of property, plant and equipment	-	-	-	81,622	-	81,622	-	81,622
Reversal of impairment of other receivables	-	(97)	-	-	-	(97)	-	(97)

Notes to the Interim Condensed Consolidated Financial Information

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

	As at 30 June 2024 (unaudited)							
	Thermal power electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total 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	-	297,772,247
Assets associated with a disposal group classified as held for sale	3,802,048	-	-	-	-	3,802,048	-	3,802,048
Goodwill	-	585,751	364,097	290,710	-	1,240,558	-	1,240,558
Interests in associates	3,219,046	-	739,447	346,306	-	4,304,799	2,975,111	7,279,910
Interests in joint ventures	134,790	-	973,530	591,725	-	1,700,045	677,904	2,377,949
	48,318,618	38,953,285	116,244,083	99,728,067	5,575,644	308,819,697	3,653,015	312,472,712
Equity instruments at FVTOCI	-	-	-	-	-	-	5,397,013	5,397,013
Deferred income tax assets	-	-	-	-	-	-	1,055,122	1,055,122
Other unallocated assets	-	-	-	-	-	-	6,655,949	6,655,949
Total assets per interim condensed consolidated statement of financial position	48,318,618	38,953,285	116,244,083	99,728,067	5,575,644	308,819,697	16,761,099	325,580,796
Segment liabilities								
Other segment liabilities	(3,988,262)	(4,500,530)	(12,135,346)	(11,030,000)	(3,011,292)	(34,665,430)	-	(34,665,430)
Liabilities associated with a disposal group classified as held for sale	(2,187,532)	-	-	-	-	(2,187,532)	-	(2,187,532)
Borrowings	(24,468,361)	(21,149,690)	(60,779,833)	(62,628,494)	(1,131,792)	(170,158,170)	(9,155,165)	(179,313,335)
	(30,644,155)	(25,650,220)	(72,915,179)	(73,658,494)	(4,143,084)	(207,011,132)	(9,155,165)	(216,166,297)
Deferred income tax liabilities	-	-	-	-	-	-	(2,946,882)	(2,946,882)
Tax payable	-	-	-	-	-	-	(565,858)	(565,858)
Other unallocated liabilities	-	-	-	-	-	-	(5,630,645)	(5,630,645)
Total liabilities per interim condensed consolidated statement of financial position	(30,644,155)	(25,650,220)	(72,915,179)	(73,658,494)	(4,143,084)	(207,011,132)	(18,298,550)	(225,309,682)

Notes to the Interim Condensed Consolidated Financial Information

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

	Six months ended 30 June 2023 (unaudited)							
	Thermal power electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue								
Sales of electricity	11,707,393	1,482,497	3,976,089	2,482,056	–	19,648,035	–	19,648,035
Provision of power generation	3,673	–	2,697	36,255	–	42,625	–	42,625
Energy storage revenue	–	–	–	–	1,626,370	1,626,370	–	1,626,370
	11,711,066	1,482,497	3,978,786	2,518,311	1,626,370	21,317,030	–	21,317,030
Segment results	1,052,737	211,251	2,119,938	1,305,483	43,353	4,732,762	–	4,732,762
Unallocated income	–	–	–	–	–	–	190,099	190,099
Unallocated expenses	–	–	–	–	–	–	(444,445)	(444,445)
Operating profit/(loss)	1,052,737	211,251	2,119,938	1,305,483	43,353	4,732,762	(254,346)	4,478,416
Finance income	8,026	4,799	30,648	32,896	507	76,876	98,621	175,497
Finance costs	(407,074)	(412,625)	(648,828)	(483,716)	(7,194)	(1,959,437)	(27,481)	(1,986,918)
Share of results of associates	136,979	2,134	22,781	20,015	–	181,909	68,864	250,773
Share of results of joint ventures	(18,673)	–	67,022	2,475	–	50,824	11,067	61,891
Profit/(loss) before taxation	771,995	(194,441)	1,591,561	877,153	36,666	3,082,934	(103,275)	2,979,659
Income tax (expense)/credit	(210,277)	47,578	(138,201)	(102,100)	(1,581)	(404,581)	(25,507)	(430,088)
Profit/(loss) for the period	561,718	(146,863)	1,453,360	775,053	35,085	2,678,353	(128,782)	2,549,571
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	8,403,795	228,302	8,632,097
Depreciation of property, plant and equipment	887,723	787,380	1,378,528	841,273	264	3,895,168	22,627	3,917,795
Depreciation of right-of-use assets	53,714	26,160	11,313	92,809	1,150	185,146	26,542	211,688
Amortization of other intangible assets	101,108	–	94,559	42,877	–	238,544	–	238,544
Loss on disposal of property, plant and equipment, net	–	301	393	–	–	694	–	694
Reversal of impairment of other receivables	–	–	–	–	–	–	(780)	(780)

