



華電國際電力股份有限公司
HUADIAN POWER INTERNATIONAL CORPORATION LIMITED*

Stock Code: 1071



INTERIM REPORT

2022

www.hdpi.com.cn

* For identification purposes only

The board of directors (the “**Board**”) of Huadian Power International Corporation Limited* (the “**Company**”) hereby announces the summary of the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2022 (the “**Period**”) prepared in accordance with the International Accounting Standard 34 “Interim Financial Reporting”. The Group’s interim financial report for the Period are unaudited, but they have been reviewed by Baker Tilly Hong Kong Limited, the overseas auditor of the Company, in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The unmodified review report addressed by the Baker Tilly Hong Kong Limited to the Board is set out on page 26 to 27. The audit committee of the Company (the “**Audit Committee**”) has also reviewed the 2022 interim report and the relevant financial information of the Group.

BUSINESS REVIEW

During the Period, the turnover of the Group amounted to approximately RMB48,945 million, representing a decrease of approximately 7.21% over the corresponding period in 2021 (restated); the profit for the Period attributable to equity holders of the Company amounted to approximately RMB1,580 million; and the basic earnings per share were approximately RMB0.114.

INTERIM DIVIDEND

The Board of the Company did not recommend declaring any interim dividends for the Period.

MAJOR ASSETS

The Group is one of the largest comprehensive energy companies in the People’s Republic of China (“**China**” or the “**PRC**”), primarily engaged in the construction and operation of power plants, including large-scale efficient coal-fired and gas-fired generating units and various hydropower projects. The Group’s power generating assets are located in 12 provinces, autonomous regions and municipalities across the PRC at the prime location, mainly in the electricity and heat load centers or regions with abundant coal resources. As at the date of this report, the Group had a total of 42 controlled power plants which have commenced operations involving a total of 53,413.04 MW controlled installed capacity, primarily including approximately 42,360 MW attributable to coal-fired generating units, approximately 8,589.05 MW attributable to gas-fired generating units and approximately 2,459 MW attributable to hydropower generating units, of which approximately 20.69% was from clean energy sources, such as gas-fired and hydropower.



MAJOR ASSETS (CONTINUED)

Details of the Group's major power generating assets which have commenced operations as at the date of this report are as follows:

(1) Details of controlled coal-fired and gas-fired generating units are as follows:

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
Coal-fired	1 Zouxian Plant	2,575	100%	1 x 635 MW + 1 x 600 MW + 4 x 335 MW
	2 Shiliquan Plant	2,120	100%	2 x 660 MW + 2 x 330 MW + 1 x 140 MW
	3 Laicheng Plant	1,200	100%	4 x 300 MW
	4 Shuozhou Thermal Power Branch Company	700	100%	2 x 350 MW
	5 Fengjie Plant	1,200	100%	2 x 600 MW
	6 Huadian Zouxian Power Generation Company Limited ("Zouxian Company")	2,000	69%	2 x 1,000 MW
	7 Huadian Laizhou Power Generation Company Limited ("Laizhou Company")	4,000	75%	4 x 1,000 MW
	8 Huadian Weifang Power Generation Company Limited ("Weifang Company")	2,000	64.29%	2 x 670 MW + 2 x 330 MW
	9 Huadian Qingdao Power Generation Company Limited ("Qingdao Company")	1,220	55%	1 x 320 MW + 3 x 300 MW
	10 Huadian Zibo Thermal Power Company Limited ("Zibo Company")	950	100%	2 x 330 MW + 2 x 145 MW

MAJOR ASSETS (CONTINUED)

(1) Details of controlled coal-fired and gas-fired generating units are as follows: (Continued)

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
Coal-fired	11 Huadian Zhangqiu Power Generation Company Limited ("Zhangqiu Company")	925	87.5%	1 x 335 MW + 1 x 300 MW + 2 x 145 MW
	12 Huadian Tengzhou Xinyuan Thermal Power Company Limited ("Tengzhou Company")	930	93.26%	2 x 315 MW + 2 x 150 MW
	13 Huadian Longkou Power Generation Company Limited ("Longkou Company")	880	100%	4 x 220 MW
	14 Sichuan Guang'an Power Generation Company Limited ("Guang'an Company")	2,400	80%	2 x 600 MW + 4 x 300 MW
	15 Huadian Xinxiang Power Generation Company Limited ("Xinxiang Company")	1,320	98.72%	2 x 660 MW
	16 Huadian Luohe Power Generation Company Limited ("Luohe Company")	660	75%	2 x 330 MW
	17 Huadian Qudong Power Generation Company Limited ("Qudong Company")	660	90%	2 x 330 MW
	18 Anhui Huadian Suzhou Power Generation Company Limited ("Suzhou Company")	1,260	98.27%	2 x 630 MW
	19 Anhui Huadian Wuhu Power Generation Company Limited ("Wuhu Company")	2,320	65%	1 x 1,000 MW + 2 x 660 MW
	20 Anhui Huadian Lu'an Power Generation Company Limited ("Lu'an Company")	1,320	95%	2 x 660 MW

MAJOR ASSETS (CONTINUED)

(1) Details of controlled coal-fired and gas-fired generating units are as follows: (Continued)

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
Coal-fired	21 Hebei Huadian Shijiazhuang Yuhua Thermal Power Company Limited ("Yuhua Company")	600	100%	2 x 300 MW
	22 Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited ("Luhua Company") <i>(Note 2)</i>	661	90%	2 x 330 MW + 1 MW
	23 Guangdong Huadian Pingshi Power Generation Company Limited ("Pingshi Power Generation Company")	600	100%	2 x 300 MW
	24 Guangdong Huadian Shaoguan Thermal Power Company Limited ("Shaoguan Thermal Power Company")	700	100%	2 x 350 MW
	25 Huadian Hubei Power Generation Company Limited ("Hubei Company") <i>(Note 1)</i>	6,855.6	82.56%	2 x 680 MW + 2 x 660 MW + 2 x 640 MW + 6 x 330 MW + 1 x 300 MW + 2 x 185 MW + 2 x 122.8 MW
	26 Hunan Huadian Changsha Power Generation Company Limited ("Changsha Company")	1,200	70%	2 x 600 MW
	27 Hunan Huadian Changde Power Generation Company Limited ("Changde Company")	1,320	48.98%	2 x 660 MW

MAJOR ASSETS (CONTINUED)

(1) Details of controlled coal-fired and gas-fired generating units are as follows: (Continued)

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
	28 Guangdong Huadian Shenzhen Energy Company Limited ("Shenzhen Company")	365	100%	1 x 120 MW + 2 x 82 MW + 1 x 81 MW
	29 Hangzhou Huadian Banshan Power Generation Company Limited ("Hangzhou Banshan Company")	2,415	64%	3 x 415 MW + 3 x 390 MW
	30 Hangzhou Huadian Xiasha Thermal Power Company Limited ("Xiasha Company")	246	56%	1 x 88 MW + 2 x 79 MW
	31 Hangzhou Huadian Jiangdong Thermal Power Company Limited ("Jiangdong Company")	960.5	70%	2 x 480.25 MW
Gas-fired	32 Huadian Zhejiang Longyou Thermal Power Company Limited ("Longyou Company")	405	100%	2 x 127.6 MW + 1 x 130.3 MW + 1 x 19.5 MW
	33 Hebei Huadian Shijiazhuang Thermal Power Company Limited ("Shijiazhuang Thermal Power Company") (Note 2)	1,310.2	82%	2 x 453.6 MW + 2 x 200 MW + 3 MW
	34 Shijiazhuang Huadian Heat Corporation Limited ("Shijiazhuang Heat Corporation")	12.55	100%	2 x 2 MW + 2 x 4.275 MW
	35 Huadian Foshan Energy Company Limited ("Foshan Energy Company")	329	90%	4 x 59 MW + 1 x 47.5 MW + 1 x 45.5 MW
	36 Tianjin Huadian Fuyuan Thermal Power Company Limited ("Fuyuan Thermal Power Company") (Note 2)	400.49	100%	2 x 200 MW + 0.49 MW

MAJOR ASSETS (CONTINUED)

(1) Details of controlled coal-fired and gas-fired generating units are as follows: (Continued)

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
Gas-fired	37 Tianjin Huadian Nanjiang Thermal Power Company Limited ("Nanjiang Thermal Power Company")	930	65%	2 x 315 MW + 1 x 300 MW
	38 Guangdong Huadian Qingyuan Energy Company Limited ("Qingyuan Company")	1,003.2	100%	2 x 501.6 MW



MAJOR ASSETS (CONTINUED)

(1) Details of controlled coal-fired and gas-fired generating units are as follows: (Continued)

Note 1: Details of the installed generating units of Hubei Company are as follows:

Category	Power generation enterprise	Installed capacity (MW)	Shareholding percentage of Hubei Company	Generating units
Coal-fired	Huadian Hubei Power Generation Company Limited Huangshi Thermal Power Branch Company ("Huangshi Thermal Power Branch Company")	330	100%	1 x 330 MW
	Hubei Xisaishan Power Generation Company Limited ("Xisaishan Company")	660	50%	2 x 330 MW
	Hubei Huadian Xisaishan Power Generation Company Limited ("Huadian Xisaishan Company")	1,360	50%	2 x 680 MW
	Hubei Huadian Xiangyang Power Generation Company Limited ("Xiangyang Company")	2,570	60.10%	2 x 640 MW + 3 x 330 MW + 1 x 300 MW
	Hubei Huadian Jiangling Power Generation Company Limited ("Jiangling Company")	1,320	100%	2 x 660 MW
Gas-fired	Hubei Huadian Wuchang Thermal Power Company Limited ("Wuchang Thermal Power")	370	100%	2 x 185 MW
	Hubei Huadian Xiangyang Gas Turbine Thermal Power Company Limited ("Xiangyang Gas Turbine Thermal Power")	245.6	51%	2 x 122.8 MW

Note 2: Generating units of Shijiazhuang Thermal Power Company include two 453.6 MW gas-fired generating units, two 200 MW coal-fired generating units and 3 MW photovoltaic generating units for own use; generating units of Luhua Company include 1 MW photovoltaic generating units for own use; generating units of Fuyuan Thermal Power Company include 0.49 MW photovoltaic generating units for own use.

MAJOR ASSETS (CONTINUED)

(2) Details of controlled renewable energy generating units are as follows:

Category	Name of power plant/company	Installed capacity (MW)	Shareholding percentage of the Company	Generating units
	1 Sichuan Huadian Luding Hydropower Company Limited (" Luding Hydropower Company ")	920	100%	4 x 230 MW
	2 Sichuan Huadian Za-gunao Hydroelectric Development Company Limited (" Za-gunao Hydroelectric Company ")	591	64%	3 x 65 MW + 3 x 56 MW + 3 x 46 MW + 3 x 30 MW
Hydropower	3 Sichuan Huadian Power Investment Company Limited (" Sichuan Investment Company ") <i>(Note 1)</i>	883	100%	3 x 70 MW + 3 x 62 MW + 3 x 46 MW + 3 x 38 MW + 3 x 56 MW + 3 x 11 MW + 4 x 8.5 MW
	4 Hebei Huadian Complex Pumping-storage Hydropower Company Limited (" Hebei Hydropower Company ") <i>(Note 2)</i>	65.5	100%	1 x 16 MW + 2 x 15 MW + 1 x 11 MW + 2 x 3.2 MW + 1 x 1.6 MW + 0.5 MW



MAJOR ASSETS (CONTINUED)

(2) Details of controlled renewable energy generating units are as follows: (Continued)

Note 1: Details of the installed generating units of Sichuan Investment Company are as follows:

Category	Power generation enterprise	Installed capacity (MW)	Shareholding percentage of Sichuan Investment Company	Generating units
Hydropower	Sichuan Liangshan Shuiluohe Hydropower Development Company Limited ("Shuiluohe Company")	816	57%	3 x 70 MW + 3 x 62 MW + 3 x 46 MW + 3 x 38 MW + 3 x 56 MW
	Lixian Xinghe Power Company Limited ("Lixian Company")	67	100%	3 x 11 MW + 4 x 8.5 MW

Note 2: Generating units of Hebei Hydropower Company include 1.6 MW hydropower generating units for own use and 0.5 MW photovoltaic generating units for own use.

