China Power International Development Limited
中國電力國際發展有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code : 2380)

Lower Carbon
Empower Better Life

2022
INTERIM REPORT

INFORMATION FOR OUR SHAREHOLDERS AND INVESTORS

LISTING INFORMATION

Shares of China Power are:

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

INTERIM REPORT

The interim report 2022 will be sent to the shareholders of the Company who have selected to receive the printed version of corporate communication by 21 September 2022.

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
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Fax: (852) 2865 0990

SHAREHOLDERS AND INVESTORS ENQUIRIES

Hotlines

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- For Investors: (852) 2802 3861

Online feedback

- For Shareholders:
  www.computershare.com/hk/en/online_feedback
- For Investors:
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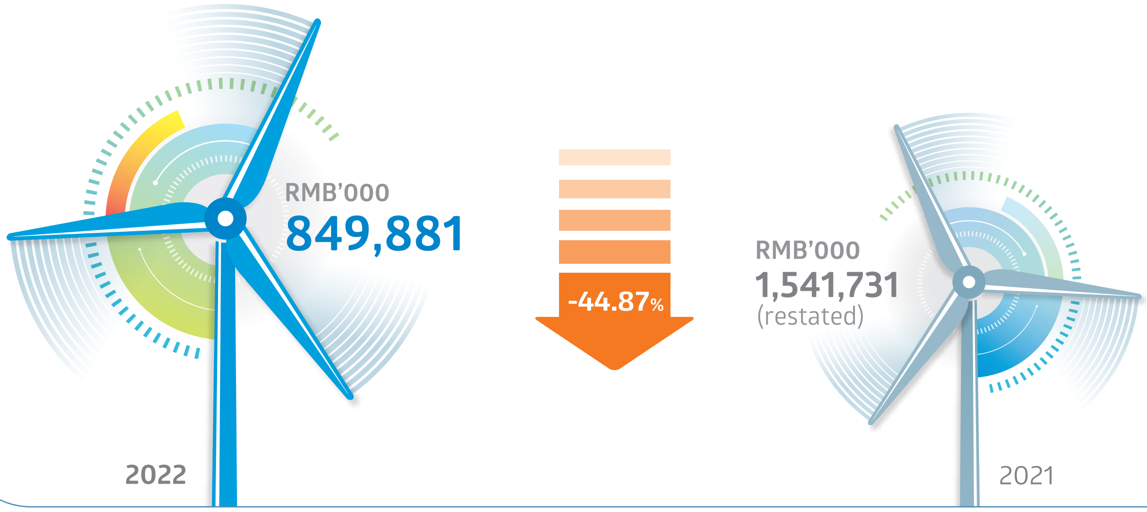
Contents

2022 Interim Performance Highlights

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

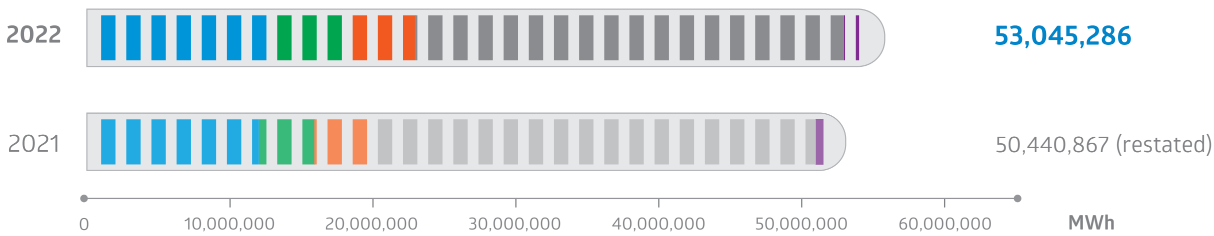
for the six months ended 30 June



TOTAL ELECTRICITY SOLD

for the six months ended 30 June

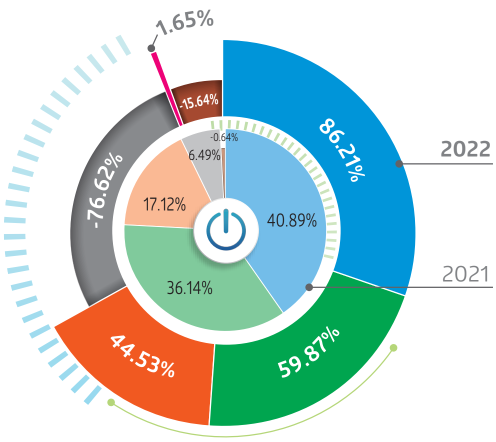
Wholly-owned or controlled power plants



	2022 MWh	2021 (restated) MWh	Changes %
Hydropower	12,838,036	12,101,542	6.09
Wind Power	5,045,418	3,702,166	36.28
Photovoltaic Power	4,523,739	3,502,123	29.17
Coal-fired Power	30,230,377	30,589,385	-1.17
Natural Gas Power	407,716	545,651	-25.28
Total	53,045,286	50,440,867	5.16

2022 Interim Performance Highlights

NET PROFIT
for the six months ended 30 June



The percentage shown in the chart above represents the proportion of each operating segment in the total net profit.

Net profit (loss)	2022 RMB'000	2021 (restated) RMB'000
Hydropower	1,233,212	1,051,196
Wind Power	856,443	929,013
Photovoltaic Power	636,919	440,104
Coal-fired Power	(1,095,974)	166,737
Energy Storage	23,522	N/A
Unallocated	(223,695)	(16,478)
Total	1,430,427	2,570,572

OTHER KEY PERFORMANCE INDICATORS
for the six months ended 30 June

REVENUE

2022	2021	Change
20,305,157 RMB'000	16,965,636 RMB'000 (restated)	19.68%

OPERATING PROFIT

2022	2021	Change
4,016,650 RMB'000	4,764,370 RMB'000 (restated)	-15.69%

BASIC EARNINGS PER SHARE

2022	2021	Change
0.07 RMB	0.15 RMB (restated)	-53.33%

CONSOLIDATED INSTALLED CAPACITY

2022	2021	Change
32,140.0 MW	28,429.7 MW	13.05%

	Unaudited 30 June 2022 RMB'000	Restated 31 December 2021 RMB'000	Changes %
Equity attributable to equity holders of the Company	35,624,258	36,052,468	-1.19
Net assets	52,721,100	52,376,683	0.66
Total assets	187,802,826	175,245,988	7.17
Cash and cash equivalents	8,579,462	1,766,632	385.64
Total debts	115,360,699	105,921,101	8.91

Management's Discussion and Analysis

BUSINESS REVIEW

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

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

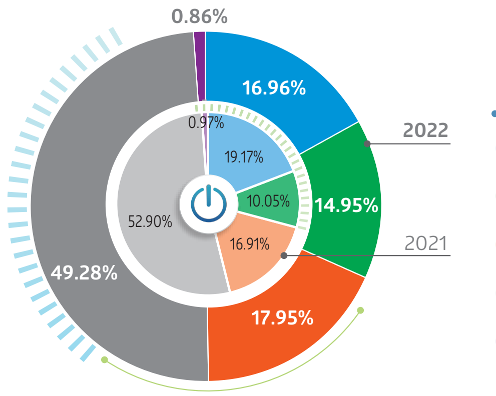
Given the strenuous efforts in developing clean energy, the Group's investment returns from new energy projects increased gradually and the proportion of profit contribution from these projects continued to escalate. In the first half of 2022, the aggregate electricity sales of wind power and photovoltaic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

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

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

Installed Capacity

For the first half of 2022, the details of consolidated installed capacity of the Group are set out as follows:



The percentage shown in the chart above represents the proportion of each power segment in the total consolidated installed capacity.

	First half of 2022 MW	First half of 2021 MW	Changes %
Hydropower	**5,451.1**	5,451.1	-
Wind Power	**4,804.1**	2,857.4	68.13
Photovoltaic Power	**5,769.6**	4,806.0	20.05
Coal-fired Power	**15,840.0**	15,040.0	5.32
Natural Gas Power	**275.2**	275.2	-
Total	**32,140.0**	28,429.7	13.05

As at 30 June 2022, the consolidated installed capacity of the Group's power plants was 32,140.0MW, representing a year-on-year increase of 3,710.3MW. Among them, the consolidated installed capacity of clean energy including hydropower, wind power, photovoltaic power and natural gas power was 16,300.0MW in total, accounting for approximately 50.72% of the consolidated installed capacity of the Group, and representing an increase of 3.62 percentage points as compared with the corresponding period last year, but a reduction of 1.44 percentage points as compared with that at the end of last year (after taking into account the net increase in the proportion of installed capacity of coal-fired power during the period from 1 July 2021 to 30 June 2022 as a result of the disposal of a coal-fired power plant of 1,200.0MW and the addition of two coal-fired power generating units under commercial operation of 2,000.0MW in total).

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

The Group's power generating units that commenced commercial operation during the period from 1 July 2021 to 30 June 2022 are presented by type as follows:

Type of Power Plants	Consolidated installed capacity MW
Wind Power	1,946.7
Photovoltaic Power	963.6
Coal-fired Power	2,000.0
Total	4,910.3

Project Development

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

Offshore Wind Power Projects

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

Management's Discussion and Analysis

"Photovoltaic+" Project

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

Guyuan "Photovoltaic +" Demonstration Project

Green and Intelligent Projects for Revitalization of Rural Areas

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

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

Energy Storage Projects

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

Haiyang Energy Storage Power Station

Technological Innovations

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

Projects under Construction

As at 30 June 2022, the consolidated installed capacity of the projects under construction was 6,541.6MW, which were all clean energy projects (excluding clean energy projects of which the acquisitions have not yet been completed during the period).

While the pandemic situation remained volatile during the period, the Group effectively implemented its pandemic prevention and control measures and undertook various tasks in advance to avoid any obstacles that might arise in the course of normal operation. As a result, the Group's construction works were carried out in an orderly manner and its projects commenced operation as scheduled, including various wind power and photovoltaic power projects in Guangxi Province, Hebei Province, Shanxi Province and Hunan Province.

New Development Projects

During the period under review, the Group focused on the national requirement of accelerating the construction of large-scale wind power and photovoltaic power base projects that were primarily located in the desert, the Gobi region and the remote outback. It concentrated on developing five base projects which included the Ordos Uxin Banner Multi-energy Complementary Base and the Hanggin Banner Local Consumption Base in Ningxia, Gansu and Inner Mongolia, with a planned capacity of 56,000MW. The preparation of the relevant proposals has been fully completed.