Notes to the Interim Condensed Consolidated Financial Information

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

	As at 31 December 2023 (audited)							
	Thermal power electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment assets								
Other segment assets	43,518,774	39,179,448	99,633,685	92,240,531	6,342,687	280,915,125	–	280,915,125
Goodwill	–	585,751	364,097	290,710	–	1,240,558	–	1,240,558
Interests in associates	3,024,481	–	1,735,254	325,290	–	5,085,025	2,727,808	7,812,833
Interests in joint ventures	149,961	–	1,051,147	580,375	–	1,781,483	666,996	2,448,479
	46,693,216	39,765,199	102,784,183	93,436,906	6,342,687	289,022,191	3,394,804	292,416,995
Equity instruments at FVTOCI	–	–	–	–	–	–	4,760,344	4,760,344
Deferred income tax assets	–	–	–	–	–	–	1,096,304	1,096,304
Other unallocated assets	–	–	–	–	–	–	7,533,136	7,533,136
Total assets per interim condensed consolidated statement of financial position	46,693,216	39,765,199	102,784,183	93,436,906	6,342,687	289,022,191	16,784,588	305,806,779
Segment liabilities								
Other segment liabilities	(4,743,321)	(4,725,976)	(9,028,795)	(10,509,611)	(3,572,442)	(32,580,145)	–	(32,580,145)
Borrowings	(25,520,018)	(22,338,874)	(54,055,777)	(50,973,581)	(2,376,187)	(155,264,437)	(9,317,811)	(164,582,248)
	(30,263,339)	(27,064,850)	(63,084,572)	(61,483,192)	(5,948,629)	(187,844,582)	(9,317,811)	(197,162,393)
Deferred income tax liabilities	–	–	–	–	–	–	(2,849,526)	(2,849,526)
Tax payable	–	–	–	–	–	–	(496,346)	(496,346)
Other unallocated liabilities	–	–	–	–	–	–	(10,277,802)	(10,277,802)
Total liabilities per interim condensed consolidated statement of financial position	(30,263,339)	(27,064,850)	(63,084,572)	(61,483,192)	(5,948,629)	(187,844,582)	(22,941,485)	(210,786,067)

Notes to the Interim Condensed Consolidated Financial Information

4. OTHER INCOME

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
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

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
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

Notes to the Interim Condensed Consolidated Financial Information

6. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
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
	2,244,983	1,353,971

7. OPERATING PROFIT

Operating profit is stated after charging the following:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
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 (Note 29(f))	7,514	8,819

Notes to the Interim Condensed Consolidated Financial Information

8. FINANCE INCOME AND FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Finance income		
Interest income from bank deposits	**33,258**	29,420
Interest income from related parties (Note 29(a))	**43,744**	97,101
Interest income from discounting effect on clean energy power price premium receivable (Note 15(b))	**17,541**	48,976
	94,543	175,497
Finance costs		
Interest expense on		
– bank borrowings	**1,867,766**	1,383,546
– borrowings from related parties (Note 29(b))	**466,289**	312,850
– other borrowings	**275,851**	206,118
– amounts due to related parties (Note 29(b))	**324**	1,338
– lease liabilities	**79,313**	73,159
– provisions for other long-term liabilities (Note 25)	**51,974**	52,026
	2,741,517	2,029,037
Less: amounts capitalized in property, plant and equipment	**(169,307)**	(84,086)
	2,572,210	1,944,951
Exchange loss, net	**3,468**	41,967
	2,575,678	1,986,918

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

Notes to the Interim Condensed Consolidated Financial Information

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:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
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.

Global Minimum Tax

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.

Notes to the Interim Condensed Consolidated Financial Information

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.

	Six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
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

During the six months ended 30 June 2024, a final dividend of RMB0.132 (equivalent to HK$0.1455) per ordinary share for the year ended 31 December 2023 (2023: final dividend of RMB0.11 (equivalent to HK$0.1256) per ordinary share for the year ended 31 December 2022) was declared and paid to the ordinary shareholders of the Company.

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

On 22 August 2024, the Board has resolved to declare a special dividend of RMB0.05 (equivalent to HK$0.0547) per ordinary share in cash totalling RMB618,508,000.

Notes to the Interim Condensed Consolidated Financial Information

12. CAPITAL EXPENDITURE

During the six months ended 30 June 2024, the capital expenditure of the Group, which includes acquisition of property, plant and equipment, prepayments for construction of power plants and recognition of right-of-use assets, amounted to RMB11,496,469,000 (2023: RMB8,632,097,000) in total. The Group acquired property, plant and equipment and made prepayments for construction of power plants which in aggregate amounted to RMB11,065,080,000 (2023: RMB8,068,517,000).

During the six months ended 30 June 2024, the Group entered into new lease agreements for leasehold land and buildings with lease terms ranging from 4 to 20 years and certain equipment with lease terms ranging from 5 to 11 years. The Group is required to make fixed payments. On lease commencement, the Group recognized right-of-use assets of RMB577,188,000 (2023: RMB563,580,000) and lease liabilities of RMB197,669,000 (2023: RMB423,176,000).

As at 30 June 2024, certain property, plant and equipment and right-of-use assets of the Group with carrying amounts of RMB2,432,817,000 (31 December 2023: RMB2,235,221,000) were pledged as security for certain long-term bank borrowings (Note 21(d)) and other borrowings (Note 23(c)) of the Group.

13. EQUITY INSTRUMENTS AT FVTOCI

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Unlisted equity investments in the PRC	**1,804,052**	1,686,892
Listed equity securities in the PRC		
– Shanghai Electric Power Co., Ltd. ("Shanghai Power")	**3,592,961**	3,073,452
	5,397,013	4,760,344

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.