NEWLY-ADDED INSTALLED CAPACITY

From 1 January 2022 up to the date of this report, the details of the Group's newly-added generating units are as follows:

Project	Category	Installed capacity (MW)
Shuiluohe Company	Hydropower	56
Shijiazhuang Thermal Power Company	Self-use photovoltaic	3
Luhua Company	Self-use photovoltaic	1
Fuyuan Thermal Power Company	Self-use photovoltaic	0.49
Total		60.49

GENERATING UNITS UNDER CONSTRUCTION

As at the date of this report, the Group's major generating units under construction are as follows:

Company Name	Planned installed capacity (MW)
Tianjin Development Area Branch	Three 170 MW coal-fired generating units
Shantou Huadian Power Generation Company Limited ("Shantou Company")	Two 660 MW coal-fired generating units
Hunan Huadian Pingjiang Power Generation Company Limited ("Pingjiang Company")	Two 1,000 MW coal-fired generating units
Longkou Company	One 660 MW coal-fired generating unit
Qingdao Company	Two 505.54 MW gas-fired generating units
Total	5,501.08 MW

The Group will manage the construction and the pace of commencing operation of its projects in accordance with the national and local energy policies, the conditions of the power market and the Group's overall strategy.



MANAGEMENT DISCUSSION AND ANALYSIS

(1) Macroeconomic conditions and electricity demand

According to the relevant information and statistics, in the first half of 2022, the gross domestic product of the PRC amounted to RMB56,264.2 billion, representing an increase of 2.5% over the corresponding period in 2021. Power consumption of the entire society in the PRC totaled 4,097.7 million MWh, representing an increase of 2.9% over the corresponding period in 2021. Specifically, consumption by the primary industry amounted to 51.2 million MWh, representing a year-on-year increase of 10.3%, consumption by the secondary industry amounted to 2,741.5 million MWh, representing a year-on-year increase of 1.3% and consumption by the tertiary industry amounted to 693.8 million MWh, representing a year-on-year increase of 3.1%, while the household consumption by urban and rural residents amounted to 611.2 million MWh, representing a year-on-year increase of 9.6%.

(2) Power generation

During the Period, the power generated by the Group amounted to approximately 99.89 million MWh, representing a decrease of 4.82% over the corresponding period in 2021; the on-grid power sold amounted to approximately 93.52 million MWh, representing a decrease of 5.02% over the corresponding period in 2021. The year-on-year decrease in the power generated and on-grid power sold was mainly attributable to the weakened power demand in the regions where the generating units of the Group were located in the second quarter due to the impact of the COVID-19. The average utilisation hours of the generating units were 1,864 hours, representing a year-on-year decrease of 66 hours, among which the average utilisation hours of coal-fired generating units were 2,063 hours, representing a year-on-year decrease of 156 hours, and the coal consumption for power supply was 283.32g/KWh, representing a year-on-year decrease of 0.40g/KWh, which was remarkably lower than the national average. The on-grid tariff was RMB518.05/MWh, representing an increase of 21.94% over the corresponding period in 2021. The unit price of standard coal for furnace was RMB1,179.86/ton, representing an increase of 38.22% over the corresponding period in 2021.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(3) Turnover and profit

During the Period, the turnover of the Group amounted to approximately RMB48,945 million, representing a decrease of approximately 7.21% over the corresponding period in 2021 (restated), mainly due to the wind and photovoltaic assets are ceased to be consolidated into the financial statements this year as a result from the integration of new energy assets in 2021 and the decrease in coal trade volume of the Group. The revenue of the Group generated from the sale of electricity amounted to approximately RMB43,016 million, representing an increase of approximately 7.80% over the corresponding period in 2021 (restated), mainly due to a rise in electricity prices. The revenue generated from the sale of heat amounted to approximately RMB4,900 million, representing an increase of approximately 16.60% over the corresponding period in 2021, mainly due to the increase in the volume of heat sold. The revenue generated from the sale of coal amounted to approximately RMB1,030 million, representing a decrease of approximately 88.08% over the corresponding period in 2021, mainly due to the decrease in coal trade volume.

During the Period, the Group's operating loss amounted to approximately RMB872 million, representing a decrease of approximately 129.91% over the operating profit during the corresponding period in 2021 (restated), mainly due to the wind and photovoltaic assets are ceased to be consolidated into the financial statements this year as a result from the integration of new energy assets in 2021 and the significant increase in the price of coal and gas-fired; the profit for the Period attributable to equity holders of the Company amounted to approximately RMB1,580 million, representing a decrease of approximately 51.81% over the corresponding period in 2021 (restated); and the basic earnings per share amounted to approximately RMB0.114, representing a decrease of approximately 59.14% over the corresponding period in 2021 (restated).



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(4) Major operating expenses

Fuel costs are the major operating expense of the Group. During the Period, the fuel costs of the Group amounted to approximately RMB37,794 million, representing an increase of approximately 33.34% over the corresponding period in 2021 (restated). This was mainly due to the significant increase in the price of coal and gas-fired.

During the Period, the cost of coal sold of the Group amounted to approximately RMB979 million, representing a decrease of approximately 88.63% over the corresponding period in 2021. This was mainly due to the decrease in coal trade volume.

During the Period, the depreciation and amortisation expenses of the Group amounted to approximately RMB5,059 million, representing a decrease of approximately 15.88% over the corresponding period in 2021 (restated). This was mainly due to the wind and photovoltaic assets are ceased to be consolidated into the financial statements this year as a result from the integration of new energy assets in 2021.

During the Period, the repairs, maintenance and inspection expenses of the Group amounted to approximately RMB1,397 million, representing a decrease of approximately 19.36% over the corresponding period in 2021. This was mainly due to the wind and photovoltaic assets are ceased to be consolidated into the financial statements this year as a result from the integration of new energy assets in 2021 and the Group strengthened its cost control.

During the Period, the personnel costs of the Group amounted to approximately RMB2,950 million, representing a decrease of approximately 6.11% over the corresponding period in 2021. This was mainly due to the wind and photovoltaic assets are ceased to be consolidated into the financial statements this year as a result from the integration of new energy assets in 2021 and the Group strengthened its cost control.

During the Period, the administration expenses of the Group amounted to approximately RMB547 million, representing a decrease of approximately 20.89% over the corresponding period in 2021. This was mainly due to the wind and photovoltaic assets are ceased to be consolidated into the financial statements this year as a result from the integration of new energy assets in 2021 and the Group strengthened its cost control.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(4) Major operating expenses (Continued)

During the Period, the tax and surcharges of the Group amounted to approximately RMB368 million, representing a decrease of approximately 22.81% over the corresponding period in 2021. This was mainly due to the wind and photovoltaic assets are ceased to be consolidated into the financial statements this year as a result from the integration of new energy assets in 2021.

During the Period, the other operating expenses of the Group amounted to approximately RMB723 million, representing a decrease of approximately 11.99% over the corresponding period in 2021. This was mainly due to the wind and photovoltaic assets are ceased to be consolidated into the financial statements this year as a result from the integration of new energy assets in 2021 and the Group strengthened its cost control.

(5) Investment income

During the Period, the investment income of the Group amounted to approximately RMB2 million, representing a decrease of approximately 99.95% over the corresponding period in 2021. This was mainly due to one-off gains arising from the integration of new energy assets in 2021.

(6) Other revenue and net income

During the Period, the other revenue and net income of the Group amounted to approximately RMB1,126 million, representing a decrease of approximately 25.90% over the corresponding period in 2021. This was mainly due to the decrease in the income arising from the sale of by-products of power generation.

(7) Finance costs

During the Period, the finance costs of the Group amounted to approximately RMB2,069 million, representing a decrease of approximately 1.03% over the corresponding period in 2021. This was mainly due to the increase in capital operation and financing innovation and the lower cost of funds ratio.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(8) Share of results of associates and joint ventures

During the Period, the share of results of associates and joint ventures of the Group amounted to approximately RMB2,895 million, representing an increase of approximately 589.42% over the corresponding period in 2021. This was mainly due to the increase in the revenue of the new energy investment companies and coal enterprises in this year.

(9) Income tax

During the Period, the income tax credit of the Group amounted to approximately RMB142 million, and the income tax expense of the Group amounted to approximately RMB674 million in 2021. This was mainly due to the cost of coal and gas increased significantly and efficiency in thermal power enterprises declined.

(10) Pledge and mortgage of assets

As at 30 June 2022, the Company and its subsidiaries have pledged their income stream in respect of the sale of electricity and heat to secure loans amounting to approximately RMB10,538 million (approximately RMB11,894 million at the end of 2021).

As at 30 June 2022, the Company and its subsidiaries have pledged their generating units and relevant equipment to secure loans amounting to approximately RMB2,235 million (approximately RMB2,536 million at the end of 2021).

(11) Indebtedness

As at 30 June 2022, the total borrowings of the Group amounted to approximately RMB89,448 million, of which borrowings denominated in Euro amounted to approximately EUR6 million. The liabilities to assets ratio was approximately 65.65%, representing a decrease of 0.05 percentage point compared to that at the end of 2021. Borrowings of the Group were mainly at floating rates. In addition, the balance of medium-term notes payable (including the portion due within one year) and convertible corporate bonds of the Group amounted to approximately RMB27,966 million; and the balance of lease liabilities of the Group amounted to approximately RMB472 million.

(12) Cash and cash equivalents

As at 30 June 2022, the Group had cash and cash equivalents of approximately RMB5,547 million.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(13) Contingent Liabilities

As of 30 June 2022, the Group had no material contingent liability.

(14) Provisions

Provisions represent the Group's best estimate of its liabilities and remedial work costs arising from mine disposal and environmental restoration based on industry practices and historical experience. As at 30 June 2022, the balance of the Group's provisions amounted to approximately RMB57 million.

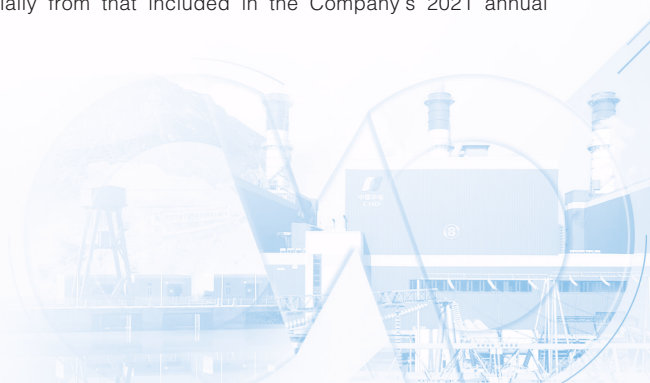
(15) Cash Flow Analysis

In the first half of 2022, the net cash inflow from operating activities of the Group amounted to approximately RMB2,782 million, decreased by approximately 34.43% over the first half of 2021, mainly due to the wind and photovoltaic assets are ceased to be consolidated into the financial statements this year as a result from the integration of new energy assets in 2021 and the decrease in coal trade volume of the Group; the net cash outflow from investing activities amounted to approximately RMB2,812 million, decreased by approximately 65.68% over the first half of 2021, mainly due to the wind and photovoltaic assets are ceased to be consolidated into the financial statements this year as a result from the integration of new energy assets in 2021; the net cash outflow from financing activities amounted to approximately RMB368 million, compared to the net cash inflow amounted to approximately RMB5,803 million in the first half of 2021, mainly due to the impact of increased debt repayments.

(16) Exchange rate fluctuation risk and related hedging

The Group mainly engages in business that sources income in China, and has a relatively small amount of foreign currency borrowings. Therefore, the exchange rate fluctuation risk is relatively low. Based on the above consideration, the Group did not adopt relevant hedging measures.

Save as disclosed herein, information with respect to the Group's other matters as set out in paragraph 32 of Appendix 16 to the Rules Governing the Listing of Securities (the "**Hong Kong Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") has not changed materially from that included in the Company's 2021 annual report.



BUSINESS OUTLOOK

In the second half of the year, the economy of China was generally steady with a tendency of improvement. With the acceleration of the resumption of work and production, the domestic electricity load has increased continuously since the beginning of summer. The central bank continued to implement a prudent monetary policy and supported the construction of major projects through policy-oriented and development-oriented financial instruments, thus maintaining the total liquidity reasonable and sufficient. Meanwhile, the Group was still subject to risks from the COVID-19 outbreak, the electricity market, the coal market and environmental protection supervision.

Firstly, the risk from the COVID-19 outbreak. Despite the effective control of the COVID-19 outbreak and the overall stability of the epidemic prevention, there were risks of local outbreak, which may have a certain impact on macroeconomic recovery, electricity demand and supply, coal production, transportation, etc. The Group will strictly implement measures for normalized prevention and control of the COVID-19 outbreak, and closely track the changes in the outbreak, so as to ensure that risks in respect of personnel safety, power production, material support and fuel supply are controllable and under control, and to overcome the adverse effects of the epidemic.