In addition, the Group proceeded with the development of integrated power source, grid, load and storage projects and achieved breakthroughs for several projects. Among which, the Macheng Multi-energy Complementary 1,000MW New Energy Base Project obtained a construction quota of 300MW, the CP Pu'an 1,000MW Integrated Wind, Photovoltaic and Coal-fired Power Storage Demonstration Project was included in the "14th Five-Year" power development plan of Guizhou Province, and the Integrated Power Source, Grid, Load and Storage Project in the Lubei Integrated Intelligent Industrial Park (580MW) was listed in the "14th Five-Year" power industry reform plan of Shandong Province.

Currently, the total installed capacity of new projects of the Group at a preliminary development stage (including projects with applications submitted to the PRC government for approval) is approximately 9,804.3MW, which are all clean energy projects (including natural gas power projects) primarily located in areas with development potential, including Guangxi, Anhui, Hebei, Xinjiang and Shandong.

Management's Discussion and Analysis

Power Generation and Electricity Sales

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

Power Generation

GROSS POWER GENERATION

55,192,432 MWh

Compared with the first half of 2021

5.03%

	First half of 2022 MWh	First half of 2021 (restated) MWh	Changes %
Hydropower	12,968,535	12,215,193	6.17
Wind Power	5,147,407	3,764,506	36.74
Photovoltaic Power	4,603,984	3,581,982	28.53
Coal-fired Power	32,051,650	32,427,288	-1.16
Natural Gas Power	420,856	562,193	-25.14

Electricity Sales

	First half of 2022 MWh	First half of 2021 (restated) MWh	Changes %
Hydropower	12,838,036	12,101,542	6.09
Wind Power	5,045,418	3,702,166	36.28
Photovoltaic Power	4,523,739	3,502,123	29.17
Coal-fired Power	30,230,377	30,589,385	-1.17
Natural Gas Power	407,716	545,651	-25.28

TOTAL ELECTRICITY SOLD

53,045,286 MWh

Compared with the first half of 2021

5.16%

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

- Hydropower – an increase of 6.09% in electricity sold due to a year-on-year increase in average rainfall in the river basins where the Group's hydropower plants are located during the period.

- Wind power and photovoltaic power – benefitted from the commencement of commercial operation of various new clean energy power generating units from the second half of 2021 to the current period, the electricity sales of wind power and photovoltaic power recorded year-on-year increases of 36.28% and 29.17%, respectively.

- Coal-fired power – a decrease of 1.17% in electricity sold due to the impact of the squeeze in coal-fired power consumption demand as a result of the rapid growth in electricity sales of non-fossil energy such as hydropower.

- Natural gas power – the electricity sold decreased by 25.28% year-on-year due to the decline in power consumption demand for the natural gas projects of the Group located in Hubei Province.

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

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

Heat Sales

In order to strongly support the existing environmental policies promulgated by the Chinese Government, the Group has carried out in-depth exploration of the heat supply potentials in various regions, strengthened the development of heat market, and promoted the construction of centralized heating pipe networks and developed heat and electricity co-generation projects, thereby achieving positive results in various areas such as energy efficiency upgrade and development of heat supply market. Yaomeng Power Plant, a subsidiary of the Group, is currently conducting a research on the transformation that aims at increasing the capacity of heat supply. The project is expected to commence in the second half of 2022 and will mainly comprise the upgrade of the first heat supply station of the plant and the construction of additional pipe networks for heat supply. In addition, Wuhu Power Plant and Pingwei Power Plant are also building branch pipelines to extend the reach of their heat supply services.

For the first half of 2022, the total heat sold by the Group (including two associates and a joint venture) was 16,253,225GJ, representing an increase of 1,844,917GJ or 12.80% as compared with the corresponding period last year.

Direct Power Supply

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

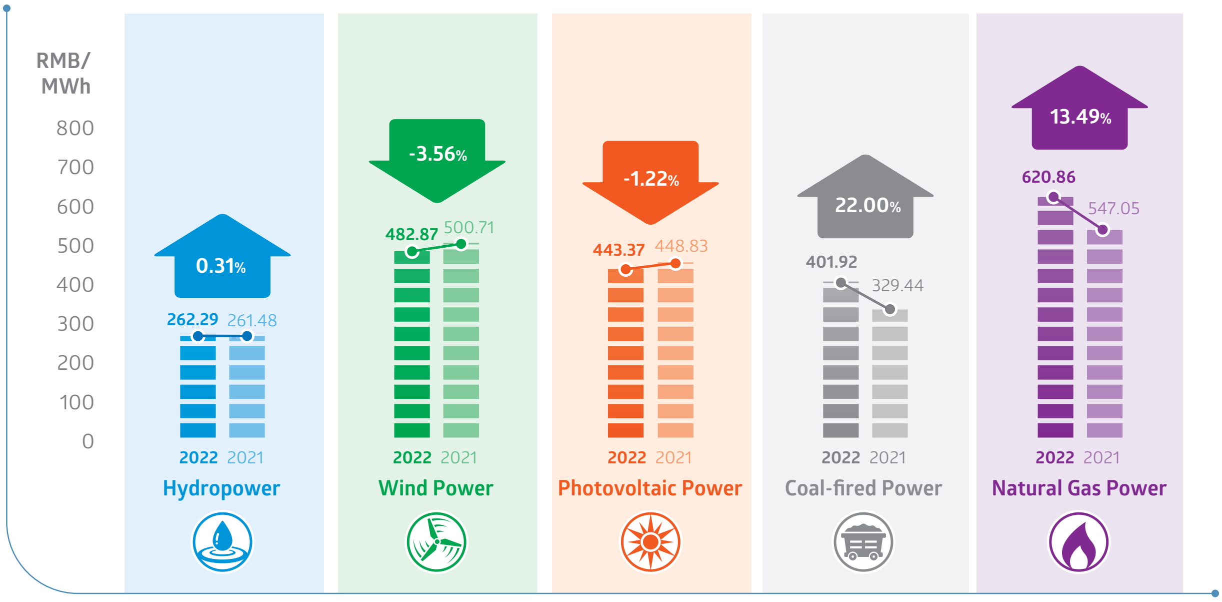
In the first half of 2022, for those coal-fired power plants and hydropower plants of the Group which participated in direct power supply market transactions, their electricity sold through direct power supply transactions amounted to 30,230,377MWh and 183,380MWh respectively, together accounting for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

Management's Discussion and Analysis

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

Average On-Grid Tariff

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



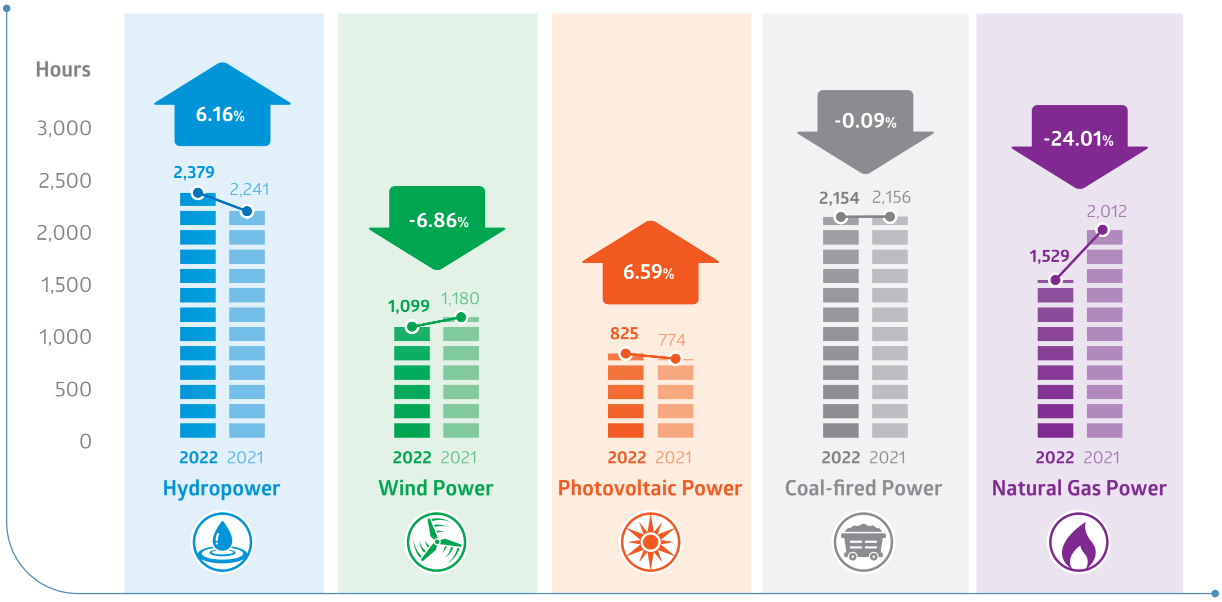
As compared with the first half of 2021, the changes in the average on-grid tariffs of each power segment were mainly due to the following factors:

- Hydropower – the decrease in the proportion of market-trading electricity sales with relatively lower on-grid tariffs, and thus resulted in a higher average tariff of hydropower.
- Wind power – the increase in the proportion of market-trading electricity sales with relatively lower on-grid tariffs, and thus resulted in a lower average tariff of wind power.
- Photovoltaic power – the commencement of operation of the Group's photovoltaic power generation grid parity and competitive-bidding projects during the period, which resulted in a lower average tariff of photovoltaic power.
- Coal-fired power – the increase in on-grid tariffs above the benchmark tariffs for coal-fired power generation under the relaxation of the tariff cap for electricity by the Central Government.
- Natural gas power – benefitted from the subsidy policy of Guangdong Development and Reform Commission for natural gas power.

In 2022, all coal-fired power generation are traded via market-power transactions and the development of the power spot market picks up speed. The Group will continue to closely monitor and enhance the research on policies in relation to market-power trading. It will spare no efforts to comply with regional market policies and maintain a sound market environment to outperform its peers in terms of market indicators under the same conditions.