Notes to the Interim Condensed Consolidated Financial Information

14. OTHER NON-CURRENT ASSETS

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Deductible value-added tax and other taxes	**5,964,689**	5,942,551
Accounts receivable (Note 15)	**4,960,552**	2,964,890
Others	**436,597**	475,639
	11,361,838	9,383,080

15. ACCOUNTS RECEIVABLE

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Accounts receivable from regional and provincial power grid companies (note (b))	**32,062,946**	26,383,363
Accounts receivable from other companies (note (b))	**1,978,981**	1,638,342
	34,041,927	28,021,705
Notes receivable (note (c))	**19,282**	178,406
	34,061,209	28,200,111
Analyzed for reporting purposes as:		
– Non-current (included in other non-current assets (Note 14)) (note (b))	**4,960,552**	2,964,890
– Current	**29,100,657**	25,235,221
	34,061,209	28,200,111

Notes:

The analysis below includes those accounts receivable as part of a disposal group classified as held for sale of RMB395,948,000 (Note 17).

(a) 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.

15. ACCOUNTS RECEIVABLE (CONTINUED)

Notes: *(Continued)*

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

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Unbilled	**4,960,552**	2,964,890
1 to 3 months	**29,477,323**	25,056,815
	34,437,875	28,021,705

The accounts receivable that are neither past due nor impaired have been assessed by reference to the historical information about counterparty default rates. The existing counterparties did not have significant default in the past.

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 of respective segments in the interim condensed consolidated income statement of the Group.

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.

Notes to the Interim Condensed Consolidated Financial Information

15. ACCOUNTS RECEIVABLE (CONTINUED)

Notes: *(Continued)*

(b) *(Continued)*

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 and lease liabilities (Notes 21(d), 23(c) and 24) (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).

(e) Apart from certain clean energy power price premium receivables which are stated after discounting, the fair values of the remaining accounts and notes receivables approximate their carrying amounts as the impact of discounting is not significant. All accounts and notes receivables are denominated in RMB.

16. DEBT INSTRUMENTS AT FVTOCI

As at 30 June 2024, debt instruments at FVTOCI represented certain notes receivable issued by third parties and were normally with a maturity period within 360 days (31 December 2023: 360 days). For the six months ended 30 June 2024, notes receivable discounted and endorsed to banks, suppliers and related parties of RMB755,946,000, RMB286,562,000 and RMB1,563,000 (2023: RMB831,053,000, RMB179,620,000 and RMB2,000,000) respectively were derecognized by the Group.

Notes to the Interim Condensed Consolidated Financial Information

17. 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 are 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, no impairment loss has been recognized.

Major classes of assets and liabilities of Pingwei Power as at 30 June 2024 are as follows:

	Pingwei Power RMB'000 (unaudited)
Property, plant and equipment	2,079,533
Right-of-use assets	64,200
Prepayment for construction of power plants	1,108,843
Deferred income tax assets	1,587
Inventories	73,682
Accounts receivable (Note 15)	395,948
Prepayments, deposits and other receivables	67,055
Cash and cash equivalents	3,335
Other assets	7,865
Total assets associated with a disposal group classified as held for sale	3,802,048
Long-term bank borrowings (Note 21)	(345,000)
Lease liabilities	(70,549)
Construction cost payable	(253,389)
Other payables and accrued charges	(50,207)
Amounts due to related parties (Note 29)	(160,867)
Short-term bank borrowings (Note 21)	(1,056,880)
Short-term borrowings from related parties (Note 22)	(240,000)
Tax payable	(10,640)
Total liabilities associated with a disposal group classified as held for sale	(2,187,532)

Note:

As at 30 June 2024, current portion of long-term bank borrowings amounted to RMB11,000,000.

Notes to the Interim Condensed Consolidated Financial Information

18. SHARE CAPITAL

The total number of shares of the Company amounted to 12,370,150,983. There are no movements in the number of shares of the Company from 1 January to 30 June 2024.

19. SHARE OPTION SCHEME

On 5 and 20 July 2022, the Directors announced that the Company has granted share options to certain eligible participants (the "Grantees"), subject to acceptance of the Grantees, under the Company's share option incentive scheme adopted on 15 June 2022 (the "Scheme"). The Scheme shall be valid from the grant date until the date when all share options have been exercised or cancelled and the maximum effective period of the Scheme shall not exceed 72 months. Grantees included the Directors, and employees of the Company or the Group's controlled subsidiaries. Each share option shall entitle the Grantees to subscribe for one new share of the Company at the exercise price. Details of the share options granted are set out below:

Date of grant	5 July 2022	20 July 2022
Exercise price (per share)	HK$4.82	HK$4.90
Number of share options granted	84,590,000	18,590,000
Exercisable period	First exercise period (Percentage of share options exercisable: 33%) Trading days from 5 July 2024 to 4 July 2025	First exercise period (Percentage of share options exercisable: 33%) Trading days from 20 July 2024 to 19 July 2025
	Second exercise period (Percentage of share options exercisable: 33%) Trading days from 5 July 2025 to 4 July 2026	Second exercise period (Percentage of share options exercisable: 33%) Trading days from 20 July 2025 to 19 July 2026
	Third exercise period (Percentage of share options exercisable: 34%) Trading days from 5 July 2026 to 4 July 2027	Third exercise period (Percentage of share options exercisable: 34%) Trading days from 20 July 2026 to 19 July 2027

The movements of share options under the Scheme during the current period are as follows:

	2024	
	Weighted average exercise price (HK$ per share)	Number of share options
At 1 January	**4.84**	**93,060,000**
Lapsed during the period	**4.84**	**(32,699,700)**
At 30 June	**4.84**	**60,360,300**