Secondarily, power market risk. In order to achieve the strategic goals of “carbon peaking and carbon neutrality”, China promotes the construction of a new power system with new energy as the mainstay. At present, the proportion of the installed capacity of thermal generating units of the Group is high, and there remains the problem of unbalanced and uncoordinated power source structure and asset allocation. The Group will give full play to the important role of coal-fired generating units in meeting the basic needs, and system regulating, and actively participate in and serve the construction of a new power market based on the actual national conditions of China, such as energy resource conditions, economic and social development.

Thirdly, coal market risk. The tight balance of coal supply is expected to be difficult to change in the short term and the market price of coal will remain volatile at a high level. The Company will closely monitor changes in China’s policy landscape, strengthen the research on the coal market, actively promote the signing of mid and long-term contracts and strengthen the performance and fulfilment of these contracts and continuously optimize procurement and inventory strategies, to ensure the safe and stable supply of thermal coal, and make every effort to control and reduce procurement costs.

Fourthly, environmental protection supervision risk. China has successively published a series of policies and regulations on environmental governance, which puts greater demands on corporate environmental information disclosure, ecological environment monitoring, energy conservation and emission reduction, etc. The Group will firmly grasp the overall requirements on achieving synergy in pollution and carbon reduction, earnestly perform the responsibility of an environment protector, and properly carry out pollution prevention and control and compliant discharge. The Group will strengthen the monitoring and benchmarking analysis of major energy consumption indicators and promote continuous improvement in energy consumption indicators.



SIGNIFICANT EVENTS AND SUBSEQUENT EVENTS

1. Appointment of Deputy General Manager

On 25 March 2022, Mr. Qin Jiehai was appointed as the deputy general manager of the Company at the 24th meeting of the ninth session of the Board of the Company.

For details, please see the announcement of the Company dated 25 March 2022.

2. Change of Company Secretary, Authorized Representative and General Counsel, and Appointment of Representative of Securities Affairs

On 31 May 2022, at the 26th meeting of the ninth session of the Board of the Company, Mr. Qin Jiehai was appointed as the joint company secretary, the secretary to the Board, the authorized representative of the Company under Rule 3.05 of the Hong Kong Listing Rules and the general counsel of the Company.

On 31 May 2022, at the 26th meeting of the ninth session of the Board of the Company, Ms. Ng Ka Man was appointed as the joint company secretary of the Company.

On 31 May 2022, Mr. Zhang Gelin ceased to serve as the company secretary of the Company, and the authorized representative of the Company under Rule 3.05 of the Hong Kong Listing Rules of the Hong Kong Stock Exchange, due to personal work adjustment.

On 31 May 2022, due to personal work adjustment, Mr. Chen Bin ceased to serve as the general counsel of the Company.

On 31 May 2022, at the 26th meeting of the ninth session of the Board of the Company, Mr. Hu Shufeng was appointed as the representative of securities affairs of the Company.

For details, please see the announcement of the Company dated 31 May 2022.

3. Change of Director and Chief Financial Officer

On 15 June 2022, due to personal work adjustment, Mr. Feng Rong ceased to serve as the executive director and the chief financial officer of the Company.

On 15 June 2022, Mr. Li Guoming was appointed as the chief financial officer of the Company at the 27th meeting of the ninth session of the Board of the Company.

For details, please see the announcement of the Company dated 15 June 2022.



SIGNIFICANT EVENTS AND SUBSEQUENT EVENTS (CONTINUED)

4. Convening of Extraordinary General Meeting and Changing of Directors

The Company convened the 2022 first extraordinary general meeting (the “EGM”) on 24 August 2022. Mr. Dai Jun and Mr. Li Guoming were appointed as executive directors of the ninth session of the Board of the Company at the EGM, with a term of office commencing from the conclusion of the EGM and ending on the expiry of the term of the ninth session of the Board.

On 28 July 2022, Mr. Ding Huande intended to resign as the chairman of the Board, the executive director and the chairman of the Strategic Committee of the ninth session of the Board of the Company due to reaching the retirement age with effect from 24 August 2022. Mr. Ding Huande has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

On 26 August 2022, at the 29th meeting of the ninth session of the Board of the Company, Mr. Dai Jun has been appointed as the chairman of the Board and the chairman of the Strategic Committee of the Company; Mr. Li Guoming has been appointed as a member of the Strategic Committee of the Company.

For details, please see the announcements of the Company dated 15 June 2022, 28 July 2022, 24 August 2022, 26 August 2022 and the notice of the EGM dated 28 July 2022.



SIGNIFICANT EVENTS AND SUBSEQUENT EVENTS (CONTINUED)

5. Real Estate Investment Trust Funds (the “REITs”) for Infrastructure Assets

On 31 May 2022, the 26th meeting of the ninth session of the Board of the Company considered and approved the Resolution in relation to the Commencement of Infrastructure REITs Application Work (《關於開展基礎設施REITs申報工作的議案》), at which the Company agreed to commence the infrastructure REITs application work. It aims to respond to the call of national policies, establish a capital circulation system, and achieve a full-cycle capital circulation of “Investment, Financing, Management, and Withdrawal (投融管退)”.

The Company intended to select the natural gas heat and power co-generation projects (天然氣熱電聯產項目) owned by certain subsidiaries in Zhejiang Province (the “**Project Companies**”) as the pooled assets. As of 31 December 2021, the total assets of the Project Companies were approximately RMB2,805 million, the total liabilities were approximately RMB1,690 million, the total operating income in 2021 were approximately RMB1,756 million, and the total profits were approximately RMB135 million (Audited).

If the Company proceeds with the proposed transaction, the proposed transaction may constitute a spin-off by the Company pursuant to Practice Note 15 (“**PN15**”) of the Hong Kong Listing Rules. The Company will apply for approvals for the Proposed Transaction from relevant regulatory authorities in due course, including but not limited to making application to The Stock Exchange of Hong Kong Limited with respect of the Proposed Transaction for approvals of the spin-off, pursuant to PN15.

The Company will cooperate with relevant professional institutions to continuously improve and form formal application materials in accordance with the relevant rules and requirements of regulatory institutions, submit applications to relevant regulatory institutions, and promote the registration, issuance and listing of the publicly traded fund. The final plan for the establishment of infrastructure REITs will be determined based on the approval of relevant regulatory institutions. Currently, related work is in progress.

For details, please see the announcement of the Company dated 31 May 2022.



SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

So far as the directors of the Company are aware, each of the following persons, not being a director, supervisor, chief executive or members of the senior management of the Company, had an interest or short position as at 30 June 2022 in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or was otherwise interested in 5% or more of any class of issued share capital of the Company as at 30 June 2022, or was a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company as at 30 June 2022:

Name of shareholder	Class of shares	Number of shares held	Approximate percentage of the total number of shares of the Company in issue	Approximate percentage of the total number of A shares of the Company in issue	Approximate percentage of the total number of H shares of the Company in issue	Capacity
China Huadian Corporation Limited ("China Huadian")	A shares	4,534,199,224 (L)	45.94%	55.62%	-	Beneficial owner
	H shares	85,862,000 (L) ^{Note}	0.87%	-	5.00%	Interests in a controlled corporation
Shandong Development Investment Holding Group Co., Ltd.	A shares	757,226,729 (L)	7.67%	9.29%	-	Beneficial owner

(L) = long position; (P) = lending pool

Note: So far as the directors of the Company are aware or are given to understand, these 85,862,000 H shares were held directly by a wholly-owned subsidiary of China Huadian, namely, China Huadian Hong Kong Company Limited, through CCASS in the name of HKSCC Nominees Limited.

Save as disclosed above and so far as the Directors are aware, as at 30 June 2022, no other person (other than the directors, supervisors, chief executive or members of senior management of the Company) had any interest or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company.



INTERESTS OF DIRECTORS, SUPERVISORS, CHIEF EXECUTIVE OR MEMBERS OF SENIOR MANAGEMENT IN THE SECURITIES

As at 30 June 2022, none of the directors, supervisors, chief executive or members of the senior management of the Company and their respective associates had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (as defined in Part XV of the SFO) which was (i) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interest or short position which any such director, supervisor, chief executive or member of senior management of the Company was taken or deemed to have under such provisions of the SFO) or was (ii) required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO, or which was otherwise (iii) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Hong Kong Listing Rules (which for this purpose shall be deemed to apply to the supervisors of the Company to the same extent as it applies to the directors of the Company).

During the Period, the Company has adopted a code of conduct regarding transactions of the directors of the Company in the Company's securities on terms identical to those of the Model Code. Having made specific enquiries of all directors of the Company, the Company understands that all of the directors and supervisors have complied with the required standards set out in the Model Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its issued securities (“**securities**” having the meaning as ascribed thereto under paragraph 1 of Appendix 16 to the Hong Kong Listing Rules).



DESIGNATED DEPOSITS AND OVERDUE TIME DEPOSITS

As at 30 June 2022, the Group's deposits placed with financial institutions or other parties did not include any designated or trust deposits, or any material time deposits which could not be collected by the Group upon maturity.

MATERIAL LITIGATION

As of 30 June 2022, certain members of the Group were parties to certain litigations arising from the ordinary course of business or acquisition of assets. However, the management of the Group believes that any possible legal liability which incurred or may incur from the aforesaid litigations will not have any material adverse effect on the financial position and operating results of the Group.

AUDIT COMMITTEE

The unaudited condensed consolidated financial statements for the Period prepared under the International Accounting Standard 34 "Interim Financial Reporting" have been reviewed by the Audit Committee.

EMPLOYEE REMUNERATION POLICY FOR THE GROUP

As at 30 June 2022, the total number of employees of the Group was 24,711. The Group has always complied with the relevant requirements of the PRC, and determined the salary levels of employees according to its economic benefits. It has established an objective, impartial, scientific and effective remuneration distribution mechanism and staff performance appraisal mechanism, according to the talent concept of "identifying talents through performance, selecting talents through competition and awarding talents through remuneration".

CORPORATE GOVERNANCE

The Company has always attached great importance to corporate governance and has continuously implemented management innovation. In strict compliance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Hong Kong Listing Rules and relevant provisions promulgated by domestic and overseas securities regulatory institutions, the Company has improved the structure of corporate governance, enhanced the level of the Company's governance and endeavored to achieve the harmonious development between the growth of the Company and the interest of its shareholders.



CORPORATE GOVERNANCE (CONTINUED)

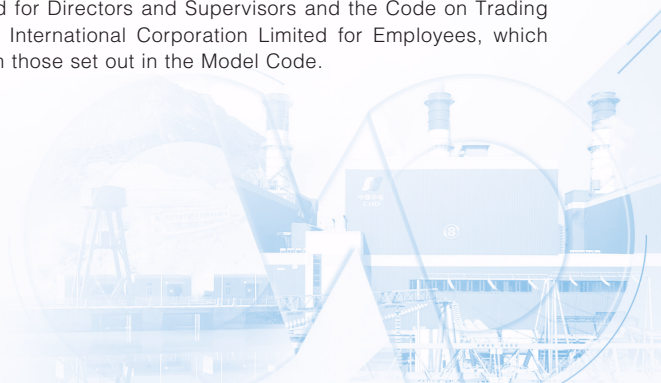
The codes on corporate governance of the Company include, but not limited to, its Articles of Association, Rules of Procedures for General Meetings, Rules of Procedures for the Board, Rules of Procedures for the Supervisory Committee, the Terms of Reference for the Audit Committee under the Board, the Terms of Reference for the Remuneration and Appraisal Committee under the Board, and the Terms of Reference for the Nomination Committee under the Board, etc.

The Company has established and improved the standardised operating systems of the general meetings, meetings of the Board and supervisory committee of the Company and its subsidiaries. The independent directors, the Audit Committee and the supervisory committee have actively supervised the preparation of regular reports, whereas non-executive directors and supervisors have performed their duties by carrying out annual reviews and the supervisory committee has further improved its supervisory duties. The Company has upheld transparency and compliance with information disclosures. Trainings regarding corporate governance and regulatory operations were provided to the directors, supervisors and secretaries to the Board of the Company and its subsidiaries. In accordance with the relevant requirements of the risk management and internal control, regular assessments were made on the risk management and internal control of the Company.