Average Utilization Hours of Power Generating Units

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



As compared with the first half of 2021, the changes in the average utilization hours of power generating units of each power segment were mainly due to the following factors:

- Hydropower – the increase in power generation as a result of the increase in the average rainfall in the river basins where the Group's hydropower plants are located during the period.
- Wind power – the less favourable conditions of wind resources throughout China as compared with that in the corresponding period last year.
- Photovoltaic power – the results achieved from effective facility management and maintenance.
- Coal-fired power – the impact of the squeeze in power consumption demand as a result of the rapid growth in electricity sales from non-fossil energy such as hydropower.
- Natural gas power – the decline in power consumption demand for the natural gas project of the Group located in Hubei Province.

Management's Discussion and Analysis

Energy Storage

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

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

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

OPERATING RESULTS OF THE FIRST HALF OF 2022

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

For the first half of 2022, the net profit (loss) of each operating segment and their respective changes over the corresponding period last year were as follows:

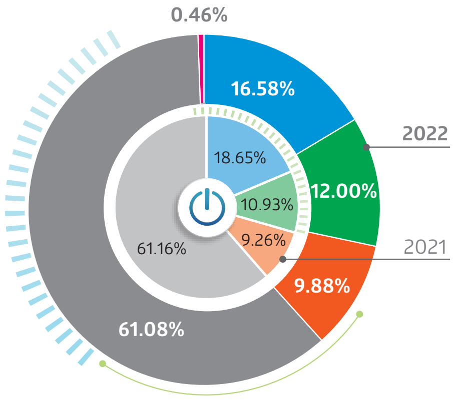
	First half of 2022 RMB'000	First half of 2021 (restated) RMB'000	Changes %
Hydropower	**1,233,212**	1,051,196	17.32
Wind Power	**856,443**	929,013	-7.81
Photovoltaic Power	**636,919**	440,104	44.72
Coal-fired Power	**(1,095,974)**	166,737	-757.31
Energy Storage	**23,522**	N/A	N/A
Unallocated	**(223,695)**	(16,478)	1,257.54
Total	**1,430,427**	2,570,572	-44.35

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

Revenue

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

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



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

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

Operating Costs

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

Total Fuel Costs

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

Management's Discussion and Analysis

Unit Fuel Cost

The average unit fuel cost of the Group's coal-fired power business was RMB331.57/MWh, representing an increase of 40.48% from that of RMB236.03/MWh of the corresponding period last year. Coal prices remained steadily high mainly due to the continuous tight supply and demand of thermal coal. In response to the unfavourable situation of tight supply and steadily high prices in coal market at the moment, the Group adopted the principal strategy of "developing long-term contract and further enhancing the mixed-combustion" to stabilize the coal supply for electricity and fulfilled over 90% of the long-term coal contracts. In addition, the Group established coal reserve at staggered peaks in an effort to curb the purchase prices of coal.

Depreciation and Staff Costs

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

Subcontracting Costs

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

Other Operating Expenses

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

Other Gains and Losses, Net

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

Operating Profit

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

Finance Costs

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

Share of Results of Associates

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

Share of Results of Joint Ventures

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

Income Tax Expense

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

Interim Dividend

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

EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

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

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

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

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

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

MATERIAL ACQUISITIONS AND DISPOSALS

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

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

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

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

EVENT AFTER THE REPORTING PERIOD

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

LIQUIDITY, CASH FLOWS AND FINANCIAL RESOURCES

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

In May 2022, the Company renewed the Financial Services Framework Agreement with SPIC Financial for a term of three years, pursuant to which SPIC Financial has agreed to continue to provide the Group with deposit services, settlement services, loan services and other financial services approved by the CBIRC on a non-exclusive basis upon the expiry of the previous framework agreement. The Annual Cap in respect of the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial shall not exceed RMB5.5 billion during the term of this Framework Agreement. For details, please refer to the announcement of the Company dated 6 May 2022. This Framework Agreement officially came into effect on 7 June 2022.

For the period from 1 January 2022 to 6 June 2022 and the period from 7 June 2022 to 30 June 2022, the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial was approximately RMB4.13 billion and RMB5.45 billion, respectively (31 December 2021: RMB3.27 billion).

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

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

- net cash generated from operating activities amounted to RMB6,625,423,000 (2021 (restated): RMB2,601,613,000), which mainly represented the changes in working capital. The significant increase in cash inflow was mainly attributable to the decline in prepayments, deposits and other receivables.

- net cash used in investing activities amounted to RMB8,519,147,000 (2021 (restated): RMB5,909,284,000), which mainly represented the cash outflow of capital expenditure on payments for property, plant and equipment and prepayments for construction of power plants of the Group. The significant increase in cash used was mainly attributable to the expanding investment in new energy projects.

- net cash generated from financing activities amounted to RMB8,703,949,000 (2021: RMB9,009,351,000). The decrease in net cash generated, as compared with the corresponding period last year, was mainly because the percentage increase in the outflow for repayment of borrowings from banks and related parties, as well as other borrowings outweighed that of the inflow from financing activities, hence resulting in the year-on-year decrease in net cash inflow.

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

DEBTS

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

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

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

ASSET IMPAIRMENT

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

SIGNIFICANT FINANCING

Issue of commercial papers

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

Issue of debt financing instruments

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

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

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

CAPITAL EXPENDITURE

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

PLEDGE OF ASSETS

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

CONTINGENT LIABILITIES

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

RISK MANAGEMENT

The Group has implemented all-rounded risk management and has established a systematic and comprehensive risk management mechanism and internal control system. It also has a Risk Management Committee which is accountable to the Board and assists the Board in providing leadership, direction and oversight with regard to the overall risk management and sustainable development strategy, risk appetite and tolerance and risk management framework of the Group, including risk policies, processes and controls. The Group also has an internal audit department in place for the execution and implementation of risk management measures.

FOREIGN EXCHANGE RISKS

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

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

FUNDING RISKS

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

Various cost-saving and efficiency enhancement initiatives have also been adopted in the Group's business management to reduce administrative and operating expenses. Moreover, the Financial Services Framework Agreement with SPIC Financial also facilitates the mitigation of funding risks.

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

RISKS OF POLICY CHANGES

Impact on coal-fired power business

During the period, the NDRC further improved the market price formation mechanism for coal. Firstly, it proposed a reasonable range of coal prices. Secondly, it specified the reasonable range of coal prices and that the coal price and power tariff can be effectively correlated within the reasonable range. At the same time, the NDRC also specified that the coal-fired power generation enterprises can timely and reasonably pass on the changes in fuel costs within the floating band of 20% above or below the benchmark on-grid tariffs. By improving the market price formation mechanism for coal, the market can be directed to develop a reasonable coal price expectation, so as to curtail the malicious speculations with risky capital and prevent huge fluctuation of coal prices. With the advantage of the policy, coupled with the increase in on-grid tariffs of coal-fired power resulted from the enhanced electricity sales and marketing efforts of the Company, the average on-grid tariffs of coal-fired power surged by 22% year-on-year during the period.

Impact on energy storage business

The Chinese Government launched a series of policies in relation to energy storage during the period, including, among others, the "Development and Implementation Plan of New Energy Storage under the "14th Five-Year" Plan (《「十四五」新型儲能發展實施方案》)" published in March, and the "Notice Regarding the Further Promotion of the Participation of New Energy Storage in the Power Market and its Allocation and Use (《關於進一步推動新型儲能參與電力市場和調度運用的通知》)" published in June. These policies aim to drive the overall deployment for the large-scale, industrialized and market-oriented development of new energy storage under the "14th Five-Year" plan, further specify the market positioning of new energy storage, establish and optimize the relevant market, pricing and operational mechanisms, enhance the level of utilization of new energy storage and provide guidance for the healthy development of the industry. It is expected that the Chinese Government will continue to promote the integrated development of new energy storage and all aspects of the power system. The Company will closely monitor the implementation of these policies in various provinces, expedite the research on the alignment of new energy with the formulation of strategy for energy storage transactions with a view to further expanding the leading position of the energy storage business of the Company.

Impact on governance system

Recently, the Chinese Government has been focusing on promoting the in-depth and solid progress of the high-quality development of listed companies controlled by central enterprises. During the period, the State-owned Asset Supervision and Administration Commission (the "**SASAC**") of the State Council formulated the "Task Plan on Enhancing the Quality of Listed Companies Controlled by Central Enterprises (《提高央企控股上市公司品質工作方案》)"(the "**Task Plan**"). By making deployments for tasks in relation to enhancement of the quality of listed companies controlled by central enterprises, it aims to implement the new concept of development, explore and establish sound environmental, social and governance ("**ESG**") systems, and encourage more listed companies controlled by central enterprises to disclose their special ESG reports, striving for the "full coverage" disclosure of the relevant special reports by 2023. According to the "Task Plan", it has proposed 14 specific tasks and initiatives, which cover various key aspects of the reform and development of listed companies such as promoting the development of listing platforms, optimizing the shareholding structures, developing robust ESG systems, and enhancing the independent innovation capabilities, hence showing the commitment of the SASAC to enhance the quality of listed companies controlled by central enterprises. The Company will continue to stay in line with the national policies, and proactively perform its corporate responsibilities and obligations to promote the sustainable development of both the society and economy. Furthermore, the Company will continue to make high-quality disclosure of its ESG information to enrich the contents of its ESG report.

SOCIAL AND ENVIRONMENTAL GOVERNANCE

Operational Safety

The Group sets the goal of "Zero death, Zero accident" and strives to enhance the production safety management capability of the management personnel. Focusing on strengthening the foundation and controlling at source, the Group takes a multi-pronged approach to achieve steady improvement in production safety. During the period under review, the Company continued to organize training courses for environmental management and quality control officers, and held production safety meetings on a regular basis. It offered training to the person-in-charge of the safety, production and engineering departments, the chief safety officers and division managers of all units, so as to strengthen its safety management. At the same time, it conducted due diligence inspections on production safety and special environmental inspections at various power plants. By adopting innovative means such as remote video surveillance, it monitored the production safety of power plants and the safety management at the sites of inspection, repair and technical upgrade, which helped curb major risks and potential safety threats at an early stage.

During the period under review, the Group continued to improve the conditions for operation in strict compliance with the Production Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and other laws and regulations relating to safety and hygiene. It equipped employees with work equipment and labor protective gears in line with the safety standards, and organized various training on safety knowledge and safety skills, as well as emergency training and drills.

The Quality, Occupational Health and Safety, and Environment (QHSE) "three standards" management system established by the Group maintained a stable operation. In order to further enhance its core competitiveness and promote sustainable development, the Group has carried out annual supervision and review, which ensured compliance with international standards and played an important role in enhancing the management level and implementing transformational development.