The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Notes to the Interim Condensed Consolidated Financial Information

20. RESERVES

	Merger reserve RMB'000	Capital reserve RMB'000	FVTOCI reserve RMB'000	Statutory reserves RMB'000	Share-based payment reserve RMB'000	Special reserve RMB'000	Others RMB'000	Other reserves sub-total RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2024 (audited)	306,548	1,138,661	1,297,128	3,008,042	36,224	125,919	387,486	6,300,008	7,656,238	13,956,246
Profit for the period	-	-	-	-	-	-	-	-	2,569,879	2,569,879
Fair value gain on equity instruments at FVTOCI	-	-	556,416	-	-	-	-	556,416	-	556,416
Deferred income tax on fair value gain on equity instruments at FVTOCI	-	-	(139,104)	-	-	-	-	(139,104)	-	(139,104)
Fair value loss on debt instruments at FVTOCI	-	-	(666)	-	-	-	-	(666)	-	(666)
Deferred income tax on fair value loss on debt instruments at FVTOCI	-	-	167	-	-	-	-	167	-	167
Release on derecognition of debt instruments at FVTOCI	-	-	711	-	-	-	-	711	-	711
Release of deferred income tax on derecognition of debt instruments at FVTOCI	-	-	(178)	-	-	-	-	(178)	-	(178)
Share-based payment expenses	-	-	-	-	11,523	-	-	11,523	-	11,523
Appropriation of safety production funds	-	-	-	-	-	245,466	-	245,466	(245,466)	-
Share of changes of reserves of associates and joint ventures	-	-	-	-	-	2,728	-	2,728	(2,728)	-
2023 final dividend	-	-	-	-	-	-	-	-	(1,632,860)	(1,632,860)
At 30 June 2024 (unaudited)	306,548	1,138,661	1,714,474	3,008,042	47,747	374,113	387,486	6,977,071	8,345,063	15,322,134

Notes to the Interim Condensed Consolidated Financial Information

20. RESERVES (CONTINUED)

	Merger reserve RMB'000	Capital reserve RMB'000	FVTOCI reserve RMB'000	Statutory reserves RMB'000	Share-based payment reserve RMB'000	Special reserve RMB'000	Others RMB'000	Other reserves sub-total RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2023 (audited)	306,548	1,893,845	1,711,303	2,403,015	28,802	–	389,286	6,732,799	7,087,579	13,820,378
Profit for the period	–	–	–	–	–	–	–	–	1,679,854	1,679,854
Fair value gain on equity instruments at FVTOCI	–	–	256,214	–	–	–	–	256,214	–	256,214
Deferred income tax on fair value gain on equity instruments at FVTOCI	–	–	(64,054)	–	–	–	–	(64,054)	–	(64,054)
Fair value loss on debt instruments at FVTOCI	–	–	(235)	–	–	–	–	(235)	–	(235)
Deferred income tax on fair value loss on debt instruments at FVTOCI	–	–	59	–	–	–	–	59	–	59
Release on derecognition of debt instruments at FVTOCI	–	–	1,619	–	–	–	–	1,619	–	1,619
Release of deferred income tax on derecognition of debt instruments at FVTOCI	–	–	(405)	–	–	–	–	(405)	–	(405)
Share-based payment expenses	–	–	–	–	21,139	–	–	21,139	–	21,139
Appropriation of safety production funds	–	–	–	–	–	77,275	–	77,275	(77,275)	–
Share of changes of reserves of associates and joint ventures	–	–	–	–	–	18,195	–	18,195	(18,195)	–
2022 final dividend	–	–	–	–	–	–	–	–	(1,360,717)	(1,360,717)
At 30 June 2023 (unaudited)	306,548	1,893,845	1,904,501	2,403,015	49,941	95,470	389,286	7,042,606	7,311,246	14,353,852

Notes to the Interim Condensed Consolidated Financial Information

21. BANK BORROWINGS

Bank borrowings are analyzed as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Non-current		
Long-term bank borrowings		
– Secured (note (d))	31,897,611	33,517,405
– Unsecured (note (e))	85,372,573	76,432,773
	117,270,184	109,950,178
Less: Current portion of long-term bank borrowings	(12,031,819)	(10,298,213)
	105,238,365	99,651,965
Current		
Short-term bank borrowings		
– Unsecured	13,126,749	9,330,466
Current portion of long-term bank borrowings	12,031,819	10,298,213
	25,158,568	19,628,679
	130,396,933	119,280,644

Notes:

The analysis below includes those bank borrowings as part of a disposal group classified as held for sale of RMB1,401,880,000 (Note 17).

(a) The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
RMB	131,610,430	119,061,916
Japanese Yen	188,383	218,728
	131,798,813	119,280,644

Notes to the Interim Condensed Consolidated Financial Information

21. BANK BORROWINGS (CONTINUED)

Notes: *(Continued)*

(b) The repayment terms of the long-term bank borrowings are analyzed as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Within one year	12,042,819	10,298,213
Between one and two years	13,123,368	9,089,754
Between two and five years	29,221,950	27,369,890
Over five years	63,227,047	63,192,321
	117,615,184	109,950,178

(c) The effective interest rates per annum of the Group's bank borrowings are as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Short-term bank borrowings	3.22%	3.34%
Long-term bank borrowings (including current portion)	3.65%	3.97%

(d) As at 30 June 2024 and 31 December 2023, the bank borrowings of the Group are secured as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Secured by the equity of a non-controlling shareholder of a subsidiary	152,320	152,320
Secured by certain property, plant and equipment (Note 12)	925,122	931,821
Secured against the rights on certain accounts receivable (Note 15(d))	30,820,169	32,433,264

(e) As at 30 June 2024, bank borrowings amounting to RMB188,383,000 (31 December 2023: RMB218,728,000) were guaranteed by Hunan Provincial Finance Bureau.