In the first half of the year, the Group complied with the environmental, social and governance requirements under the Hong Kong Listing Rules, and continuously tracked the performance indicators of the Group in terms of environmental protection, social responsibility and corporate governance.

The Board adheres to the principles of corporate governance in order to achieve prudent management and enhance value for shareholders. Transparency, accountability and independence are enshrined under these principles. The Board has reviewed the relevant requirements prescribed under the codes on corporate governance adopted by the Company and its actual operations, and has taken the view that the corporate governance practices of the Company during the Period have met the requirements under the code provisions in the Corporate Governance Code ("**Corporate Governance Code**") as contained in Appendix 14 to the Hong Kong Listing Rules. The Company has also adopted the board member diversity policy. In certain aspects, the corporate governance codes adopted by the Company are more stringent than the code provisions set out in the Corporate Governance Code, the major particulars of which are as follows:

- The Company has formulated the Code on Trading in Securities of Huadian Power International Corporation Limited for Directors and Supervisors and the Code on Trading in Securities of Huadian Power International Corporation Limited for Employees, which are on terms no less lenient than those set out in the Model Code.



CORPORATE GOVERNANCE (CONTINUED)

- In addition to the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, the Company has established the Strategic Committee and has stipulated the Terms of Reference for the Strategic Committee.
- The Audit Committee comprises five members, including two non-executive directors and three independent non-executive directors.

By order of the Board
Huadian Power International Corporation Limited*
Dai Jun
Chairman

Beijing, the PRC
26 August 2022

As at the date of this report, the Board comprises:

Dai Jun (Chairman, Executive Director), Ni Shoumin (Vice Chairman, Non-executive Director), Peng Xingyu (Non-executive Director), Luo Xiaoqian (Executive Director), Zhang Zhiqiang (Non-executive Director), Li Pengyun (Non-executive Director), Wang Xiaobo (Non-executive Director), Li Guoming (Executive Director), Feng Zhenping (Independent Non-executive Director), Li Xingchun (Independent Non-executive Director), Li Menggang (Independent Non-executive Director) and Wang Yueheng (Independent Non-executive Director).

* For identification purpose only



Report on Review of Condensed Consolidated Financial Statements



TO THE BOARD OF DIRECTORS OF
HUADIAN POWER INTERNATIONAL CORPORATION LIMITED

華電國際電力股份有限公司

(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Huadian Power International Corporation Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 28 to 84, which comprise the condensed consolidated statement of financial position of the Group as of 30 June 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain 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 International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of the condensed consolidated financial statements in accordance with IAS 34.

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review. This 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.



Report on Review of Condensed Consolidated Financial Statements (Continued)

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 Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 26 August 2022

Gao Yajun

Practising certificate number P06391



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

(Expressed in Renminbi)

	Notes	Six months ended 30 June	
		2022	2021
		RMB'000 (unaudited)	RMB'000 (unaudited) (restated)
Turnover	4	48,945,471	52,749,423
Operating expenses			
Fuel costs		(37,793,593)	(28,344,341)
Costs of coal sold		(978,808)	(8,609,027)
Depreciation and amortisation		(5,059,441)	(6,014,890)
Repairs, maintenance and inspection		(1,397,429)	(1,732,984)
Personnel costs		(2,949,746)	(3,141,567)
Administration expenses		(547,446)	(692,046)
Taxes and surcharges		(368,420)	(477,263)
Other operating expenses	7(b)	(722,824)	(821,343)
		(49,817,707)	(49,833,461)
Operating (loss)/profit		(872,236)	2,915,962
Investment income	5	2,060	3,844,269
Other revenue and net income		1,126,412	1,520,048
Impairment loss on assets classified as held for sale		–	(2,106,000)
Interest income from bank deposits		51,074	46,050
Finance costs	6	(2,068,636)	(2,090,197)
Share of results of associates and joint ventures		2,894,894	419,905
Profit before taxation	7(a)	1,133,568	4,550,037
Income tax credit/(expense)	8	141,668	(674,498)
Profit for the period		1,275,236	3,875,539

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi)

	Notes	Six months ended 30 June	
		2022	2021
		RMB'000 (unaudited)	RMB'000 (unaudited) (restated)
Other comprehensive income/(expense) for the period (net of tax):			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Share of other comprehensive income/ (expense) of investees accounted for under the equity method (with nil tax effect)	9	40	(6,055)
Total comprehensive income for the period		1,275,276	3,869,484
Profit/(loss) for the period attributable to:			
Equity holders of the Company		1,579,504	3,277,787
Non-controlling interests		(304,268)	597,752
		1,275,236	3,875,539
Total comprehensive income/(expense) for the period attributable to:			
Equity holders of the Company		1,579,544	3,271,732
Non-controlling interests		(304,268)	597,752
		1,275,276	3,869,484
Earnings per share	10		
– Basic (RMB)		0.114	0.279
– Diluted (RMB)		0.112	0.279

The accompanying notes form part of the condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

As at 30 June 2022

(Expressed in Renminbi)

		At 30 June 2022	At 31 December 2021
	Notes	RMB'000 (unaudited)	RMB'000 (audited) (restated)
Non-current assets			
Property, plant and equipment	11	122,379,156	125,638,139
Right-of-use assets		6,280,818	6,497,402
Construction in progress	12	17,979,022	15,804,052
Investment properties		72,424	61,828
Intangible assets		1,877,566	1,900,627
Goodwill		1,199,701	1,199,701
Interests in associates and joint ventures		39,506,979	37,387,135
Financial assets at fair value through profit or loss		345,195	330,064
Other non-current assets	13	1,011,201	1,762,095
Deferred tax assets		2,348,053	2,289,323
		193,000,115	192,870,366
Current assets			
Inventories		4,805,177	6,130,892
Trade debtors and bills receivable	14	10,970,102	9,265,280
Deposits, other receivables and prepayments	15	5,057,532	7,554,257
Tax recoverable		258,927	552,862
Restricted deposits	16	281,062	145,463
Cash and cash equivalents	17	5,547,484	5,945,067
		26,920,284	29,593,821



Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2022
(Expressed in Renminbi)

	Notes	At 30 June 2022	At 31 December 2021
		<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited) (restated)
Current liabilities			
Bank loans		26,140,574	29,968,493
Loans from shareholders		1,816,352	617,054
State loans		1,682	1,733
Other loans	18(a)	5,666,865	5,491,491
Short-term debentures payable		–	2,023,880
Long-term debentures payable – current portion	18(b)	4,446,853	5,861,218
Amount due to the parent company		23,141	27,599
Lease liabilities		257,167	240,830
Trade creditors and bills payable	19	13,703,370	14,793,426
Other payables and contract liabilities	20	6,981,910	6,431,258
Tax payable		133,591	205,952
		59,171,505	65,662,934
Net current liabilities		(32,251,221)	(36,069,113)
Total assets less current liabilities		160,748,894	156,801,253



Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2022

(Expressed in Renminbi)

	Notes	At 30 June 2022	At 31 December 2021
		<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited) (restated)
Non-current liabilities			
Bank loans		48,781,325	45,353,610
Loans from shareholders		1,845,860	5,579,400
State loans		43,215	45,384
Other loans	18(a)	5,152,170	5,703,716
Long-term debentures payable	18(b)	22,062,137	16,078,002
Convertible bonds – liability components		1,456,973	1,433,637
Lease liabilities		214,871	327,557
Provisions		57,069	64,242
Deferred government grants		1,253,222	1,266,742
Deferred income	21	2,804,829	2,896,818
Deferred tax liabilities		1,532,852	1,690,353
Retirement benefit obligations		11,886	15,078
		85,216,409	80,454,539
Net assets		75,532,485	76,346,714
Capital and reserves			
Share capital		9,869,858	9,869,858
Perpetual capital securities	23	23,308,015	22,473,349
Reserves		30,108,155	31,451,229
Equity attributable to equity holders of the Company		63,286,028	63,794,436
Non-controlling interests		12,246,457	12,552,278
Total equity		75,532,485	76,346,714

The condensed consolidated financial statements on pages 28 to 84 were approved and authorised for issue by the board of directors on 26 August 2022 and are signed on its behalf by:

Dai Jun
Director

Li Guoming
Director

The accompanying notes form part of the condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022
(Expressed in Renminbi)

	Attributable to equity holders of the Company											
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Revaluation reserve	Fair value reserve	Retained profits	Convertible bonds reserve	Perpetual capital securities	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2021												
(audited)	9,862,977	15,365,069	3,977,820	68,089	44,726	(13,610)	19,195,115	-	24,645,175	73,145,361	21,247,748	94,393,109
Profit for the period (restated)	-	-	-	-	-	-	2,751,154	-	526,633	3,277,787	597,752	3,875,539
Other comprehensive expense for the period (note 9)	-	-	-	-	-	(6,055)	-	-	-	(6,055)	-	(6,055)
Total comprehensive income for the period	-	-	-	-	-	(6,055)	2,751,154	-	526,633	3,271,732	597,752	3,869,484
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	409,997	409,997
Appropriation of specific reserve	-	-	37,413	-	-	-	(37,413)	-	-	-	-	-
Utilisation of specific reserve	-	-	(23,622)	-	-	-	23,622	-	-	-	-	-
Dividends recognised as distribution (note 22)	-	-	-	-	-	-	(2,465,744)	-	(2,465,744)	-	-	(2,465,744)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(347,765)	(347,765)
Distributions payable to holders of perpetual capital securities (note 23)	-	-	-	-	-	-	-	-	(727,788)	(727,788)	-	(727,788)
Disposal of subsidiaries (notes 28 and 29)	-	-	-	-	-	-	-	-	-	-	(4,966,012)	(4,966,012)
Others	-	(133,725)	-	-	-	-	-	-	-	(133,725)	(2,560)	(136,285)
Balance at 30 June 2021												
(unaudited)	9,862,977	15,231,344	3,991,611	68,089	44,726	(19,665)	19,466,734	-	24,444,020	73,089,836	16,939,160	90,028,996



Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

	Attributable to equity holders of the Company											Non-controlling interests	Total equity
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Revaluation reserve	Fair value reserve	Retained profits	Convertible bonds reserve	Perpetual capital securities	Total			
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000		
Balance at 31 December 2021 (audited)	9,869,858	14,977,092	4,319,628	68,089	44,726	65,990	11,848,435	41,250	22,473,349	63,708,417	12,560,148	76,268,565	
Effects on adoption of Amendments to IAS 16 (Note 3(b))	-	-	11,521	-	-	-	74,498	-	-	86,019	(7,870)	78,149	
Balance at 1 January 2022 (restated)	9,869,858	14,977,092	4,331,149	68,089	44,726	65,990	11,922,933	41,250	22,473,349	63,794,436	12,552,278	76,346,714	
Profit for the period	-	-	-	-	-	-	1,126,250	-	453,254	1,579,504	(304,268)	1,275,236	
Other comprehensive income for the period (note 9)	-	-	-	-	-	40	-	-	-	40	-	40	
Total comprehensive income for the period	-	-	-	-	-	40	1,126,250	-	453,254	1,579,544	(304,268)	1,275,276	
Issue of perpetual capital securities	-	-	-	-	-	-	-	-	2,497,700	2,497,700	-	2,497,700	
Redemption of perpetual capital securities	-	-	-	-	-	-	-	-	(1,500,000)	(1,500,000)	-	(1,500,000)	
Appropriation of specific reserve	-	-	143	-	-	-	(143)	-	-	-	-	-	
Utilisation of specific reserve	-	-	(4,425)	-	-	-	4,425	-	-	-	-	-	
Dividends recognised as distribution (note 22)	-	-	-	-	-	-	(2,467,465)	-	-	(2,467,465)	-	(2,467,465)	
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(524)	(524)	
Distributions payable to holders of perpetual capital securities (note 23)	-	-	-	-	-	-	-	-	(616,288)	(616,288)	-	(616,288)	
Others	-	(1,899)	-	-	-	-	-	-	-	(1,899)	(1,029)	(2,928)	
Balance at 30 June 2022 (unaudited)	9,869,858	14,975,193	4,326,867	68,089	44,726	66,030	10,586,000	41,250	23,308,015	63,286,028	12,246,457	75,532,485	

The accompanying notes form part of the condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022
(Expressed in Renminbi)

		Six months ended 30 June	
	Notes	2022	2021
		RMB'000 (unaudited)	RMB'000 (unaudited)
Cash generated from operations		2,627,884	5,309,668
PRC enterprise income tax refunded/(paid)		154,585	(1,066,282)
Net cash generated from operating activities		2,782,469	4,243,386
Net cash used in investing activities	25	(2,811,616)	(8,191,411)
Net cash (used in)/generated from financing activities	25	(368,436)	5,803,248
(Decrease)/increase in cash and cash equivalents		(397,583)	1,855,223
Cash and cash equivalents at 1 January		5,945,067	6,498,457
Cash and cash equivalents at 30 June		5,547,484	8,353,680
Analysed into:			
Bank balances and cash	17	5,547,484	8,286,011
Bank balances classified as held for sale		—	67,669
		5,547,484	8,353,680

The accompanying notes form part of the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022
(Expressed in Renminbi)

1 GENERAL

Huadian Power International Corporation Limited (the “**Company**”) was established in the People’s Republic of China (the “**PRC**”) on 28 June 1994 as a joint stock limited company.