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

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

Human Resources

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

During the period under review, the Company adopted the new Share Incentive Scheme. The purpose of the scheme is to (i) further improve the governance structure of the Company, and establish and improve the mechanism for balancing the interests between employees and shareholders, investors and the Company; (ii) establish a benefit sharing and risk sharing mechanism among shareholders, the Company and employees to enhance the Company's performance and promote its stable development in the long run; and (iii) effectively attract, motivate and retain the core backbone employees of the Company to support the Company's strategic transformation and long-term development. For details, please refer to the announcement of the Company dated 10 May 2022.

Management's Discussion and Analysis

The Group has also attached great importance to the learning and training of employees and to the communication between employees in different positions. It has improved the professional and technical capabilities and overall competence of its employees on an ongoing basis, so as to satisfy the needs of its continuously expanding businesses.

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

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

Climate Change

The Group recognizes the real and present danger of climate change and assumes the mission of accelerating the transformation of the power and energy industries and the development of clean energy. In recent years, the Group pressed ahead with clean energy development, optimized the operation of various power plants, actively carried out optimization for carbon reduction and efficiency enhancement, and continuously eliminated traditional coal-fired power generating units with backward production capacity or carried out energy-saving upgrades and transformation.

We adopted and followed the procedures recommended by the Task Force on Climate-related Financial Disclosures (TCFD), so as to determine the suitable governance structure, formulate climate scenarios, identify and prioritize climate-related risks, match business with material risks, devise the climate action list and assess potential financial impacts. Supplemented by the adoption of the "Climate-related Risks, Opportunities and Financial Impacts" framework, we also studied the risks and opportunities posed by climate change on the Group.

The Company published its latest Sustainability Report in May 2022. The report identified and analyzed corporate climate risks in line with the framework of "Climate-related Risks, Opportunities and Financial Impacts" put forward by the TCFD and highlighted the Group's efforts in maintaining sustainable growth.

Energy Saving and Emission Reduction

The Group has always been placing a great emphasis on environmental protection from the perspective of sustainable corporate development, vigorously promoting energy saving and emission reduction, conscientiously fulfilling its social responsibilities and actively responding to global climate change. For the first half of 2022, the net coal consumption rate of the Group was 300.95g/kWh, representing a decrease of 0.40g/kWh as compared with the corresponding period last year. The net coal consumption rate recorded a year-on-year decline, which was mainly benefitted from the further optimization of the power generation structure after two power generating units of 2,000MW in total commenced commercial operation at Shentou Power Plant II. Meanwhile, following the completion of energy-saving transformation projects of various power generating units, the total volume of heat supply increased year-on-year, which also helped lower the net coal consumption rate.

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

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

- the emission rate of sulphur dioxide (SO2) at 0.068g/kWh, representing a decrease of 0.014g/kWh as compared with the corresponding period last year;
- the emission rate of nitrogen oxide (NOx) at 0.128g/kWh, representing a decrease of 0.020g/kWh as compared with the corresponding period last year; and
- the emission rate of flue gas and dusts at 0.008g/kWh, representing a decrease of 0.001g/kWh as compared with the corresponding period last year.

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

During the period under review, the Group carried out transformation at a number of power plants to improve their efficiencies and save energy. For instance, Wuhu Power Plant completed the upgrade of sonic soot blowers at the tail flues of boilers No. 1 and 2 and expanded the capacity of the compressed air conveying system, which reduced the use of steam, lowered the consumption rate of plant air, and cut energy consumption significantly. At the same time, Yaomeng Power Plant completed the transformation to boost the capacity and efficiency of the ash removal and air compressing system at generating units No.5 and 6, which trimmed down the consumption rate of plant air.

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

OUTLOOK FOR THE SECOND HALF OF 2022

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

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

Maintain strategic focus and drive transformation through active clean energy investment. The Group will complete the capital injection of clean energy projects at full speed and achieve seamless assets integration and maximize strategic synergy in respect of the Company's discloseable and connected transactions which were approved by the shareholders at the general meeting held on 24 August 2022. In addition, the Group will devote more efforts to the large-scale new energy base development projects in Ningxia and Inner Mongolia, as well as the integrated power source, grid, load and storage project in Qinghai region of the PRC.

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

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

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

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

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

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

Corporate Governance

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

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

SECURITIES TRANSACTIONS BY DIRECTORS

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

FINANCIAL REPORTING

The Audit Committee has reviewed the accounting principles adopted by the Group and the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2022.

The Company has engaged Ernst & Young to perform a review on the Group's interim condensed consolidated financial statements for the six months ended 30 June 2022, and the "Independent Review Report" is set out on page 29.

RISK MANAGEMENT AND INTERNAL CONTROL

For the six months ended 30 June 2022, the Company has strictly complied with the relevant provisions of the CG Code regarding the risk management and internal control. We have carried out works in this respect during the period which, amongst others, included the following:

Effective applications of post-audit rectifications and improvements. Firstly, to improve the post-audit rectification accountability implementation mechanism among the unit being audited, the business department and the audit department in pursuing the principle of "collaboration of three parties, joint-management in concert (三方聯動、齊抓共管)", we recommended audit questions and rectification opinions to the business department while informing the unit being audited of the audit opinions, so as to allow tracking and monitoring of the rectification progress mutually by the audit department and the business department. Secondly, to step up the efforts in the standardized development of audit rectification, we persisted in the "Four Never-let-go (四不放過)" principle on rectification of audit issues (i.e. never let go of those issues that are not in compliance with laws and regulations if (1) the reasons of non-compliance are not completely investigated and identified; (2) the responsible person is not yet held accountable; (3) the rectification and preventive measures are not implemented; (4) the personnel involved has not been properly educated), timely formulated rectification measures and implemented the accountable responsibilities for rectification.

Strengthening comprehensive business risk management and elimination continuously. To strengthen the management over reporting of major operational risk events, the Company formulated the "Working Rules for Reporting of Major Operational Risk Events (《重大經營風險事件報告工作規則》)" in the first half of the year to implement the responsibilities of reporting, improve the reporting mechanisms, rapidly respond to and timely report on major operational risk events, exercise precise management and control and handle the respective risk event properly, which enabled us to early prevent, identify and handle the major risk events and effectively avoid the spread or superimposed impact of such major risks.

Improving audit efficiency with innovative internal control management methods. During the period under review, we conducted supervision and inspection over the internal control of departments, formulated special implementation plan for the internal control and audit system based on the annual work focus, and specified the information sharing mechanism oriented with the principles of "1+N" and "multiple results stemming from one inspection". We also improved the timeliness and completion rate of rectifications through innovative rectification approaches. The rectification progress of internal control deficiencies was updated online on a real-time basis via the audit information system, thus optimizing the mechanism of transfer, inspection and acceptance of such internal control deficiencies. By inputting the evaluation and deficiency ledgers of internal control over the years into the audit information system, we have achieved systematic and process-based management over the rectification of internal control deficiencies.

Continuing to enhance the management standard of the decision-making and related process for investment projects. We carried out the project of annual investment post-evaluation plan in full swing and concluded the project experience with a view to benefitting our decision making in the future. To further improve the management mechanism for investment post-evaluation of information-digitalized and technological development projects as well as technological upgrade projects, we established the mechanism for routine liaison between the dedicated department and the business departments to ensure no "blind spots" in post-evaluation. Based on the project features, we flexibly adopted the modes of remote evaluation and special evaluation, which further improved the efficiency of the post-evaluation.

In addition, we timely organized and arranged the audit of newly commenced construction projects while continuing to properly track the audit trails of the infrastructure projects in progress, and consolidated the mechanisms for quarterly coordination meetings by pushing forward the full coverage of project audit up to standard, thereby promoting the standardized management over infrastructure investment with controllable costs.

Review of continuing connected transactions. The Internal Audit Department also took appropriate measures to review the implementation of the Group's existing continuing connected transactions on a quarterly basis. For the six months ended 30 June 2022, each of the relevant companies of the Group had strictly monitored the agreed prices and terms of the various continuing connected transactions in the actual course of business operations, hence none of the transactions exceeded the relevant annual caps disclosed.

INVESTOR RELATIONS

The shareholders and investors are informed of the latest business performance and development of the Group by means of various communication channels, including the Company's website at www.chinapower.hk, the annual and interim reports, the quarterly announcement on the Group's electricity sold and other announcements on the Group's key business development.

In the first half of 2022, the Group organized an online press conference right after the publication of its annual results 2021. At the same time, we also launched online roadshows to coordinate with the announcement of the annual results and to promote the Company's established strategies and development prospects to the market.

During the first half of the year, our investor relations team met and communicated with over 500 personnel from investment institutions via teleconference, video conference and other online tools, and maintained the exchange activities of answering telephone consultations from investors and actively responded to investors' emails enquiries, which minimized the impact of the epidemic prevention and restrictions on face-to-face contacts.

SHARE OPTION SCHEME

The Company adopted a new share option incentive scheme which was approved by its shareholders at an extraordinary general meeting held on 15 June 2022 (the "**Share Incentive Scheme**"). The purpose of the Share Incentive Scheme is to (i) further improve the governance structure of the Company, and establish and improve the mechanism for balancing the interests between its employees, shareholders, investors and the Company; (ii) establish a benefit sharing and risk sharing mechanism among shareholders, the Company and its employees to enhance the Company's performance and promote its long-term stable development; and (iii) effectively attract, motivate and retain the core backbone employees of the Company to support the Company's strategic transformation and long-term development. Details of the Share Incentive Scheme was set out in the Company's circular dated 27 May 2022.

No share options were granted under the Share Incentive Scheme during the six months ended 30 June 2022.

UPDATED DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the updated information of the Directors that required to be disclosed since the date of the annual report 2021 to the date of this Report are as follows:

Mr. XU Zuyong was appointed as the chief supervisor of Jilin Electric Power Co., Ltd., a company listed on the Shenzhen Stock Exchange with effect from 22 July 2022. Mr. XU was also appointed as a director of SPIC Group Smart Energy Investment Company Limited with effect from 13 April 2022.