Notes to the Interim Condensed Consolidated Financial Information

22. BORROWINGS FROM RELATED PARTIES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Non-current		
Long-term borrowings from 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
	17,978,643	19,312,414
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)
	10,536,994	16,582,669
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
	16,542,260	10,441,339
	27,079,254	27,024,008

Notes:

The analysis below includes those borrowings from related parties as part of a disposal group classified as held for sale of RMB240,000,000 (Note 17).

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

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
RMB	26,606,574	26,315,738
United States Dollars	712,680	708,270
	27,319,254	27,024,008

22. BORROWINGS FROM RELATED PARTIES (CONTINUED)

Notes: *(Continued)*

(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.

The repayment terms of these borrowings are analyzed as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Within one year	5,249,340	1,950,000
Between one and two years	5,833,300	8,217,230
Between two and five years	1,248,359	1,817,910
Over five years	318,632	803,359
	12,649,631	12,788,499

(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.

The repayment terms of these borrowings are analyzed as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Within one year	1,391,000	678,238
Between one and two years	757,346	1,062,000
Between two and five years	410,000	1,175,374
Over five years	768,146	1,832,880
	3,326,492	4,748,492

(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.

23. OTHER BORROWINGS

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
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))	4,337,148	3,277,596
	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	(125,287)	(63,759)
	14,711,861	11,213,837
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))	125,287	63,759
	7,125,287	7,063,759
	21,837,148	18,277,596

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 notes 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 current 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.

Notes to the Interim Condensed Consolidated Financial Information

23. OTHER BORROWINGS (CONTINUED)

Notes: *(Continued)*

(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 15 (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 (Note 12) 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.

24. LEASE LIABILITIES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Lease liabilities	**3,784,304**	4,132,592
Less: Current portion of lease liabilities	**(517,100)**	(734,022)
Non-current portion of lease liabilities	**3,267,204**	3,398,570

The balance as at 30 June 2024 included certain lease agreements entered into with related parties, namely CPI Ronghe Financial Leasing Co., Ltd., and China Kangfu International Leasing Co., Ltd., to acquire equipment amounting to RMB864,347,000 (31 December 2023: RMB926,378,000), of which RMB849,687,000 (31 December 2023: RMB911,802,000) is secured by the rights on certain accounts receivable (Note 15(d)).

Notes to the Interim Condensed Consolidated Financial Information

25. 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:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
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:

	30 June 2024 RMB'000 (unaudited)	30 June 2023 RMB'000 (unaudited)
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

Notes to the Interim Condensed Consolidated Financial Information

26. ACCOUNTS AND BILLS PAYABLES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Accounts payable (note (a))	**3,074,036**	3,371,340
Bills payable (note (b))	**214,421**	452,056
	3,288,457	3,823,396

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:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
1 to 6 months	**3,033,968**	3,338,475
7 to 12 months	**7,203**	–
Over 1 year	**32,865**	32,865
	3,074,036	3,371,340

(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).

(c) The fair values of accounts and bills payables approximate their carrying amounts as the impact of discounting is not significant. All accounts and bills payables are denominated in RMB.

27. CAPITAL COMMITMENTS

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Contracted but not provided for in respect of:		
– property, plant and equipment	**9,905,211**	12,162,217
– capital contribution to associates	**3,333,803**	2,969,773
	13,239,014	15,131,990

Notes to the Interim Condensed Consolidated Financial Information

28. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

28.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risks and price risk), credit risk and liquidity risk.

As at 30 June 2024, the Group had net current liabilities of RMB33,830,748,000. In preparing the interim condensed consolidated financial information, the Directors have taken into account all information that could reasonably be expected to be available and have ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. As at 30 June 2024, the Group had available unutilized facilities in writing from banks and related parties amounting to approximately RMB45,251,637,000. Moreover, the Group will refinance and/or restructure certain short-term loans into long-term loans or consider alternative sources of financing, where applicable. Under these circumstances, the Directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and therefore have prepared the interim condensed consolidated financial information on a going concern basis.

During the current period, all financial assets were not impaired.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's 2023 annual financial statements.

There has not been any change in the risk management department or risk management policies since the year end of 2023.

28.2 Fair value estimation

The table below analyzes the Group's financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Notes to the Interim Condensed Consolidated Financial Information

28. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Fair value estimation *(Continued)*

(a) Fair values of the Group's financial instruments that are measured at fair value on a recurring basis:

	Fair value as at			
	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)	Fair value hierarchy	Valuation technique and key inputs
Equity instruments at FVTOCI – Shanghai Power	**3,592,961**	3,073,452	Level 1	Quoted market prices at the end of reporting period (current bid price).
Equity instruments at FVTOCI – Unlisted equity investments in the PRC	**1,804,052**	1,686,892	Level 3	Market approach — Fair value of such equity instruments is estimated by calculating the appropriate value ratio based on market multiples derived from a set of comparable listed companies in the same or similar industries. Key inputs are market value of the equity interest, price-to-book ratio (1.60) and price earning ratio (9.60) of comparable companies and the marketability discount (27.60%-28.60%). The fair value measurement is positively correlated to the above ratios and negatively correlated to the discount for lack of marketability.
Debt instruments at FVTOCI	**51,774**	59,345	Level 3	Discounted cash flow at a comparable discount rate of 3.45%.

28. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Fair value estimation *(Continued)*

(b) Reconciliation of Level 3 fair value measurements:

	Equity instruments at FVTOCI RMB'000 (unaudited)	Debt instruments at FVTOCI RMB'000 (unaudited)
At 1 January 2024	**1,686,892**	**59,345**
Additions	**80,000**	**1,036,422**
Derecognition	**–**	**(1,044,071)**
Total gain in other comprehensive income	**37,160**	**78**
At 30 June 2024 (unaudited)	**1,804,052**	**51,774**

	Equity instruments at FVTOCI RMB'000 (unaudited)	Debt instruments at FVTOCI RMB'000 (unaudited)
At 1 January 2023	495,112	108,972
Additions	–	953,753
Derecognition	–	(1,012,673)
Total (loss)/gain in other comprehensive income	(23,714)	1,524
At 30 June 2023 (unaudited)	471,398	51,576

During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

A quantitative sensitivity analysis of the significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

	Significant unobservable input	Sensitivity of the input to fair value
Equity instruments at FVTOCI – Unlisted equity investments in the PRC	Average Enterprise Value ("EV")/ Peer Net Assets = 1.6x EV/Peer Net Profit = 9.6x	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB34,450,000
Debt instruments at FVTOCI	Discount rate of 3.45% per annum	5% increase/decrease in discount rate would result in decrease /increase in fair value by RMB85,000

Notes to the Interim Condensed Consolidated Financial Information

28. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

28.3 Fair values of financial assets and liabilities measured at amortized cost

The carrying amounts and fair values of borrowings are as follows (the analysis below includes those borrowings classified as part of a disposal group classified as held for sale):

	30 June 2024		31 December 2023	
	Carrying amount RMB'000 (unaudited)	Fair value RMB'000 (unaudited)	Carrying amount RMB'000 (audited)	Fair value RMB'000 (audited)
Long-term borrowings (note (a))	**157,430,975**	**157,617,016**	145,540,188	146,069,510
Short-term borrowings (note (b))	**23,524,240**	**23,524,240**	19,042,060	19,042,060
	180,955,215	**181,141,256**	164,582,248	165,111,570

Notes:

(a) The balance represents the aggregate fair values of the long-term bank borrowings, long-term borrowings from related parties and long-term other borrowings. These fair values were calculated based on the prevailing interest rate and the corresponding future cash flows.

(b) The balance represents the aggregate fair values of short-term bank borrowings, short-term borrowings from related parties and short-term other borrowings.

(c) The fair values of the following financial assets and liabilities approximate their carrying amounts:

- Accounts receivable
- Deposits and other receivables
- Restricted deposits
- Cash and cash equivalents
- Amounts due from/to related parties
- Accounts and bills payables
- Construction costs payable
- Other payables
- Lease liabilities

Notes to the Interim Condensed Consolidated Financial Information

29. RELATED PARTY TRANSACTIONS

As at 30 June 2024, the Group is controlled by CPI Holding, an intermediate holding company which directly holds approximately 22.9% (31 December 2023: 22.9%) of the Company's shares, and indirectly holds approximately 21.5% (31 December 2023: 21.5%) of the Company's shares through CPDL. In addition, SPIC International Finance (Hong Kong) Company Limited ("SPIC Finance HK") and SPIC Innovation Investment Co., Ltd. ("SPIC Fund"), both are wholly-owned subsidiary of SPIC and also a fellow subsidiary of the Company, holds approximately 3.6% (31 December 2023: 3.6%) and 1.0% (31 December 2023: 0.8%) of the Company's shares respectively. China Power (New Energy) Holdings Limited ("CPNE"), an indirect non-wholly subsidiary of SPIC, holds approximately 15.0% (31 December 2023: 14.9%) of the Company's shares. SPIC, the beneficial owner of CPI Holding and SPIC Finance HK, SPIC Fund and CPNE, hold in aggregate approximately 64.0% (31 December 2023: 63.7%) of the equity interest in the Company as at 30 June 2024.

SPIC is controlled by the PRC government which also owns a significant portion of the productive assets in the PRC. In accordance with HKAS 24 (Revised), government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include SPIC, its subsidiaries, joint ventures and associates (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and SPIC as well as their close family members.

For the purpose of the related party transactions disclosures, the Directors believe that it is also meaningful to disclose the related party transactions with SPIC companies for the interests of financial information users. The Directors believe that the information of related party transactions has been adequately disclosed in the interim condensed consolidated financial information.

The following is a summary of significant related party transactions which, in the opinion of the Directors, are entered into in the ordinary course of the Group's business in addition to the related party information shown elsewhere in the interim condensed consolidated financial information. Management of the Group is of the opinion that meaningful information relating to related party transactions has been adequately disclosed.