The Company and its subsidiaries (together referred to as the “**Group**”) are principally engaged in the generation and sale of electricity, heat and coal. Majority of electricity generated is supplied to the local power grid companies where the power plants are located.

The condensed consolidated financial statements are presented with Renminbi (“**RMB**”), which is also the functional currency of the Company.

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by International Accounting Standards Board (“**IASB**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

At 30 June 2022, the Group had net current liabilities of approximately RMB32,251 million and certain capital commitments (see note 24). The directors of the Company, are of the opinion that, taking into account the current operation of the Group, the unutilised banking facilities available to the Group as well as debentures and bonds registered in the PRC interbank debenture market which has not been issued, the Group has sufficient working capital to enable it to meet in full its financial obligations as and when they fall due in the foreseeable future. Therefore, these condensed consolidated financial statements have been continuously prepared on a going concern basis.



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

3 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“IFRSs”) as set out in note 3(a) below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

(a) Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

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

Except as described below in note 3(b), the application of the amendments to IFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Impacts and accounting policies on application of Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use” (“Amendments to IAS 16”)

Accounting policies

The amendments prohibit an entity from deducting the proceeds from selling items produced before that asset is available for use from the cost of an item of property, plant and equipment. Instead, the sales proceeds and the related costs should be included in profit or loss.

The Group’s previous accounting policy is to account for sale proceeds during construction period and test run period as reduction of cost of construction in progress and property, plant and equipment. Upon application of the amendments, such sale proceeds and the related costs was included in profit or loss.

Transition and summary of effects

The Group has applied the new accounting policy retrospectively to property, plant and equipment (including construction in progress) made available for use on or after the beginning of the earliest period presented. In addition, appropriate adjustments were made to conform the associates’ accounting policies to those of the Group.



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Impacts and accounting policies on application of Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use” (“Amendments to IAS 16”) (Continued)

Accounting policies (Continued)

Transition and summary of effects (Continued)

The details of the impacts on each financial statement line items and earnings per share arising from the application of the amendments are set out below.

	Six months ended 30 June 2021
	RMB' 000
<i>Impact on profit and total comprehensive income for the period</i>	
Increase in revenue	135,085
Increase in fuel costs	(159,882)
Decrease in depreciation and amortisation	294
	<hr/>
Net decrease in profit and total comprehensive income for the period	(24,503)
	<hr/> <hr/>
Decrease in profit and total comprehensive income for the period attributable to:	
– Equity holders of the Company	(24,503)
– Non-controlling interests	–
	<hr/>
	(24,503)
	<hr/> <hr/>
<i>Impact on basic and diluted earnings per share</i>	
Basic and diluted earnings per share before adjustments	RMB 0.281
Net adjustments arising from change in accounting policy	RMB (0.002)
	<hr/>
Reported basic and diluted earnings per share as restated	RMB 0.279
	<hr/> <hr/>

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi)

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Impacts and accounting policies on application of Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use” (“Amendments to IAS 16”) (Continued)

Impact on the condensed consolidated statement of financial position as at 31 December 2021

	At 31 December 2021	Adjustments	At 31 December 2021
	<i>RMB'000</i> (as originally stated)	<i>RMB'000</i>	<i>RMB'000</i> (restated)
Effects on net assets			
Property, plant and equipment	125,676,926	(38,787)	125,638,139
Construction in progress	15,807,420	(3,368)	15,804,052
Interests in associates and joint ventures	37,266,831	120,304	37,387,135
	<u>178,751,177</u>	<u>78,149</u>	<u>178,829,326</u>
Effects on equity			
Reserves	31,365,210	86,019	31,451,229
Non-controlling interests	12,560,148	(7,870)	12,552,278
	<u>43,925,358</u>	<u>78,149</u>	<u>44,003,507</u>

No adjustments were presented at the opening balance of 1 January 2021 as there were no effects as a result of application of Amendments to IAS 16.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

4 TURNOVER

Turnover represents the sale of electricity, heat and coal. Major components of the Group's turnover are as follows:

	Six months ended 30 June	
	2022	2021
	RMB '000	RMB '000 (restated)
Revenue from contracts with customers within the scope of IFRS 15		
– Sale of electricity	43,015,885	39,903,297
– Sale of heat	4,899,666	4,202,245
– Sale of coal	1,029,920	8,643,881
	48,945,471	52,749,423

The chief operating decision makers review the Group's revenue and profit as a whole, which are determined in accordance with the Group's accounting policies for resources allocation and performance assessment. Therefore, the Group has only one operating and reportable segment and no further segment information is presented in the condensed consolidated financial statements. The Group's major customers are the power grid operators in relation to the sale of electricity. The revenue from sale of electricity, heat and coal are recognised at a point in time. The Group's non-current assets are mainly located in the PRC and the Group's revenue is mainly derived in the PRC.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

5 INVESTMENT INCOME

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Dividend income from financial assets measured at fair value through profit or loss ("FVPL")	–	20,197
Gain on disposal of subsidiaries (notes 28 and 29)	–	3,834,442
Interest income from other long-term receivables	7,187	7,556
Loss on disposal of financial assets measured at fair value through other comprehensive income ("FVOCI")	(5,127)	(17,926)
	2,060	3,844,269

6 FINANCE COSTS

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Interest on loans and other financial liabilities	2,146,374	2,187,488
Interest on lease liabilities	11,654	32,289
Interest on convertible bonds	23,336	–
Other finance costs	42,584	29,656
Net foreign exchange gain	(1,388)	(2,766)
Less: interest capitalised	(153,924)	(156,470)
	2,068,636	2,090,197

The borrowing costs have been capitalised at an average rate of 3.83% (six months ended 30 June 2021: 4.16%) per annum for construction in progress.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

7 PROFIT BEFORE TAXATION

(a) Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000 (restated)
Amortisation		
– Intangible assets	46,476	119,279
Depreciation		
– Property, plant and equipment	4,807,335	5,718,018
– Right-of-use assets	204,658	176,841
– Investment properties	972	752
Total amortisation and depreciation	5,059,441	6,014,890
Cost of inventories recognised as an expense	40,169,830	38,686,352
(Reversal of impairment loss)/impairment loss recognised under expected credit loss model, net (included in administration expenses)		
– Trade debtors and bills receivable	(177)	33,319
– Deposits, other receivables and prepayments	(673)	4,836
Included in other revenue and net income:		
– Government grants	(392,663)	(464,569)
– Net gain on disposal of property, plant and equipment	(49,447)	(1,800)
– Net gain on disposal of right-of-use assets	(35,214)	(254,793)
– Net income from sale of materials	(482,613)	(745,629)



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

7 PROFIT BEFORE TAXATION (CONTINUED)

(b) Other operating expenses:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Heating	399,073	263,594
Power charges	131,295	342,869
Water charges	191,440	189,359
Other expense relating to short-term leases	1,016	25,508
Others	—	13
Total other operating expenses	722,824	821,343

8 INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Current tax – PRC Enterprise Income Tax		
Charge for the period	72,370	794,256
Under-provision in respect of prior years	2,193	902
	74,563	795,158
Deferred tax		
Origination and reversal of temporary differences and tax losses	(216,231)	(120,660)
	(141,668)	674,498

The charge for PRC Enterprise Income Tax is calculated at the statutory rate of 25% (six months ended 30 June 2021: 25%) on the estimated assessable profits of the Group for the six months ended 30 June 2022 determined in accordance with relevant enterprise income tax rules and regulations, except for certain subsidiaries of the Group which are taxed at preferential rate of 15% (six months ended 30 June 2021: tax exempted or taxed at preferential rates of 7.5%, 12.5% or 15%).

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

9 OTHER COMPREHENSIVE INCOME/(EXPENSE)

	Six months ended 30 June	
	2022	2021
	RMB' 000	RMB' 000
Share of other comprehensive income/(expense) of investees accounted for under the equity method	40	(6,055)
Other comprehensive income/(expense), net of income tax	40	(6,055)

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company for the period and divided by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2022	2021
	RMB' 000	RMB' 000 (restated)
Profit attributable to equity holders of the Company	1,579,504	3,277,787
Less: Profit attributable to holders of perpetual capital securities (note 23)	(453,254)	(526,633)
Profit attributable to equity shareholders	1,126,250	2,751,154
Weighted average number of ordinary shares in issue	9,869,858,215	9,862,976,653
Basic earnings per share (RMB)	0.114	0.279

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi)

10 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise/conversion of all dilutive potential ordinary shares. During the six months ended 30 June 2022, the Company has one category of dilutive potential ordinary shares which is the convertible bonds.

For the convertible bonds, they are assumed to have been converted into ordinary shares, and the profits attributable to the equity holders of the Company is adjusted to eliminate the interest expenses of the convertible bonds.

	Six months ended 30 June 2022
	RMB' 000
Profit attributable to equity shareholders (note 10(a))	1,126,250
Add: Interest expense on liability component of convertible bonds (net of tax)	17,502
Profit for the purpose of diluted earnings per share	1,143,752
Weighted average number of ordinary shares in issue	9,869,858,215
Effect of dilutive potential ordinary shares:	
Convertible bonds*	357,702,920
Weighted average number of ordinary shares in issue for the purpose of diluted earnings per share	10,227,561,135
Diluted earnings per share (RMB)	0.112

- * The effect is based on the adjusted conversion price of RMB4.11 per share as a result of distribution of cash dividends. Save for the adjustment to the conversion price, there is no change to the terms and conditions of the convertible bonds.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

10 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share (Continued)

The diluted earnings per share for the six months ended 30 June 2021 was the same as the respective basic earnings per share as there were no dilutive potential ordinary shares outstanding during the period.

11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired items of property, plant and equipment with an aggregate cost of approximately RMB18,345 million (six months ended 30 June 2021 (restated): RMB11,920 million), including approximately RMB1,558 million (six months ended 30 June 2021: RMB10,081 million) through transfer from construction in progress.

During the six months ended 30 June 2022, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of approximately RMB14.5 million (six months ended 30 June 2021: RMB65.5 million) for cash proceeds of approximately RMB64.0 million (six months ended 30 June 2021: RMB67.3 million), resulting in a gain on disposal of approximately RMB49.5 million (six months ended 30 June 2021: RMB1.8 million).

As at 30 June 2022, the carrying value of property, generators and related machinery of property, plant and equipment held as collateral of the sales and leaseback agreement signed by the Group for financing purposes (note 18(a)) was approximately RMB946 million (31 December 2021: RMB1,185 million).



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi)

12 CONSTRUCTION IN PROGRESS

The acquisition and transfer of items of construction in progress during the six months ended 30 June 2022 and 2021 are as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Additions	2,340,421	4,352,253
Transfer to property, plant and equipment	(1,558,126)	(10,080,836)

13 OTHER NON-CURRENT ASSETS

	At 30 June 2022	At 31 December 2021
	RMB'000	RMB'000
Financial assets		
– Other long-term receivables with fixed-rate and non-current feature (Note (i))	269,417	254,430
Deductible Value Added Tax and other tax	690,532	1,434,315
Deferred differences arising from sales and leaseback arrangements (Note (ii))	51,252	73,350
	1,011,201	1,762,095

Notes:

- (i) Other long-term receivables are balances due from an associate (note 26(a)).
- (ii) Deferred differences arising from sales and leaseback arrangements represent the deficit of sale proceeds over the carrying amounts of the assets disposed under the sales and leaseback arrangements which resulted in finance lease. The differences are deferred and amortised as adjustments to the depreciation of the assets over their estimated useful lives.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

14 TRADE DEBTORS AND BILLS RECEIVABLE

	At 30 June 2022	At 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
Trade debtors and bills receivable for the sale of electricity	9,348,114	8,187,764
Trade debtors and bills receivable for the sale of heat	1,242,530	841,053
Trade debtors and bills receivable for the sale of coal	708,198	565,380
	11,298,842	9,594,197
Less: allowance for impairment	(328,740)	(328,917)
	10,970,102	9,265,280
Analysed into:		
– At amortised cost	10,431,917	8,839,157
– At FVOCI (<i>Note</i>)	866,925	755,040
	11,298,842	9,594,197



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

14 TRADE DEBTORS AND BILLS RECEIVABLE (CONTINUED)

Note:

The Group's bills receivables are managed with a business model under which bills receivables are held to collect contractual cash flows or endorsed to suppliers prior to their expiry date. Accordingly, these bills receivables are classified as financial assets at fair value through other comprehensive income.