Mr. HUI Hon Chung, Stanley retired as an independent non-executive director of Air China Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") with effect from 25 February 2022. Mr. HUI also retired as a member of the General Committee of the Hong Kong General Chamber of Commerce with effect from 13 May 2022.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2022, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "**SFO**") which should be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which should be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Corporate Governance

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2022, save as disclosed below, no person, not being a Director nor chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which should be recorded in the register kept under Section 336 of the SFO.

Name	Capacity	Number of shares in which interested other than under equity derivatives[3]	Percentage of issued share capital of the Company (%)	Long/short position
China Power Development Limited ("**CPDL**")	Beneficial owner	2,662,000,000	24.57	Long
China Power International Holding Limited ("**CPI Holding**")[1]	Interest of a controlled corporation	2,662,000,000	24.57	Long
	Beneficial owner	2,833,518,060	26.16	Long
SPIC International Finance (Hong Kong) Company Limited ("**SPIC Finance HK**")	Beneficial owner	392,275,453	3.62	Long
State Power Investment Corporation Limited ("**SPIC**")[2]	Interest of controlled corporations	5,887,793,513	54.35	Long

Notes:

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

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

(3) Save as disclosed above, SPIC, CPI Holding, CPDL and SPIC Finance HK do not have any interest in the equity derivatives of the Company.

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

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

PUBLIC FLOAT

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

Independent Review Report

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

INTRODUCTION

We have reviewed the interim financial information set out on pages 30 to 76, which comprises the interim condensed consolidated statement of financial position of China Power International Development Limited (the "Company") and its subsidiaries (collectively, the "Group") as at 30 June 2022 and the related interim condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Ernst & Young
Certified Public Accountants
Hong Kong
25 August 2022

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2022

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

The notes on pages 37 to 76 are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2022

	Note	Six months ended 30 June	
		2022	2021
		RMB'000	RMB'000
		(unaudited)	(unaudited and restated)
Profit for the period		**1,430,427**	2,570,572
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Fair value loss on equity instruments at fair value through other comprehensive income ("FVTOCI"), net of tax	13	**(680,493)**	(43,681)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(276)**	170
Fair value (loss)/gain on debt instruments at FVTOCI, net of tax		**(1,119)**	2,497
Other comprehensive expense for the period, net of tax		**(681,888)**	(41,014)
Total comprehensive income for the period		**748,539**	2,529,558
Attributable to:			
Equity holders of the Company		**174,440**	1,500,395
Non-controlling interests		**574,099**	1,029,163
Total comprehensive income for the period		**748,539**	2,529,558

The notes on pages 37 to 76 are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited and restated)
ASSETS			
Non-current assets			
Property, plant and equipment	12	134,148,598	129,187,137
Right-of-use assets	12	6,112,664	6,152,184
Prepayments for construction of power plants	12	4,032,228	2,488,827
Goodwill		1,083,293	1,083,293
Other intangible assets		907,361	934,800
Interests in associates		3,490,332	3,526,555
Interests in joint ventures		1,139,005	1,428,944
Equity instruments at FVTOCI	13	4,345,673	5,235,995
Deferred income tax assets		723,343	714,348
Restricted deposits		1,378	9,566
Other non-current assets	14	4,513,487	5,913,949
		160,497,362	156,675,598
Current assets			
Inventories		1,481,575	1,468,558
Accounts receivable	15	10,464,014	8,362,882
Prepayments, deposits and other receivables		3,289,041	4,108,766
Amounts due from related parties	27(c)	3,265,844	2,535,159
Tax recoverable		24,775	103,931
Debt instruments at FVTOCI	16	184,154	213,660
Restricted deposits		16,599	10,802
Cash and cash equivalents		8,579,462	1,766,632
		27,305,464	18,570,390
Total assets		187,802,826	175,245,988
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	17	20,418,001	20,418,001
Other equity instruments		2,997,600	2,997,600
Reserves	18	12,208,657	12,636,867
		35,624,258	36,052,468
Non-controlling interests		17,096,842	16,324,215
Total equity		52,721,100	52,376,683

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited and restated)
LIABILITIES			
Non-current liabilities			
Deferred income		**38,404**	33,386
Bank borrowings	19	**59,332,935**	54,930,413
Borrowings from related parties	20	**10,709,270**	8,557,660
Other borrowings	21	**10,369,958**	6,200,325
Lease liabilities	22	**3,103,796**	3,174,469
Deferred income tax liabilities		**2,143,249**	2,380,195
Provisions for other long-term liabilities	23	**1,866,067**	1,868,232
Other non-current liabilities		**151,082**	188,803
		87,714,761	77,333,483
Current liabilities			
Accounts and bills payables	24	**1,588,758**	1,836,022
Construction costs payable		**8,622,041**	6,815,277
Other payables and accrued charges		**3,992,639**	2,253,467
Amounts due to related parties	27(c)	**918,482**	1,349,792
Bank borrowings	19	**21,158,821**	21,911,691
Borrowings from related parties	20	**5,224,008**	6,108,626
Other borrowings	21	**5,104,490**	4,620,000
Lease liabilities	22	**357,421**	417,917
Tax payable		**400,305**	223,030
		47,366,965	45,535,822
Total liabilities		**135,081,726**	122,869,305
Total equity and liabilities		**187,802,826**	175,245,988
Net current liabilities		**20,061,501**	26,965,432
Total assets less current liabilities		**140,435,861**	129,710,166

The notes on pages 37 to 76 are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to equity holders of the Company						
	Share capital (Note 17) RMB'000	Other reserves (Note 18) RMB'000	Other equity instruments RMB'000	Retained earnings (Note 18) RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2021 (audited)	20,418,001	7,074,468	2,997,600	5,316,837	35,806,906	16,077,891	51,884,797
A change in accounting policy (Note 2)	–	–	–	245,562	245,562	246,324	491,886
At 1 January 2022 (restated)	20,418,001	7,074,468	2,997,600	5,562,399	36,052,468	16,324,215	52,376,683
Profit for the period	–	–	–	849,881	849,881	580,546	1,430,427
Profit attributable to holders of other equity instruments	–	–	66,205	(66,205)	–	–	–
Other comprehensive income for the period:							
Fair value loss on equity instruments at FVTOCI, net of tax	–	(674,486)	–	–	(674,486)	(6,007)	(680,493)
Fair value loss on debt instruments at FVTOCI, net of tax	–	(1,380)	–	–	(1,380)	(600)	(1,980)
Release on derecognition of debt instruments at FVTOCI, net of tax	–	599	–	–	599	262	861
Exchange differences on translation of foreign operations	–	(174)	–	–	(174)	(102)	(276)
Total comprehensive income for the period	–	(675,441)	66,205	783,676	174,440	574,099	748,539
Acquisition of subsidiaries	–	–	–	–	–	1,960	1,960
Disposal of interests in subsidiaries without loss of control	–	5,224	–	–	5,224	93,366	98,590
Capital injections from non-controlling shareholders of subsidiaries	–	–	–	–	–	346,101	346,101
Cumulative distribution of other equity instruments	–	–	(66,205)	–	(66,205)	–	(66,205)
Dividends paid to non-controlling interests	–	–	–	–	–	(242,899)	(242,899)
2021 final dividend (Note 11)	–	–	–	(541,669)	(541,669)	–	(541,669)
Total transactions recognized directly in equity	–	5,224	(66,205)	(541,669)	(602,650)	198,528	(404,122)
At 30 June 2022 (unaudited)	20,418,001	6,404,251	2,997,600	5,804,406	35,624,258	17,096,842	52,721,100

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to equity holders of the Company						
	Share capital (Note 17) RMB'000	Other reserves (Note 18) RMB'000	Other equity instruments RMB'000	Retained earnings (Note 18) RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2020 (audited)	17,268,192	5,503,806	3,015,740	7,610,069	33,397,807	12,392,110	45,789,917
A change in accounting policy	–	–	–	(13,874)	(13,874)	683	(13,191)
At 1 January 2021 (restated)	17,268,192	5,503,806	3,015,740	7,596,195	33,383,933	12,392,793	45,776,726
Profit for the period	–	–	–	1,541,731	1,541,731	1,028,841	2,570,572
Profit attributable to holders of other equity instruments	–	–	66,205	(66,205)	–	–	–
Other comprehensive income for the period:							
Fair value loss on equity instruments at FVTOCI, net of tax	–	(43,681)	–	–	(43,681)	–	(43,681)
Fair value loss on debt instruments at FVTOCI, net of tax	–	(3,609)	–	–	(3,609)	(904)	(4,513)
Release on derecognition of debt instruments at FVTOCI, net of tax	–	5,847	–	–	5,847	1,163	7,010
Exchange differences on translation of foreign operations	–	107	–	–	107	63	170
Total comprehensive income for the period	–	(41,336)	66,205	1,475,526	1,500,395	1,029,163	2,529,558
Capital injections from non-controlling shareholders of subsidiaries	–	–	–	–	–	113,442	113,442
Acquisitions of non-controlling interests	–	9,987	–	–	9,987	(13,250)	(3,263)
Cumulative distribution of other equity instruments	–	–	(84,345)	–	(84,345)	–	(84,345)
Dividends paid to non-controlling interests	–	–	–	–	–	(455,915)	(455,915)
2020 final dividend	–	–	–	(1,274,895)	(1,274,895)	–	(1,274,895)
Total transactions recognized directly in equity	–	9,987	(84,345)	(1,274,895)	(1,349,253)	(355,723)	(1,704,976)
At 30 June 2021 (unaudited)	17,268,192	5,472,457	2,997,600	7,796,826	33,535,075	13,066,233	46,601,308