Notes to the Interim Condensed Consolidated Financial Information

29 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Income

	Notes	Six months ended 30 June 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Interest income from:	(i)		
– SPIC Financial (a company controlled by SPIC)		9,202	12,588
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		28,511	–
– A joint venture		–	54,667
– Associates		6,031	29,846
Dividend income from:	(ii)		
– Shanghai Power		72,658	12,715
– Huainan Mining		16,127	9,112
– CP Clean Industry Venture Capital Fund (Tianjin) Partnership (Limited Partnership)		14,237	–
Rental income from:	(iii)		
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		398	–
– A joint venture		679	679
– Non-controlling interests		–	3,774
Income from provision of repairs and maintenance services to:	(iii)		
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		34,858	27,935
– Associates		–	1,819
Income from provision of other services (entrusted management services) to:	(iii)		
– CPI Holding		40,432	34,847
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		14,900	12,104
Income from provision of IT and other services to:	(iii)		
– SPIC		–	94
– CPI Holding		–	4,387
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		55,627	40,601
– A joint venture		269	241
– Associates		272,407	122,645
Sales of coal, coal by-products and spare parts to:	(iii)		
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		322	39
– Associates		147,373	77,527
Sales of energy storage equipment to:	(iii)		
– SPIC		–	734,956
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		499,580	375,119

Notes:

(i) Interest income from these related parties are charged at interest rates from 0.30% to 5.66% (2023: 0.30% to 4.70%) per annum.

(ii) Dividend income were recognized based on dividends declared by the respective boards of directors in proportion to the Group's equity interest in these companies.

(iii) These incomes are charged in accordance with the terms of the relevant agreements.

Notes to the Interim Condensed Consolidated Financial Information

29. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Expenses

	Notes	Six months ended 30 June 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Purchases of coal, coal by-products and spare parts from:	(i)		
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		–	9,992
– Non-controlling interests		**2,704,092**	3,307,429
Construction costs and other services fees to:	(ii)		
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		**470,939**	1,544,776
– Non-controlling interests		**14,829**	1,008,207
– Associates		**7,859**	15,440
Interest expenses to:	(iii)		
– SPIC		**210,547**	161,614
– CPI Holding		**3,744**	1,338
– SPIC Financial		**163,942**	107,577
– Associates		**196**	339
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		**88,184**	43,320
– Companies controlled by SPIC on lease liabilities		**16,508**	21,200

Notes:

(i) Purchases of coal, coal by-products and spare parts are charged in accordance with the terms of the relevant agreements.

(ii) Construction costs and other services fees are mainly related to construction services, repair and maintenance services, transportation services and other services which are charged based on mutually agreed prices.

(iii) Interest expenses to these related parties are charged at interest rates from 1.75% to 4.95% (2023: 1.25% to 7.00%) per annum.

29. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Period-end/year-end balances with related parties

	Notes	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Prepayments for construction of power plants to companies controlled by SPIC other than SPIC Financial	(i)	1,076,525	603,335
Prepayments (included in prepayments, deposits and other receivables) to non-controlling interests		82,057	45,057
Deposits at SPIC Financial	(ii)	3,012,623	2,902,212
Amounts due from related parties:			
– SPIC		5,244	4,552
– CPDL		15,998	15,998
– CPI Holding	(vii)	129,213	159,170
– SPIC Financial	(vii)	84,511	112,094
– Companies controlled by SPIC other than CPI Holding and SPIC Financial	(vii)	2,229,762	2,695,357
– Associates	(iii)	487,137	648,499
– A joint venture	(iv)	428,897	426,226
– Non-controlling shareholders	(vi)	46,533	49,166
		3,427,295	4,111,062
Amounts due to related parties:	(ix)		
– SPIC		2,437,104	5,833,120
– CPI Holding		153,856	140,441
– SPIC Financial	(viii)	20,315	29,547
– Companies controlled by SPIC other than CPI Holding and SPIC Financial	(vii)	2,536,510	3,453,368
– Associates	(v)	452,555	876,991
– A joint venture	(vii)	85,000	–
– Non-controlling shareholders	(vi)	702,688	631,734
		6,388,028	10,965,201

Notes:

The analysis below includes those items classified as part of a disposal group classified as held for sale.

(i) Balances represent prepayments for the construction of power plants to companies controlled by SPIC other than SPIC Financial which were paid in accordance with the terms of the relevant agreements.

Notes to the Interim Condensed Consolidated Financial Information

29. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Period-end/year-end balances with related parties *(Continued)*

Notes: *(Continued)*

(ii) Deposits at SPIC Financial are interest bearing at 1.38% (31 December 2023: 1.38%) per annum.

(iii) The amounts due from associates are unsecured. Except for a balance of RMB55,080,000 (2023: RMB55,080,000) which is interest bearing at 1.75% (31 December 2023: 1.75%) per annum, and a balance of RMB203,025,000 (31 December 2023: RMB213,025,000) which is interest bearing at 2.50% (31 December 2023: 2.50%) per annum and repayable within one year, the remaining balances are interest free and repayable on demand. An amount of RMB13,000,000 with an interest rate of 2.40% per annum in 2023 has been repaid during the current period.

(iv) The amounts due from joint ventures are unsecured, interest free and repayable on demand.

(v) The amounts due to associates are unsecured and repayable on demand.

(vi) The balances include advanced payment to and payables due to non-controlling shareholders for the purchase of coal and equipment, as well as the dividend payable due to the non-controlling shareholders. The balances are unsecured and interest-free.

(vii) The balances with these related parties are unsecured, interest-free and repayable on demand.

(viii) The balances represent interest payable on borrowings from SPIC Financial.