As at 30 June 2022, bank acceptance bills discounted of approximately RMB1,059 million (31 December 2021: RMB1,858 million) were derecognised by the Group (the "Derecognised Bills"). In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant. Losses related to derecognition of the Derecognised Bills was RMB5 million (30 June 2021: RMB18 million) in total and charged to profit or loss.

The ageing analysis of trade debtors and bills receivable (net of allowance for impairment), presented based on the invoice date, which approximated to the revenue recognition date, is as follows:

	At 30 June 2022	At 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	10,902,028	9,174,783
1 to 2 years	19,646	24,385
2 to 3 years	12,328	22,115
Over 3 years	36,100	43,997
	10,970,102	9,265,280

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

15 DEPOSITS, OTHER RECEIVABLES AND PREPAYMENTS

	At 30 June 2022	At 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets		
– Dividends receivable	1,001,109	591,647
– Deposits	27,947	28,214
– Consideration receivables	–	933,554
– Machinery and equipment related receivables	435,577	543,123
– Other receivables	1,051,173	1,092,270
	2,515,806	3,188,808
Less: allowance for impairment (<i>Note</i>)	(503,195)	(503,868)
	2,012,611	2,684,940
Deductible Value Added Tax	1,064,842	2,728,996
Prepayments	1,921,594	2,066,807
Others	58,485	73,514
	5,057,532	7,554,257

Note:

Expected credit losses (“ECLs”) are estimated by applying a loss rate approach with reference to the historical loss record of the Group. 12-months ECLs are applied as there has no significant increase in credit risk since initial recognition. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. As at 30 June 2022, 12-month ECLs of deposits and other receivables of the Group amounted to approximately RMB503 million (31 December 2021: RMB504 million).

16 RESTRICTED DEPOSITS

Restricted deposits mainly represent performance bonds and frozen deposits at banks and other financial institutions with maturity of over three months.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi)

17 CASH AND CASH EQUIVALENTS

	At 30 June 2022	At 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
Cash at banks and in hand	20,217	688,571
Cash at other financial institutions	5,527,267	5,256,496
	5,547,484	5,945,067

18 BORROWINGS

(a) Other loans

	At 30 June 2022	At 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
Due within 1 year:		
– short-term other loans	4,452,243	3,735,606
– current portion of long-term other loans	1,214,622	1,755,885
	5,666,865	5,491,491
Due after 1 year but within 2 years	1,607,145	1,641,986
Due after 2 years but within 5 years	2,151,933	2,614,058
Due after 5 years	1,393,092	1,447,672
	5,152,170	5,703,716
	10,819,035	11,195,207

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

18 BORROWINGS (CONTINUED)

(a) Other loans (Continued)

Other loans are mainly borrowed from China Huadian Finance Corporation Limited (“**China Huadian Finance**”), an associate of the Group, and fellow subsidiaries of the Company. Other loans bear interest rates ranging from 2.80% to 5.64% (31 December 2021: 2.85% to 5.64%) per annum as at 30 June 2022, with maturities from 2022 to 2041 (31 December 2021: 2021 to 2041).

During the period, the Group did not enter into any new sales and leaseback agreements. Meanwhile, the Group entered into certain financing agreements during the period with a fellow subsidiary (note 26). As at 30 June 2022, the financing agreements above bear interest rate at 4.26% (31 December 2021: ranging from 1.50% to 5.64%) per annum and will be due in 2036 (31 December 2021: from 2022 to 2036).

As at 30 June 2022, the other loans borrowed from China Huadian Finance and a fellow subsidiary totalling of approximately RMB522 million (31 December 2021: RMB533 million) are secured by the income stream in respect of the sale of electricity.

Apart from the aforementioned secured loans, all of the other loans are unsecured.



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

18 BORROWINGS (CONTINUED)

(b) Long-term debentures payable

	At 30 June 2022	At 31 December 2021
	RMB'000	RMB'000
First tranche of medium-term notes for the year of 2017	–	3,611,991
First tranche of medium-term notes for the year of 2019	3,029,372	3,090,492
First tranche of company debentures for the year of 2019	2,050,371	2,014,834
Third tranche of medium-term notes for the year of 2020	2,006,629	2,032,044
Second tranche of medium-term notes for the year of 2021	2,560,918	2,525,693
First tranche of green mid-term notes for the year of 2021	2,353,904	2,321,601
Third tranche of medium-term notes for the year of 2021	2,044,884	2,016,250
Fourth tranche of medium-term notes for the year of 2021	1,842,945	1,813,506
Fifth tranche of medium-term notes for the year of 2021	2,550,716	2,512,809
First tranche of medium-term notes for the year of 2022	2,024,296	–
Second tranche of medium-term notes for the year of 2022 (Class 1)	1,004,975	–
Second tranche of medium-term notes for the year of 2022 (Class 2)	1,005,328	–
Third tranche of medium-term notes for the year of 2022	1,501,221	–
First tranche of company debentures for the year of 2022	2,533,431	–
	26,508,990	21,939,220
Less: Long-term debentures due within one year	(4,446,853)	(5,861,218)
	22,062,137	16,078,002

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

18 BORROWINGS (CONTINUED)

(b) Long-term debentures payable (Continued)

As at 30 June 2022, the effective interest rates of the long-term debentures are ranging from 2.53% to 4.85% (31 December 2021: 2.53% to 4.85%) per annum after considering the effect of issue costs.

19 TRADE CREDITORS AND BILLS PAYABLE

As at 30 June 2022, the ageing analysis of trade creditors and bills payable, presented based on the invoice date, is as follows:

	At 30 June 2022	At 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	11,775,131	12,487,154
1 to 2 years	584,122	764,963
Over 2 years	1,344,117	1,541,309
	13,703,370	14,793,426

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

20 OTHER PAYABLES AND CONTRACT LIABILITIES

	At 30 June 2022	At 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
Financial liabilities		
– Construction deposits	1,055,479	1,074,841
– Consideration payables on acquisitions	331,093	340,789
– Wages payables	231,280	222,627
– Payables for installed capacity quota	247,530	257,530
– Payables for sewage charges	9,906	10,309
– Dividend payables to non-controlling interests	186,200	322,477
– Dividend payables to ordinary shareholders	2,417,078	–
– Distribution payables to holders of perpetual capital securities	535,357	229,667
– Others (Note (i))	555,817	718,653
	5,569,740	3,176,893
Other tax payables	1,037,031	1,378,777
Contract liabilities	375,139	1,875,588
	6,981,910	6,431,258

Notes:

- (i) Others mainly include payables on service fees, water charges and other miscellaneous items.
- (ii) All of the other payables of the Group are expected to be settled or recognised as income within one year or are repayable on demand.



Notes to the Condensed Consolidated Financial Statements (Continued)

*For the six months ended 30 June 2022
(Expressed in Renminbi)*

21 DEFERRED INCOME

Deferred income represents the unearned portion of upfront installation fees received from customers for connecting the customers' premises to the heat network of the Group. The amount is deferred until completion of the installation work and recognised in profit or loss in equal instalments over the expected service terms of the relevant services.

The upfront installation fee recognised for the six months ended 30 June 2022 amounting to approximately RMB145 million (six months ended 30 June 2021: RM291 million) is included in "Other revenue and net income" in the condensed consolidated statement of profit or loss and other comprehensive income.

22 DIVIDENDS

- (a) A final dividend of RMB0.25 per share in respect of the year ended 31 December 2021 (six months ended 30 June 2021: RMB0.25 per share in respect of the year ended 31 December 2020) was declared to the equity shareholders of the Company and approved on 29 June 2022. The aggregate amount of the final dividend declared amounted to approximately RMB2,467 million (six months ended 30 June 2021: RMB2,466 million).
- (b) The directors of the Company do not recommend the payment of interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

23 PERPETUAL CAPITAL SECURITIES

During the six months ended 30 June 2022, the Company issued 1 tranche of public perpetual capital security, which is the 1st tranche of renewable company debentures for the year of 2022 to third parties with a principal amount of RMB2.5 billion. No perpetual capital securities were issued by the Company during the six months ended 30 June 2021.

The perpetual capital securities are issued at par value with a range of initial distribution rate from 3.14% to 5.2%. The interests of perpetual capital securities are recorded as distributions, which are payable annually after the approval of the directors of the Company and may be deferred at the discretion of the Company unless compulsory distribution payment events (distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) occurred.

The perpetual capital securities have no fixed maturity date and are redeemable at the Company's discretion, and the payment of the principal may be deferred for each renewable period as 2, 3 or 5 years.

The applicable distribution rate will be reset on first call date and each renewal period after first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum.

The directors of the Company are of the opinion that the Group has no contractual obligation to repay the principal or to pay any distribution for the perpetual capital securities. Therefore, the perpetual capital securities are classified as equity instrument and recorded in equity in the condensed consolidated statement of financial position. During the six months ended 30 June 2022, the profit attributable to holders of perpetual capital securities, based on the applicable distribution rate, was approximately RMB453 million (six months ended 30 June 2021: RMB527 million).



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

23 PERPETUAL CAPITAL SECURITIES (CONTINUED)

The above financial instruments do not have a definite maturity period, and it will exist until the right of redemption is exercised. The Company has the rights to defer payment of principal and interest.

Movement of the perpetual capital securities is as follows:

	Principal	Distribution	Total
	RMB' 000	RMB' 000	RMB' 000
As at 1 January 2021 (audited)	24,444,020	201,155	24,645,175
Profit attributable to holders of perpetual capital securities (note 10(a))	–	526,633	526,633
Distributions payable to holders of perpetual capital securities	–	(727,788)	(727,788)
As at 30 June 2021 (unaudited)	<u>24,444,020</u>	<u>–</u>	<u>24,444,020</u>
As at 1 January 2022 (audited)	22,310,315	163,034	22,473,349
Issue of perpetual capital securities, net	2,497,700	–	2,497,700
Profit attributable to holders of perpetual capital securities (note 10(a))	–	453,254	453,254
Distributions payable to holders of perpetual capital securities	–	(616,288)	(616,288)
Redemption of perpetual capital securities	(1,500,000)	–	(1,500,000)
As at 30 June 2022 (unaudited)	<u>23,308,015</u>	<u>–</u>	<u>23,308,015</u>

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

24 CAPITAL COMMITMENTS

Capital commitments as at 30 June 2022 and 31 December 2021 are as follows:

	At 30 June 2022	At 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
Contracted for but not provided in the condensed consolidated financial statements		
– Development of power plants	7,771,343	12,387,053
– Improvement projects and others	763,268	715,320
	8,534,611	13,102,373

For commitment with related parties, please refer to note 26(e) for details.