The notes on pages 37 to 76 are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Note	Six months ended 30 June 2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited and restated)
Cash flows from operating activities			
Net cash generated from operating activities	29	**6,625,423**	2,601,613
Cash flows from investing activities			
Payments for property, plant and equipment and prepayments for construction of power plants		**(8,486,897)**	(5,870,219)
Proceeds from disposal of property, plant and equipment		**75**	15,059
Net cash outflow on acquisitions of subsidiaries		**(29,083)**	(3,103)
Investments in associates		**(44,840)**	(160,613)
Purchase of equity instruments at FVTOCI		**(2,000)**	(15,933)
Capital injection to an equity instrument at FVTOCI		**(15,000)**	–
Dividend received		**371**	73,660
Interest received		**55,836**	36,767
Decrease in restricted deposits		**2,391**	15,098
Net cash used in investing activities		**(8,519,147)**	(5,909,284)
Cash flows from financing activities			
Drawdown of bank borrowings		**30,434,259**	27,037,045
Drawdown of borrowings from related parties		**6,860,786**	3,946,355
Drawdown of other borrowings		**6,174,123**	3,790,000
Capital injections from non-controlling shareholders of subsidiaries		**346,101**	113,442
Proceeds from disposal of interests in subsidiaries without loss of control		**83,925**	–
Proceeds from sale and leaseback transactions		**–**	404,001
Acquisitions of non-controlling interests		**–**	(3,263)
Repayment of bank borrowings		**(26,945,435)**	(19,340,615)
Repayment of borrowings from related parties		**(5,597,746)**	(3,560,180)
Repayment of other borrowings		**(1,520,000)**	(1,357,622)
Payments for lease liabilities		**(342,173)**	(369,461)
Dividend paid		**(556,576)**	(1,286,543)
Dividends paid to non-controlling interests		**(233,315)**	(363,808)
Net cash generated from financing activities		**8,703,949**	9,009,351
Net increase in cash and cash equivalents		**6,810,225**	5,701,680
Cash and cash equivalents at 1 January		**1,766,632**	1,318,331
Exchange gain/(loss), net		**2,605**	(15,075)
Cash and cash equivalents at 30 June (note)		**8,579,462**	7,004,936

Note:

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

The notes on pages 37 to 76 are an integral part of the interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

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

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

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

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

(e) The financial information relating to the year ended 31 December 2021 that is included in these interim condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

- The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

(f) These interim condensed consolidated financial statements are prepared on a going concern basis, details of which are set out in Note 26.1. They are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated, and have been approved by the board of Directors (the "Board") on 25 August 2022.

(g) These interim condensed consolidated financial statements have not been audited.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

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

The nature and impact of the revised HKFRSs are described below:

Amendments to HKFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or Hong Kong (International Financial Reporting Interpretations Committee) Interpretation ("HK(IFRIC)-Int") 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The nature and impact of the revised HKFRSs are described below: *(Continued)*

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

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

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The nature and impact of the revised HKFRSs are described below: *(Continued)*

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

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

Notes to the Interim Condensed Consolidated Financial Statements

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The nature and impact of the revised HKFRSs are described below: *(Continued)*

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

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The nature and impact of the revised HKFRSs are described below: *(Continued)*

Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

Annual Improvements to HKFRSs 2018-2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

- HKFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

- HKFRS 16 Leases: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

Notes to the Interim Condensed Consolidated Financial Statements

3. REVENUE AND SEGMENT INFORMATION

Revenue recognized during the period is as follows:

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

Notes:

(a) Pursuant to the power purchase agreements entered into between the Group and the respective regional and provincial power grid companies, the Group's sales of electricity were made to these power grid companies at the tariff rates agreed with the respective regional and provincial power grid companies as approved by the relevant government authorities in the PRC, and some of these tariff rates followed the market-oriented price mechanism.

(b) Provision of power generation represents incomes from the provision of power generation to other companies in the PRC which are calculated based on mutually agreed terms.

(c) Energy storage revenue includes income from the project development and integration of energy storage power stations, sales of stored electricity and leasing of electricity storage capacities.

Segment information

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

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

Notes to the Interim Condensed Consolidated Financial Statements

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information *(Continued)*

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

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

	Six months ended 30 June 2022 (unaudited)							
	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue								
Sales of electricity	12,381,472	3,367,340	2,435,454	1,970,524	–	20,154,790	–	20,154,790
Provision of power generation	21,822	–	845	35,185	–	57,852	–	57,852
Energy storage revenue	–	–	–	–	92,515	92,515	–	92,515
	12,403,294	3,367,340	2,436,299	2,005,709	92,515	20,305,157	–	20,305,157
Segment results	(273,316)	1,986,645	1,332,030	1,110,100	21,036	4,176,495	–	4,176,495
Unallocated income	–	–	–	–	–	–	112,457	112,457
Unallocated expenses	–	–	–	–	–	–	(272,302)	(272,302)
Operating (loss)/profit	(273,316)	1,986,645	1,332,030	1,110,100	21,036	4,176,495	(159,845)	4,016,650
Finance income	2,272	2,370	10,590	31,536	305	47,073	43,760	90,833
Finance costs	(521,090)	(504,599)	(538,314)	(463,808)	(241)	(2,028,052)	(109,900)	(2,137,952)
Share of results of associates	(134,544)	7,279	19,331	26,664	–	(81,270)	10,092	(71,178)
Share of results of joint ventures	(67,497)	–	59,808	–	–	(7,689)	–	(7,689)
(Loss)/profit before taxation	(994,175)	1,491,695	883,445	704,492	21,100	2,106,557	(215,893)	1,890,664
Income tax (expense)/credit	(101,799)	(258,483)	(27,002)	(67,573)	2,422	(452,435)	(7,802)	(460,237)
(Loss)/profit for the period	(1,095,974)	1,233,212	856,443	636,919	23,522	1,654,122	(223,695)	1,430,427
Other segment information								
Capital expenditure								
– Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	1,653,404	276,600	2,895,212	3,047,886	54,691	7,927,793	227,240	8,155,033
Depreciation of property, plant and equipment	1,170,445	787,892	860,995	641,972	59	3,461,363	27,849	3,489,212
Depreciation of right-of-use assets	55,504	27,142	11,238	62,875	1,106	157,865	25,049	182,914
Amortization of other intangible assets	–	–	–	27,439	–	27,439	–	27,439
Gain on disposal of property, plant and equipment, net	–	–	(67)	–	–	(67)	–	(67)
(Reversal)/provision of impairment of an amount due from a joint venture and other receivables	–	(30,960)	(3,751)	111	–	(34,600)	–	(34,600)

Notes to the Interim Condensed Consolidated Financial Statements

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information *(Continued)*

	As at 30 June 2022 (unaudited)							
	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment assets								
Other segment assets	46,009,797	37,149,526	44,452,547	38,276,134	1,236,465	167,124,469	–	167,124,469
Goodwill	67,712	768,944	–	246,637	–	1,083,293	–	1,083,293
Interests in associates	1,779,210	27,168	500,914	241,696	–	2,548,988	941,344	3,490,332
Interests in joint ventures	180,917	–	607,516	–	–	788,433	350,572	1,139,005
	48,037,636	37,945,638	45,560,977	38,764,467	1,236,465	171,545,183	1,291,916	172,837,099
Equity instruments at FVTOCI	–	–	–	–	–	–	4,345,673	4,345,673
Deferred income tax assets	–	–	–	–	–	–	723,343	723,343
Other unallocated assets	–	–	–	–	–	–	9,896,711	9,896,711
Total assets per interim condensed consolidated statement of financial position	48,037,636	37,945,638	45,560,977	38,764,467	1,236,465	171,545,183	16,257,643	187,802,826
Segment liabilities								
Other segment liabilities	(6,087,451)	(3,619,041)	(4,858,855)	(4,910,787)	(22,831)	(19,498,965)	–	(19,498,965)
Borrowings	(37,333,382)	(25,048,006)	(23,377,522)	(25,028,673)	(73,000)	(110,860,583)	(1,038,899)	(111,899,482)
	(43,420,833)	(28,667,047)	(28,236,377)	(29,939,460)	(95,831)	(130,359,548)	(1,038,899)	(131,398,447)
Deferred income tax liabilities	–	–	–	–	–	–	(2,143,249)	(2,143,249)
Tax payable	–	–	–	–	–	–	(400,305)	(400,305)
Other unallocated liabilities	–	–	–	–	–	–	(1,139,725)	(1,139,725)
Total liabilities per interim condensed consolidated statement of financial position	(43,420,833)	(28,667,047)	(28,236,377)	(29,939,460)	(95,831)	(130,359,548)	(4,722,178)	(135,081,726)

Notes to the Interim Condensed Consolidated Financial Statements

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information *(Continued)*

	Six months ended 30 June 2021 (unaudited and restated)						
	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue							
Sales of electricity	10,335,620	3,164,292	1,853,709	1,566,478	16,920,099	–	16,920,099
Provision of power generation	40,156	–	–	5,381	45,537	–	45,537
	10,375,776	3,164,292	1,853,709	1,571,859	16,965,636	–	16,965,636
Segment results	872,756	1,901,037	1,185,028	830,275	4,789,096	–	4,789,096
Unallocated income	–	–	–	–	–	125,863	125,863
Unallocated expenses	–	–	–	–	–	(150,589)	(150,589)
Operating profit/(loss)	872,756	1,901,037	1,185,028	830,275	4,789,096	(24,726)	4,764,370
Finance income	2,521	6,497	8,492	57,834	75,344	19,713	95,057
Finance costs	(615,256)	(632,150)	(277,908)	(403,577)	(1,928,891)	(37,658)	(1,966,549)
Share of results of associates	30,423	4,937	10,584	14,619	60,563	46,683	107,246
Share of results of joint ventures	(40,099)	–	36,705	–	(3,394)	2,580	(814)
Profit before taxation	250,345	1,280,321	962,901	499,151	2,992,718	6,592	2,999,310
Income tax expense	(83,608)	(229,125)	(33,888)	(59,047)	(405,668)	(23,070)	(428,738)
Profit/(loss) for the period	166,737	1,051,196	929,013	440,104	2,587,050	(16,478)	2,570,572
Other segment information							
Capital expenditure							
— Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	1,772,138	148,897	3,695,235	1,413,923	7,030,193	118,131	7,148,324
Depreciation of property, plant and equipment	1,072,855	734,260	440,897	482,748	2,730,760	22,129	2,752,889
Depreciation of right-of-use assets	54,311	18,708	4,195	52,890	130,104	20,356	150,460
Amortization of other intangible assets	–	–	–	27,439	27,439	–	27,439
Loss on disposal of property, plant and equipment, net	–	3,330	–	–	3,330	3,271	6,601