(ix) The balances of the amounts due to related parties are due within one year. Accounts payable included in amounts due to related parties are all aged within one year.

(d) The Company is a state-owned enterprise and is an indirect subsidiary of SPIC, which is controlled by the State Council of the PRC. For the six months ended 30 June 2024 and 2023, the Group's significant transactions and balances with entities that are controlled, jointly-controlled or significantly influenced by the PRC government mainly include:

(i) Bank deposits in state-owned banks and the related interest income

(ii) Bank borrowings from state-owned banks and the related interest expenses

(iii) Sales of electricity to provincial power grid companies owned by the PRC government and the related receivables

(iv) Sales and purchases of coal from state-owned enterprises and the related receivables and payables

(v) Construction cost to state-owned enterprises

(vi) Service fees to state-owned enterprises

The prices and terms of such transactions are set out in the relevant agreements governing these transactions or as mutually agreed.

Notes to the Interim Condensed Consolidated Financial Information

29. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) As disclosed in Note 31(b), the Group has obtained control over subsidiaries by signing act-in-concert agreements with Jianyuan Haixin Equity Investment Fund (Jinan) Partnership (Limited Partnership)("Jianyuan Haixin") and State Power Investment Corporation Lvneng Technology Co., Ltd. ("Lvneng Technology").

(f) Key management personnel compensation

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Fees, basic salaries, housing allowance, other allowances and benefits in kind, discretionary bonus, employer's contribution to pension schemes, share-based payment expense and other benefits	**7,514**	8,819

30. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 11, the Group has no other significant event after the reporting period.

Notes to the Interim Condensed Consolidated Financial Information

31. NOTE TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before taxation to cash generated from operating activities

The reconciliation below includes those items classified as part of a disposal group classified as held for sale.

	Notes	Six months ended 30 June 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Profit before taxation		**5,468,812**	2,979,659
Adjustments for:			
Share of results of associates		**(366,864)**	(250,773)
Share of results of joint ventures		**(116,775)**	(61,891)
Finance income	8	**(94,543)**	(175,497)
Finance costs	8	**2,575,678**	1,986,918
Dividend income	4	**(103,022)**	(21,827)
Depreciation of property, plant and equipment	7	**5,827,107**	3,917,795
Depreciation of right-of-use assets	7	**243,551**	211,688
Reversal of impairment of other receivables	6	**(97)**	(780)
Impairment of property plant and equipment	5	**81,622**	–
Amortization of other intangible assets	7	**587,378**	238,544
Amortization of deferred income	5	**(481)**	(1,679)
Loss on disposal of property, plant and equipment, net	5	**270**	694
Share-based payment expenses		**11,523**	21,139
Loss on disposal of a joint venture	5	**12,978**	–
Operating cash flows before working capital changes		**14,127,137**	8,843,990
Changes in working capital:			
Decrease/(increase) in inventories		**634,100**	(238,580)
Increase in accounts receivable		**(6,061,888)**	(3,195,528)
Decrease/(increase) in prepayments, deposits and other receivables		**228,274**	(133,751)
Decrease/(increase) in amounts due from related parties		**525,221**	(613,218)
Decrease in debt instruments at FVTOCI		**7,649**	58,920
(Decrease)/increase in accounts and bills payables		**(534,939)**	1,043,164
(Decrease)/increase in other payables and accrued charges		**(276,358)**	182,465
Decrease in amounts due to related parties		**(365,370)**	(767,868)
Increase in deferred income		**34,974**	4,609
Cash generated from operations		**8,318,800**	5,184,203
Interest paid		**(2,092,647)**	(1,512,907)
Tax paid		**(803,410)**	(422,319)
Net cash generated from operating activities		**5,422,743**	3,248,977

Notes to the Interim Condensed Consolidated Financial Information

31. NOTE TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Major non-cash transactions

Change of associates to subsidiaries

In March 2024, a subsidiary of the Company, State Power Investment Corporation Shandong Energy Development Co., Ltd. ("Shandong Energy") had signed an act-in-concert agreement with Jianyuan Haixin, a related party of the Company, Shandong Energy and Jianyuan Haixin both hold equity interests in State Power Investment (Haiyang) New Energy Development Co., Ltd. ("Haiyang New Energy"), whereby Jianyuan Haixin has agreed to act-in-concert with Shandong Energy in all voting matters at the shareholder's meeting of Haiyang New Energy. Therefore, the Group has obtained control over Haiyang New Energy, and Haiyang New Energy then became a subsidiary of the Group.

In April 2024, China Power Lubei Clean Energy (Shandong) Co., Ltd. ("Lubei Energy"), an associate of the Group, has amended its company's article, together with an act-in-concert agreement between Lubei's two shareholders namely China Power (Binzhou) Energy Investment Co., Ltd., a subsidiary of the Company, and Lvneng Technology, a related party of the Company, the Group has obtained control over Lubei Energy which has became a subsidiary of the Group since then.

As at the dates of obtaining control, the initial accounting for the acquisitions are determined on a provisional basis as the allocation of fair value to the identifiable assets and liabilities of the acquisitions are still progressing. Adjustments to those provisional values of identifiable assets and liabilities, including any additional depreciation, amortization, and other profit or loss effect, if any, will be recognized on completion of the initial accounting.

The non-controlling interests in the above entities recognized at the acquisition dates were RMB1,198,018,000, and the cash and cash equivalents acquired from the acquisitions amounted to RMB869,484,000.