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

25 NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2022	2021
	RMB' 000	RMB' 000
Investing activities		
Payment for the purchase of property, plant and equipment, construction in progress and intangible assets	(4,095,632)	(5,559,543)
Proceeds from disposal of property, plant and equipment	63,972	67,259
Proceeds from disposal of financial assets at fair value through profit or loss	–	4,169
Payment for the purchase of financial assets at fair value through profit or loss	(15,000)	(82,365)
Payment for acquiring additional equity interests in subsidiaries	–	(2,500,000)
Payment of investments in associates	–	(5,343,390)
Interest received	44,991	47,826
Withdrawal of restricted deposits	29,415	47,809
Placement of restricted deposits	(165,014)	(18,761)
Dividends received	362,948	315,973
Cash inflow from disposal of subsidiaries, net	933,554	4,673,081
Other investing activities	29,150	156,531
Net cash used in investing activities	(2,811,616)	(8,191,411)



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

25 NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Six months ended 30 June	
	2022	2021
	RMB' 000	RMB' 000
Financing activities		
Debtentures		
– Net proceeds from debtentures	7,993,298	–
– Repayment of debtentures	(5,867,597)	–
Loans		
– Proceeds from loans	36,043,028	34,247,356
– Repayment of loans	(38,984,713)	(27,390,654)
Lease liabilities		
– Payment for principal portion of lease liabilities	(118,873)	(1,130,505)
Bills financing		
– Proceeds from bank acceptance bills discounted	1,261,843	1,218,206
– Repayment of bank acceptance bills	(1,190,771)	(796,582)
Issue of perpetual capital securities	2,500,000	–
Redemption of perpetual capital securities	(1,500,000)	–
Capital injection from non-controlling interests	–	309,677
Dividends paid to non-controlling interests	(136,764)	(330,789)
Dividends on perpetual capital securities	(310,600)	(310,600)
Other financing activities	(57,287)	(12,861)
Net cash (used in)/generated from financing activities	(368,436)	5,803,248

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

26 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with shareholders, fellow subsidiaries, associates and other connected persons

Shareholders, fellow subsidiaries, associates and other connected persons that had material transactions with the Group are as follows:

Name of related parties	Nature of relationship
China Huadian Corporation Limited ("China Huadian")	Parent and ultimate holding company of the Company
China Huadian Engineering Corporation and its subsidiaries	Fellow subsidiaries of the Company
Guodian Nanjing Automation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
CHD Power Plant Operation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Group Science And Technology Research Institutes Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Xinjiang Power Generation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Materials Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Capital Holdings Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Clean Energy Company Limited	A fellow subsidiary of the Company
Huadian Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with shareholders, fellow subsidiaries, associates and other connected persons (Continued)

Shareholders, fellow subsidiaries, associates and other connected persons that had material transactions with the Group are as follows: (Continued)

Name of related parties	Nature of relationship
Huadian Shanxi Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Jiangsu Energy Limited Company and its subsidiaries	Fellow subsidiaries of the Company
Huadian Shaanxi Energy Company Limited	A fellow subsidiary of the Company
Huadian Sichuan Power Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Electrical Construction Technical and Economic Consulting Centre	A fellow subsidiary of the Company
Huadian Inner Mongolia Energy Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Anhui Huadian Lu'an Power Generation Company Limited	A fellow subsidiary of the Company
China Huadian Advanced Training Centre	A fellow subsidiary of the Company
Fujian Huadian Furui Energy Development Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Hong Kong Company Limited and its subsidiaries	Fellow subsidiaries of the Company

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with shareholders, fellow subsidiaries, associates and other connected persons (Continued)

Shareholders, fellow subsidiaries, associates and other connected persons that had material transactions with the Group are as follows: (Continued)

Name of related parties	Nature of relationship
Guizhou Wujiang Hydroelectric Development Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Zhejiang Huadian Wuxijiang Hydropower Company Limited	A fellow subsidiary of the Company
Huadian Electric Power Research Institute Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Jinshan Energy Company Limited	A fellow subsidiary of the Company
Huadian Tibet Energy Company Limited	A fellow subsidiary of the Company
Hangzhou Huadian Zhakou Power Generation Limited	A fellow subsidiary of the Company
Huadian Asset Management (Tianjin) Company Limited and its subsidiaries	Fellow subsidiaries of the Company
China Huadian Group Carbon Assets Operation Company Limited	A fellow subsidiary of the Company
Huadian Yunnan Power Generation Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Huadian Commercial Factoring (Tianjin) Company Limited and its subsidiaries	Fellow subsidiaries of the Company
Hunan Huadian Xiangtan New Energy Company Limited	A fellow subsidiary of the Company

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi)

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with shareholders, fellow subsidiaries, associates and other connected persons (Continued)

Shareholders, fellow subsidiaries, associates and other connected persons that had material transactions with the Group are as follows: (Continued)

Name of related parties	Nature of relationship
China Huadian Finance Corporation Limited	An associate of the Group
Huadian Coal Industry Group Company Limited	An associate of the Group
Inner Mongolia Fucheng Mining Company Limited	An associate of the Group
Ningxia Yinxing Coal Company Limited	An associate of the Group
Sichuan Huayingshan Longtan Coal Company Limited	An associate of the Group
CNNP CHD Hebei Nuclear Power Company Limited	An associate of the Group
Otog Front Banner Changcheng No.3 Mining Company Limited	An associate of the Group
Otog Front Banner Changcheng No.5 Mining Company Limited	An associate of the Group
Otog Front Banner Changcheng Mine Company Limited	An associate of the Group
Lu'an Municipal Thermal Power Generation Company Limited	An associate of the Group
Huadian Jinshajiang Hydropower Company	An associate of the Group

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with shareholders, fellow subsidiaries, associates and other connected persons (Continued)

Shareholders, fellow subsidiaries, associates and other connected persons that had material transactions with the Group are as follows: (Continued)

Name of related parties	Nature of relationship
Huadian New Energy Group Corporation Limited (" Huadian New Energy ") (formerly known as "Huadian Fuxin Energy Development Company Limited")	An associate of the Group
Beijing Huabin Investment Company Limited	A subsidiary of an associate of the Group
Beijing Huabin Property Management Company Limited	A subsidiary of an associate of the Group
Yanzhou Coal Mining Company Limited (" Yanzhou Coal ") (Note(i))	A connected person of the Group
Shaanxi Coal Transportation and Marketing (Group) Company Limited (" Shaanxi Coal Transportation and Marketing ") (Note(ii))	A connected person of the Group
Shandong Development Investment Holding Group Co., Ltd (" Shandong Development ") (Note(iii))	A connected person of the Group

Notes:

- (i) Yanzhou Coal is a substantial minority shareholder of a non-wholly owned subsidiary of the Company.
- (ii) Shaanxi Coal Transportation and Marketing is a substantial minority shareholder of a non-wholly owned subsidiary of the Company.
- (iii) Shandong Development is a substantial minority shareholder of the Company.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with shareholders, fellow subsidiaries, associates and other connected persons (Continued)

The Group had the following material transactions with shareholders, fellow subsidiaries, associates and other connected persons during the six months ended 30 June 2022 and 2021:

	Six months ended 30 June	
	2022	2021
	<i>RMB' 000</i>	<i>RMB' 000</i>
<i>Sale of electricity to</i> Fellow subsidiaries	–	20,933
<i>Purchase of electricity from</i> A fellow subsidiary	36,622	44,000
<i>Sale of coal to</i> Fellow subsidiaries	980,508	8,643,449
<i>Purchase of coal from</i> Associates	3,261,117	2,515,161
Fellow subsidiaries	970,190	749,349
A connected person	1,578,265	1,613,169
<i>Purchase of natural gas from</i> A fellow subsidiary	164,919	140,468
<i>Sale of equipment to</i> An associate	33,041	–
A fellow subsidiary	204	–
<i>Other services income from</i> An associate	9,195	–
Fellow subsidiaries	13,164	–

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with shareholders, fellow subsidiaries, associates and other connected persons (Continued)

The Group had the following material transactions with shareholders, fellow subsidiaries, associates and other connected persons during the six months ended 30 June 2022 and 2021: (Continued)

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
<i>Purchase of construction service and equipment from</i>		
An associate	–	1,315
Fellow subsidiaries	833,402	405,329
<i>Loans proceeds obtained from</i>		
China Huadian	416,460	3,100,000
Associates	8,794,500	7,836,100
A fellow subsidiary	72,100	212,618
<i>Loans repaid to</i>		
China Huadian	2,950,000	400,000
Associates	9,176,600	6,889,800
A fellow subsidiary	2,128,912	–
<i>Bills discounted to</i>		
Associates	1,261,843	433,490
<i>Derecognised bills collected by</i>		
Associates	1,191,202	217,911
<i>Lease payment to</i>		
A fellow subsidiary	229,783	1,004,637

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with shareholders, fellow subsidiaries, associates and other connected persons (Continued)

The Group had the following material transactions with shareholders, fellow subsidiaries, associates and other connected persons during the six months ended 30 June 2022 and 2021: (Continued)

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Interest paid to</i>		
China Huadian	112,879	133,313
An associate	160,627	177,849
A fellow subsidiary	5,573	43,161
<i>Interest received from</i>		
Associates	40,789	41,651
<i>Rental and property management service expenses paid to</i>		
Associates	29,068	29,543
Fellow subsidiaries	2,978	7,247
<i>Other services expenses paid to</i>		
China Huadian	36,056	52,800
Associates	18,966	–
Fellow subsidiaries	65,342	82,057

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with shareholders, fellow subsidiaries, associates and other connected persons (Continued)

The balances due from/(to) shareholders, fellow subsidiaries, associates and other connected persons are as follows:

	At 30 June 2022	At 31 December 2021
	RMB'000	RMB'000
<i>Prepayment for construction in progress</i>		
Fellow subsidiaries	355,297	282,603
<i>Trade debtors and bills receivable</i>		
Fellow subsidiaries	661,033	719,251
<i>Deposits, other receivables and prepayments</i>		
China Huadian	6,500	822
Associates	62,975	478,441
Fellow subsidiaries	14,719	599,504
A connected person	115,485	142,532
<i>Other long-term receivables</i>		
An associate (note 13)	269,417	254,430
<i>Cash and cash equivalents and restricted deposits</i>		
An associate	5,778,379	5,376,276
<i>Loans from a shareholder</i>		
China Huadian	(3,654,265)	(6,188,597)
<i>Other loans</i>		
An associate	(9,248,342)	(9,632,106)
Fellow subsidiaries	(947,970)	(1,095,784)

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with shareholders, fellow subsidiaries, associates and other connected persons (Continued)

The balances due from/(to) shareholders, fellow subsidiaries, associates and other connected persons are as follows: (Continued)

	At 30 June 2022	At 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Trade creditors and bills payable</i>		
China Huadian	(17,598)	(9,799)
Associates	(458,319)	–
Fellow subsidiaries	(1,347,003)	(2,495,962)
A connected person	(175,154)	–
<i>Other payables</i>		
China Huadian	(5,543)	(17,800)
Associates	(1,733)	–
Fellow subsidiaries	(321,871)	(333,760)
<i>Contract liabilities</i>		
An associate	(56,488)	–
A fellow subsidiary	(13,492)	(18,997)
<i>Lease liabilities</i>		
A fellow subsidiary	(64,322)	(74,959)

Note:

- (i) At 30 June 2022, China Huadian did not provide guarantee to banks for loans granted to the Group (31 December 2021: RMB1 million).

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with key management personnel

Remuneration for key management personnel, including amounts paid to the Company's directors and supervisors is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Salaries and other emoluments	2,316	2,397
Retirement benefits	256	290
Bonuses	—	—
	2,572	2,687

(c) Contributions to defined contribution retirement plans

The Group participates in various defined contribution retirement plans organised by municipal and provincial governments and China Huadian for its staff. As at 30 June 2022 and 31 December 2021, there was no material outstanding contribution to the post-employment benefit plans.

(d) Transactions with other government-related entities in the PRC

China Huadian is a PRC state-owned enterprise. Government-related entities, other than entities under China Huadian, over which the PRC government has control, joint control or significant influence are also considered as related parties of the Group ("**other government-related entities**"). The majority of the business activities of the Group are conducted with other government-related entities.

The transactions between the Group and other government-related entities are conducted in the ordinary course of the Group's business within normal business operations. The Group has established its approval process for sales of electricity, purchase of products and services and its financing policy for borrowing. Such approval processes and financing policy do not depend on whether the counterparties are government-related entities or not.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi)

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Transactions with other government-related entities in the PRC (Continued)

Having considered the potential for transactions to be impacted by related party relationships, the Group's approval processes and financing policy, and information that would be necessary for an understanding of the potential effect of the relationship on the condensed consolidated financial statements, the directors believe that the following transactions are collectively significant for disclosure purpose:

- sale of electricity to the grid

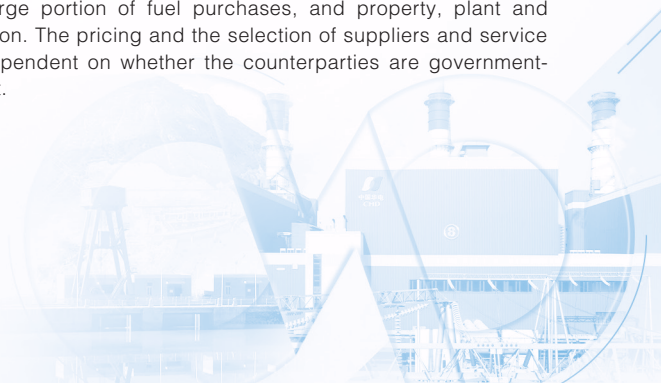
The Group sells substantially all its electricity to local government-related power grid companies, and the tariff of electricity is regulated by relevant government. For the six months ended 30 June 2022, management estimates that the aggregate amount of the Group's significant transactions with other government-related entities are at least 99% (six months ended 30 June 2021: 99%) of its sale of electricity.