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information *(Continued)*

	As at 31 December 2021 (audited and restated)							
	Coal-fired electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment assets								
Other segment assets	45,172,059	37,103,681	39,748,391	34,717,414	830,503	157,572,048	–	157,572,048
Goodwill	67,712	768,944	–	246,637	–	1,083,293	–	1,083,293
Interests in associates	1,901,966	20,259	481,585	196,381	–	2,600,191	926,364	3,526,555
Interests in joint ventures	248,414	–	827,708	–	–	1,076,122	352,822	1,428,944
	47,390,151	37,892,884	41,057,684	35,160,432	830,503	162,331,654	1,279,186	163,610,840
Equity instruments at FVTOCI	–	–	–	–	–	–	5,235,995	5,235,995
Deferred income tax assets	–	–	–	–	–	–	714,348	714,348
Other unallocated assets	–	–	–	–	–	–	5,684,805	5,684,805
Total assets per interim condensed consolidated statement of financial position	47,390,151	37,892,884	41,057,684	35,160,432	830,503	162,331,654	12,914,334	175,245,988
Segment liabilities								
Other segment liabilities	(5,151,527)	(3,560,081)	(3,822,599)	(3,860,786)	(556,025)	(16,951,018)	–	(16,951,018)
Borrowings	(31,916,128)	(26,467,276)	(21,801,327)	(19,745,922)	–	(99,930,653)	(2,398,062)	(102,328,715)
	(37,067,655)	(30,027,357)	(25,623,926)	(23,606,708)	(556,025)	(116,881,671)	(2,398,062)	(119,279,733)
Deferred income tax liabilities	–	–	–	–	–	–	(2,380,195)	(2,380,195)
Tax payable	–	–	–	–	–	–	(223,030)	(223,030)
Other unallocated liabilities	–	–	–	–	–	–	(986,347)	(986,347)
Total liabilities per interim condensed consolidated statement of financial position	(37,067,655)	(30,027,357)	(25,623,926)	(23,606,708)	(556,025)	(116,881,671)	(5,987,634)	(122,869,305)

4. OTHER INCOME

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

Notes to the Interim Condensed Consolidated Financial Statements

5. OTHER GAINS AND LOSSES, NET

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

6. OTHER OPERATING EXPENSES

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

Notes to the Interim Condensed Consolidated Financial Statements

7. OPERATING PROFIT

Operating profit is stated after charging the following:

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited and restated)
Amortization of other intangible assets	**27,439**	27,439
Depreciation:		
— Property, plant and equipment	**3,489,212**	2,752,889
— Right-of-use assets	**182,914**	150,460
Lease expenses:		
— Equipment	**7,231**	1,025
— Leasehold land and buildings	**18,054**	6,855
Key management personnel remuneration (Note 27(e))	**6,074**	7,477

8. FINANCE INCOME AND FINANCE COSTS

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Finance income		
Interest income from bank deposits	**30,387**	30,343
Interest income from related parties (Note 27(a))	**37,447**	12,757
Interest income from discounting effect on clean energy power price premium receivable (Note 15(b))	**22,999**	51,957
	90,833	95,057
Finance costs		
Interest expense on		
— bank borrowings	**1,706,422**	1,613,093
— borrowings from related parties (Note 27(b))	**269,049**	328,316
— other borrowings	**152,630**	127,136
— amounts due to related parties (Note 27(b))	**1,567**	2,793
— lease liabilities	**66,602**	99,700
— provisions for other long-term liabilities (Note 23)	**52,044**	52,022
	2,248,314	2,223,060
Less: amounts capitalized in property, plant and equipment	**(87,191)**	(231,435)
	2,161,123	1,991,625
Exchange gain, net	**(23,171)**	(25,076)
	2,137,952	1,966,549

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

Notes to the Interim Condensed Consolidated Financial Statements

9. INCOME TAX EXPENSE

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

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

The amount of income tax recognized represents:

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

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

10. EARNINGS PER SHARE

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

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

Note:

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

11. DIVIDEND

During the six months ended 30 June 2022, a final dividend of RMB0.05 (equivalent to HK$0.0616) per ordinary share for the year ended 31 December 2021 (2021: final dividend of RMB0.130 (equivalent to HK$0.1556) per ordinary share for the year ended 31 December 2020) was declared and paid to the ordinary shareholders of the Company.

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

Notes to the Interim Condensed Consolidated Financial Statements

12. CAPITAL EXPENDITURE

During the six months ended 30 June 2022, the capital expenditure of the Group, which includes acquisition of property, plant and equipment, prepayments for construction of power plants and recognition of right-of-use assets, amounted to RMB8,155,033,000 (2021 (restated): RMB7,148,324,000) in total. The Group acquired property, plant and equipment and made prepayments for construction of power plants which in aggregate amounted to RMB8,045,306,000 (2021 (restated): RMB7,028,323,000).

During the six months ended 30 June 2022, the Group entered into new lease agreements for leasehold land and buildings with lease terms ranging from 4 to 20 years and certain equipment with lease terms ranging from 5 to 11 years. The Group is required to make fixed payments. On lease commencement, the Group recognized right-of-use assets of RMB109,727,000 (2021: RMB120,001,000) and lease liabilities of RMB96,660,000 (2021: RMB74,599,000).

As at 30 June 2022, certain property, plant and equipment of the Group with carrying amounts of RMB1,481,360,000 (31 December 2021: RMB386,243,000) were pledged as security for certain long-term bank borrowings (Note 19(d)) of the Group.

13. EQUITY INSTRUMENTS AT FVTOCI

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Unlisted equity investments in the PRC	**621,928**	578,589
Listed equity securities in the PRC		
— Shanghai Electric Power Co., Ltd. ("Shanghai Power")	**3,723,745**	4,657,406
	4,345,673	5,235,995

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

14. OTHER NON-CURRENT ASSETS

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Deductible value-added tax and other taxes	**2,464,194**	4,207,702
Accounts receivable (Note 15)	**1,602,644**	1,224,850
Amounts due from related parties (Note 27(c))	**100,000**	100,000
Others (note)	**346,649**	381,397
	4,513,487	5,913,949

Note:

As at 30 June 2022, balance included the other non-current assets recognized by the Group in respect of the transferred assets to the extent of its continuing involvement of RMB151,082,000 (31 December 2021: RMB188,803,000).

15. ACCOUNTS RECEIVABLE

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Accounts receivable from regional and provincial power grid companies (note (b))	**11,754,292**	8,753,405
Accounts receivable from other companies (note (b))	**232,820**	675,972
	11,987,112	9,429,377
Notes receivable (note (c))	**79,546**	158,355
	12,066,658	9,587,732
Analyzed for reporting purposes as:		
— Non-current (included in other non-current assets (Note 14)) (note (b))	**1,602,644**	1,224,850
— Current	**10,464,014**	8,362,882
	12,066,658	9,587,732

Notes:

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

Notes to the Interim Condensed Consolidated Financial Statements

15. ACCOUNTS RECEIVABLE (Continued)

Notes: *(Continued)*

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

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Unbilled	1,602,644	1,224,850
1 to 3 months	10,384,468	8,204,527
	11,987,112	9,429,377

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

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

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

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

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

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

15. ACCOUNTS RECEIVABLE (Continued)

Notes: *(Continued)*

(c) As at 30 June 2022, notes receivable were bank acceptance notes issued by third parties and were normally with a maturity period within 360 days (31 December 2021: 360 days).

(d) As at 30 June 2022, certain of the bank borrowings, long-term borrowings from related parties, and lease liabilities (Notes 19(d), 20(c) and 22) were secured by the rights on certain accounts receivable. The accounts receivable pledged under these debts as at 30 June 2022 amounted to RMB4,039,467,000 (31 December 2021: RMB2,568,225,000).

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

16. DEBT INSTRUMENTS AT FVTOCI

As at 30 June 2022, debt instruments at FVTOCI represented certain notes receivable issued by third parties and were normally with a maturity period within 360 days (31 December 2021: 360 days). For the six months ended 30 June 2022, notes receivable discounted and endorsed to banks and suppliers of RMB200,251,000 and RMB215,322,000 (2021: RMB95,470,000 and RMB470,967,000) respectively were derecognized by the Group.

17. SHARE CAPITAL

The total number of shares of the Company amounted to 10,833,386,321. There are no movements in the number of shares of the Company from 1 January to 30 June 2022.

Notes to the Interim Condensed Consolidated Financial Statements

18. RESERVES

	Merger reserve RMB'000	Capital reserve RMB'000	FVTOCI reserve RMB'000	Exchange translation reserve RMB'000	Statutory reserves RMB'000	Others RMB'000	Other reserves sub-total RMB'000	Retained earnings RMB'000	Total RMB'000
At 31 December 2021 (audited)	306,548	1,916,940	2,488,202	28	1,973,464	389,286	7,074,468	5,316,837	12,391,305
A change in accounting policy (Note 2)	–	–	–	–	–	–	–	245,562	245,562
At 1 January 2022 (restated)	306,548	1,916,940	2,488,202	28	1,973,464	389,286	7,074,468	5,562,399	12,636,867
Profit for the period	–	–	–	–	–	–	–	849,881	849,881
Profit attributable to holders of other equity instruments	–	–	–	–	–	–	–	(66,205)	(66,205)
Fair value loss on equity instruments at FVTOCI	–	–	(899,314)	–	–	–	(899,314)	–	(899,314)
Deferred income tax on fair value loss on equity instruments at FVTOCI	–	–	224,828	–	–	–	224,828	–	224,828
Fair value loss on debt instruments at FVTOCI	–	–	(1,839)	–	–	–	(1,839)	–	(1,839)
Deferred income tax on fair value loss on debt instruments at FVTOCI	–	–	459	–	–	–	459	–	459
Release on derecognition of debt instruments at FVTOCI	–	–	798	–	–	–	798	–	798
Release of deferred income tax on derecognition of debt instruments at FVTOCI	–	–	(199)	–	–	–	(199)	–	(199)
Exchange differences on translation of foreign operations	–	–	–	(174)	–	–	(174)	–	(174)
Disposal of interests in subsidiaries without loss of control	–	5,224	–	–	–	–	5,224	–	5,224
2021 final dividend	–	–	–	–	–	–	–	(541,669)	(541,669)
At 30 June 2022 (unaudited)	306,548	1,922,164	1,812,935	(146)	1,973,464	389,286	6,404,251	5,804,406	12,208,657