- depositing and borrowing

The Group deposits most of its cash in government-related financial institutions, and also obtains most of short-term and long-term loans from these financial institutions in the ordinary course of business. The interest rates of the bank deposits and loans are regulated by the People's Bank of China.

- other transactions

Other collectively significant transactions with other government-related entities include a large portion of fuel purchases, and property, plant and equipment construction. The pricing and the selection of suppliers and service providers are not dependent on whether the counterparties are government-related entities or not.



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Commitments with related parties

Commitments with related parties are as follows:

	At 30 June 2022	At 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
Capital commitments	783,463	1,470,504
Commitments on properties rental and management fees	11,338	15,118

27 CONTINGENT LIABILITIES

As at 30 June 2022, certain of the Group's subsidiaries were the defendant in certain lawsuits for events occurred before the acquisition date. At the end of reporting period, the lawsuits were in progress of which the final outcomes cannot be determined at present. The directors of the Company considered that the outcome of these outstanding lawsuits will not result in significant adverse effect on the financial position and operating results of the Group.

Apart from the above, the Group has no other material contingent liabilities as at 30 June 2022 (31 December 2021: Nil).



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi)

28 DISPOSAL OF NEW ENERGY COMPANIES FOR EQUITY INTERESTS IN HUADIAN NEW ENERGY

On 24 May 2021, the Company entered into a Capital Increase Agreement (“**Agreement**”) with Huadian Fuxin Energy Corporation Limited (“**Huadian Fuxin**”), a fellow subsidiary of the Group, and Huadian Fuxin’s subsidiary, Huadian New Energy, pursuant to which the Company agreed to make a capital contribution of approximately RMB21,237 million in Huadian New Energy, by way of (i) a transfer of the equity interests held by the Company in 27 subsidiaries (together the “**New Energy Companies**”) to Huadian New Energy, representing an amount of not more than approximately RMB13,609 million; and (ii) a cash payment of not lower than approximately RMB7,628 million by the Company to Huadian New Energy. Details of the transaction were set out in the circular issued by the Company dated 15 June 2021.

The transaction was approved by shareholders in the annual general meeting on 30 June 2021 and the directors considered the date of completion of transaction to be 30 June 2021. Upon the completion of transaction, the Group held 37.19% interest in Huadian New Energy in the amount of approximately RMB21,542 million, which became an associate of the Group, and the New Energy Companies ceased to be subsidiaries of the Company on the same date.

The Group’s equity interests in the New Energy Companies disposed of were as follows:

	Equity interests
Huadian Huzhou New Energy Power Generation Company Limited	100%
Huadian Ningbo New Energy Power Generation Company Limited	100%
Huadian Henan New Energy Power Generation Company Limited	100%
Huadian Taiqian Photovoltaic Power Generation Company Limited	50%
Huadian Laizhou Wind Power Company Limited	55%
Huadian Laizhou Wind Power Generation Company Limited	55%
Huadian Laizhou Wind Energy Power Company Limited	55%
Huadian Longkou Wind Power Company Limited	65%
Longkou Dongyi Wind Power Company Limited	55%
Huadian Shandong New Energy Company Limited	100%
Huadian Xuwen Wind Power Company Limited	100%
Huadian Xiaxian Wind Power Company Limited	100%
Shanxi Huadian Pinglu New Energy Company Limited	100%
Shanxi Huadian Ying County New Energy Company Limited	100%
Zezhou County Huadian Wind Power Company Limited	100%
Shaanxi Huadian Xunyi Wind Power Company Limited	100%

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

28 DISPOSAL OF NEW ENERGY COMPANIES FOR EQUITY INTERESTS IN HUADIAN NEW ENERGY (CONTINUED)

	Equity interests
Huadian Chongqing New Energy Power Generation Company Limited	100%
Hebei Huadian Guyuan Wind Power Company Limited (<i>Note (i)</i>)	61.87%
Hebei Huadian Kangbao Wind Power Company Limited	100%
Huadian Tangshan Wind Power Company Limited	100%
Huadian Zhangjiakou Saibei New Energy Generation Company Limited	100%
Huadian Power International Ningxia New Energy Power Company Limited (<i>Note (ii)</i>)	63.93%
Huadian Ningxia Ningdong Shangde Solar Power Generation Company Limited	60%
Huadian Kezuo zhongqi Wind Power Company Limited	100%
Huadian Wengniuteqi Wind Power Company Limited	100%
Huadian Fengzhen City Fengdi Wind Power Generation Company Limited	100%
Huadian (Zhengxiangbai Banner) New Energy Company Limited	100%

Notes:

- (i) The Group retained 38.13% in Hebei Huadian Guyuan Wind Power Company Limited. Hence, it became an associate of the Group on the same date upon completion of the disposal.
- (ii) The Group retained 36.07% in Huadian Power International Ningxia New Energy Power Company Limited. Hence, it became an associate of the Group on the same date upon completion of the disposal.



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

28 DISPOSAL OF NEW ENERGY COMPANIES FOR EQUITY INTERESTS IN HUADIAN NEW ENERGY (CONTINUED)

	<i>RMB'000</i>
Gain on disposal of New Energy Companies	
Net assets of New Energy Companies disposed of (<i>Note (i)</i>)	16,302,975
Less: Fair value of investment retained (determined on a provisional basis)	(2,336,237)
Less: Non-controlling interests	(3,111,183)
	10,855,555
Net assets attributable to equity holders of the Company	10,855,555
Add: Cash consideration (<i>Note (ii)</i>)	7,682,271
Less: Share of 37.19% of net assets of Huadian New Energy (determined on a provisional basis) (<i>Note (iii)</i>)	(21,541,700)
	(3,003,874)
Gain on disposal of subsidiaries	(3,003,874)
Cash outflow arising from disposal of New Energy Companies:	
Cash and cash equivalents disposed of	(553,985)
Cash outflow arising from acquisition of Huadian New Energy:	
Cash consideration	(7,682,271)
Less: Consideration payable	2,342,671
	(5,339,600)



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

28 DISPOSAL OF NEW ENERGY COMPANIES FOR EQUITY INTERESTS IN HUADIAN NEW ENERGY (CONTINUED)

Notes:

- (i) The major classes of assets and liabilities of New Energy Companies at the date of disposal upon the completion of the Agreement as described above was as follows:

	RMB' 000
Assets:	
Property, plant and equipment	25,183,956
Right-of-use assets	567,162
Construction in progress	1,110,295
Intangible assets	847,616
Inventories	69,496
Trade debtors and bills receivable	4,962,198
Cash and cash equivalents	553,985
Other assets	1,408,233
	34,702,941
Liabilities:	
Bank loans	(13,525,836)
Trade creditors and bills payable	(2,927,066)
Other liabilities	(1,947,064)
	(18,399,966)
Net assets of New Energy Companies	16,302,975

- (ii) Pursuant to the Agreement, the cash consideration was adjusted for the value of the transferred assets and capital contribution from Huadian Fuxin and the contributed amount for all the dividends received and change in capital of the New Energy Companies by the Company to Huadian New Energy during the transitional period (i.e. the period from 1 January to 30 June 2021).
- (iii) Since in the initial accounting for the acquisition of Huadian New Energy, the fair value measurement was still incomplete at 30 June 2021, the Group had reported the above amounts on a provisional basis during the six months ended 30 June 2021. At that moment, the recognised amounts of interests in Huadian New Energy at the date of acquisition was the respective carrying amounts recognised in the Huadian New Energy financial statements, after adjusting the potential amounts of fair value adjustments identified.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

29 LOSS OF CONTROL IN OTHER SUBSIDIARIES

(a) Disposal of subsidiaries to China Huadian

On 26 February 2021, the Company entered into 2 sales and purchase agreements with China Huadian, pursuant to which, the Company agreed to sell and China Huadian agreed to purchase (i) 65% equity interest in Huadian Ningxia Lingwu Power Generation Company Limited (“**Ningxia Lingwu**”) and the dividends receivable from Ningxia Lingwu; and (ii) 53% equity interest in Ningxia Huadian Heating Corporation Limited (“**Ningxia Heating**”). Details of the transaction were set out in the circular issued by the Company dated 31 March 2021.

In May 2021, the Group completed the above disposal for a total consideration of RMB4,335,986,000 and recorded a gain on disposal of RMB881,820,000.

The Group’s equity interests in the subsidiaries disposed of were as follows:

	Equity interests
Ningxia Lingwu	65%
Ningxia Heating	53%

Upon loss of control over these subsidiaries, the Group derecognised non-controlling interests of RMB1,621,871,000 and the disposed cash and cash equivalents amounting to RMB211,851,000, which resulted in net cash inflows of RMB4,124,135,000 during the period ended 30 June 2021.



Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

29 LOSS OF CONTROL IN OTHER SUBSIDIARIES (CONTINUED)

(b) Disposal of subsidiaries and assets group to Huadian New Energy and its subsidiaries

On 24 May 2021, certain subsidiaries of the Company entered into Equity and Assets Disposal Agreements with certain subsidiaries of Huadian New Energy, pursuant to which the subsidiaries of Huadian New Energy agreed to purchase and the subsidiaries of the Company agreed to sell 4 subsidiaries and certain assets group. Details of the transaction are set out in the circular issued by the Company dated 15 June 2021.

On 30 June 2021, except Lechang Branch assets group, the Group completed the above disposal for a total consideration of RMB1,776,338,000 and recorded a loss on disposal of approximately RMB51,252,000.

The Group's equity interests in the subsidiaries and assets disposed of were as follows:

	Equity interests
Hubei Huadian Wuxue New Energy Co., Ltd.	100%
Hubei Huadian Suixian Yindian Photovoltaic Power Generation Co., Ltd.	100%
Hubei Huadian Zaoyang Photovoltaic Power Generation Co., Ltd.	100%
Hebei Huadian Yuzhou Wind Power Co., Ltd. (Note)	60.38%
Hangzhou assets group	n/a
Longyou assets group	n/a
Weifang assets group	n/a
Laizhou assets group	n/a
Wuhan Branch assets group	n/a
Huangshi Branch assets group	n/a
Zanhuang Branch assets group	n/a

Note: The Group retained 39.62% in Hebei Huadian Yuzhou Wind Power Co., Ltd. Hence, it became an associate of the Group upon completion of the disposal.

Upon loss of control over these subsidiaries, the Group derecognised non-controlling interests of RMB232,958,000 and disposed of cash and cash equivalents amounting to RMB47,068,000, which resulted in net cash inflows of RMB1,102,931,000 during the period ended 30 June 2021.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

30 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENT

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

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	At 30 June 2022	At 31 December 2021		
	RMB'000	RMB'000		
Bills receivable measured at FVOCI (included in trade debtors and bills receivable) (note 14)	866,925	755,040	Level 2	Future cash flows are estimated based on discount rate observed in the available market. The fair value of bills receivable was close to their carrying amounts given all bills receivable will mature within 1 year.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022
(Expressed in Renminbi)

30 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Fair value of the Group's financial assets that are measured at fair value on recurring basis (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	At 30 June 2022	At 31 December 2021		
	RMB'000	RMB'000		
Financial assets at FVPL – unlisted equity securities in the condensed consolidated statement of financial position	345,195	330,064	Level 3	The financial assets at FVPL are unlisted equity securities. The fair value is estimated by the management. The fair value is measured by applying income approach and after considering the expected distributable profits of the investment discounted by a range of discount rate from 9.40% to 13.51% (31 December 2021: 9.40% to 13.51%).

During the reporting period there is no transfer between instruments in Level 1 and Level 2 or transfer into or out of level 3.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi)

30 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENT (CONTINUED)

(b) Financial instruments carried at other than fair value

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values.

	30 June 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	RMB'000	RMB'000	RMB'000	RMB'000
Fixed-rate borrowings and debentures payable	40,408,420	40,391,480	36,773,258	36,243,696

The fair value measurements of above financial liabilities are within the level 2 category, which have been determined based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of the group entities.