18. RESERVES (Continued)

	Merger reserve RMB'000	Capital reserve RMB'000	FVTOCI reserve RMB'000	Exchange translation reserve RMB'000	Statutory reserves RMB'000	Others RMB'000	Other reserves sub-total RMB'000	Retained earnings RMB'000	Total RMB'000
At 31 December 2020 (audited)	306,548	2,299,142	903,760	–	1,605,070	389,286	5,503,806	7,610,069	13,113,875
A change in accounting policy	–	–	–	–	–	–	–	(13,874)	(13,874)
At 1 January 2021 (restated)	306,548	2,299,142	903,760	–	1,605,070	389,286	5,503,806	7,596,195	13,100,001
Profit for the period	–	–	–	–	–	–	–	1,541,731	1,541,731
Profit attributable to holders of other equity instruments	–	–	–	–	–	–	–	(66,205)	(66,205)
Fair value loss on equity instruments at FVTOCI	–	–	(58,241)	–	–	–	(58,241)	–	(58,241)
Deferred income tax on fair value loss on equity instruments at FVTOCI	–	–	14,560	–	–	–	14,560	–	14,560
Fair value loss on debt instruments at FVTOCI	–	–	(4,812)	–	–	–	(4,812)	–	(4,812)
Deferred income tax on fair value loss on debt instruments at FVTOCI	–	–	1,203	–	–	–	1,203	–	1,203
Release on derecognition of debt instruments at FVTOCI	–	–	7,796	–	–	–	7,796	–	7,796
Release of deferred income tax on derecognition of debt instruments at FVTOCI	–	–	(1,949)	–	–	–	(1,949)	–	(1,949)
Exchange differences on translation of foreign operations	–	–	–	107	–	–	107	–	107
Acquisitions of non-controlling interests	–	9,987	–	–	–	–	9,987	–	9,987
2020 final dividend	–	–	–	–	–	–	–	(1,274,895)	(1,274,895)
At 30 June 2021 (unaudited)	306,548	2,309,129	862,317	107	1,605,070	389,286	5,472,457	7,796,826	13,269,283

Notes to the Interim Condensed Consolidated Financial Statements

19. BANK BORROWINGS

Bank borrowings are analyzed as follows:

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Non-current		
Long-term bank borrowings		
— Secured (note (d))	20,268,205	19,142,557
— Unsecured (note (e))	46,441,512	46,454,396
	66,709,717	65,596,953
Less: Current portion of long-term bank borrowings	(7,376,782)	(10,666,540)
	59,332,935	54,930,413
Current		
Short-term bank borrowings		
— Secured (note (d))	300,000	1,080,087
— Unsecured	13,482,039	10,165,064
Current portion of long-term bank borrowings	7,376,782	10,666,540
	21,158,821	21,911,691
	80,491,756	76,842,104

Notes:

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

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
RMB	80,249,181	76,560,357
Japanese Yen	242,575	281,747
	80,491,756	76,842,104

19. BANK BORROWINGS (Continued)

Notes: *(Continued)*

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

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Within one year	**7,376,782**	10,666,540
Between one and two years	**6,414,966**	5,349,271
Between two and five years	**19,373,787**	13,607,748
Over five years	**33,544,182**	35,973,394
	66,709,717	65,596,953

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

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Short-term bank borrowings	**3.41%**	3.71%
Long-term bank borrowings (including current portion)	**4.06%**	4.20%

(d) As at 30 June 2022 and 31 December 2021, the bank borrowings of the Group are secured as follows:

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Secured by the equity of a non-controlling shareholder of a subsidiary	**177,700**	186,160
Secured by certain property, plant and equipment (Note 12)	**440,155**	114,620
Secured by the rights on certain accounts receivable (Note 15(d))	**19,950,350**	19,921,864

(e) As at 30 June 2022, bank borrowings amounting to RMB242,575,000 (31 December 2021: RMB281,747,000) were guaranteed by Hunan Provincial Finance Bureau.

Notes to the Interim Condensed Consolidated Financial Statements

20. BORROWINGS FROM RELATED PARTIES

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

Notes:

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

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
RMB	15,691,668	14,666,286
United States Dollars	241,610	–
	15,933,278	14,666,286

20. BORROWINGS FROM RELATED PARTIES (Continued)

Notes: *(Continued)*

(b) The long-term borrowings from SPIC are unsecured, interest bearing from 2.75% to 4.75% (31 December 2021: 3.29% to 4.75%) per annum and wholly repayable within five years.

The repayment terms of these borrowings are analyzed as follows:

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Within one year	**230,000**	2,900,000
Between one and two years	**850,000**	830,000
Between two and five years	**8,017,860**	4,923,020
	9,097,860	8,653,020

(c) The long-term borrowings from SPIC Financial of RMB50,000,000 (31 December 2021: RMB50,000,000) are secured by the rights on accounts receivable of a subsidiary (Note 15(d)) and interest bearing at 4.23% (31 December 2021: 4.42%) per annum. The remaining balances are unsecured and interest bearing from 3.37% to 4.53% (31 December 2021: 3.25% to 5.07%) per annum.

The repayment terms of these borrowings are analyzed as follows:

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Within one year	**1,720,000**	1,425,000
Between one and two years	**150,000**	800,000
Between two and five years	**884,000**	1,324,840
Over five years	**286,000**	250,000
	3,040,000	3,799,840

(d) The long-term borrowings from other related parties as at 30 June 2022 are unsecured, interest bearing from 3.79% to 4.55% (31 December 2021: 4.41% to 4.46%) per annum and wholly repayable within three years.

(e) The short-term borrowings from SPIC as at 30 June 2022 are unsecured, interest bearing at 2.00% per annum and repayable within one year.

(f) The short-term borrowings from SPIC Financial as at 30 June 2022 are unsecured, interest bearing from 2.05% to 3.85% (31 December 2021: 3.45% to 4.34%) per annum and repayable within one year.

(g) The short-term borrowings from CPI Holding as at 30 June 2022 are unsecured, interest bearing at 3.92% (31 December 2021: 3.92%) per annum and repayable within one year.

(h) The short-term borrowings from other related parties as at 30 June 2022 are unsecured, interest bearing from 2.20% to 3.90% (31 December 2021: 3.47% to 3.75%) per annum and repayable within one year.

Notes to the Interim Condensed Consolidated Financial Statements

21. OTHER BORROWINGS

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

Notes:

(a) The balance includes:

(i) Two unsecured RMB denominated medium-term notes are issued by the Company in June 2022, respectively for a term of three years of RMB2,000,000,000 each, which are interest bearing at 3.00% and 2.99% per annum respectively.

(ii) Three unsecured RMB denominated medium-term notes issued by the Company in September 2019, April and October 2021 respectively, each of RMB2,000,000,000 for a term of three years, and interest bearing at 3.55%, 3.54% and 3.47% per annum respectively.

(iii) An unsecured RMB denominated green note of RMB1,000,000,000 issued by the Company in October 2021 for a term of three years, which is interest bearing at 3.39% per annum.

As at 30 June 2022 and 31 December 2021, the medium-term note issued in September 2019 was classified and presented as current.

(b) As at 30 June 2022, the balance is unsecured and interest bearing from 4.15% to 5.10% (31 December 2021: 4.05% to 5.30%).

(c) The balance represents unsecured RMB denominated super & short-term commercial paper of RMB1,000,000,000 (31 December 2021: RMB1,000,000,000 and RMB20,000,000 respectively) issued by Wu Ling Power Corporation in March 2022 (31 December 2021: May and December 2021 respectively) for a term of 180 days (31 December 2021: 260 days and 180 days respectively), which is interest bearing at 2.10% (31 December 2021: 3.00% and 2.90% respectively) per annum.

(d) The balance includes unsecured RMB denominated super & short-term commercial paper of RMB1,000,000,000 (31 December 2021: RMB500,000,000 and RMB1,000,000,000 respectively) issued by the Company in June 2022 (31 December 2021: August and November 2021 respectively) for a term of 270 days (31 December 2021: 210 days and 269 days respectively), which is interest bearing at 2.10% (31 December 2021: 2.63% and 2.88% respectively) per annum. As at 30 June 2022, the super & short-term commercial paper of RMB500,000,000 issued in August 2021 have been repaid.

22. LEASE LIABILITIES

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Lease liabilities	3,461,217	3,592,386
Less: Current portion of lease liabilities	(357,421)	(417,917)
Non-current portion of lease liabilities	3,103,796	3,174,469

The balance as at 30 June 2022 included certain lease agreements entered into with related parties, namely CPI Ronghe Financial Leasing Co., Ltd., and China Kangfu International Leasing Co., Ltd., to acquire equipment amounting to RMB1,240,175,000 (31 December 2021: RMB1,365,020,000), of which RMB1,236,215,000 (31 December 2021: RMB1,270,534,000) is secured by the rights on certain accounts receivable (Note 15(d)).

23. PROVISIONS FOR OTHER LONG-TERM LIABILITIES

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

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

Analysis of the provisions for inundation compensations as at 30 June 2022 is as follows:

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Non-current liabilities	1,866,067	1,868,232
Current liabilities (included in other payables and accrued charges)	106,415	104,432
	1,972,482	1,972,664

Notes to the Interim Condensed Consolidated Financial Statements

23. PROVISIONS FOR OTHER LONG-TERM LIABILITIES (Continued)

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

	30 June 2022 RMB'000 (unaudited)	30 June 2021 RMB'000 (unaudited)
At 1 January	**1,972,664**	1,971,834
Interest expense (Note 8)	**52,044**	52,022
Payment	**(52,226)**	(34,655)
At 30 June	**1,972,482**	1,989,201

24. ACCOUNTS AND BILLS PAYABLES

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Accounts payable (note (a))	**1,419,288**	1,668,327
Bills payable (note (b))	**169,470**	167,695
	1,588,758	1,836,022

Notes:

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

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
1 to 6 months	**1,277,868**	1,531,869
7 to 12 months	**68,870**	69,598
Over 1 year	**72,550**	66,860
	1,419,288	1,668,327

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

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

25. CAPITAL COMMITMENTS

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Contracted but not provided for in respect of:		
— Property, plant and equipment	**6,684,153**	8,474,476
— Capital contribution to associates	**2,359,940**	3,955,870
	9,044,093	12,430,346

26. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

26.1 Financial risk factors

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

As at 30 June 2022, the Group had net current liabilities of RMB20,061,501,000. In preparing these interim condensed consolidated financial statements, the Directors have taken into account all information that could reasonably be expected to be available and have ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. As at 30 June 2022, the Group had available unutilized facilities in writing from banks and related parties amounting to approximately RMB32,043,000,000. Moreover, the Group will refinance and/or restructure certain short-term loans into long-term loans or consider alternative sources of financing, where applicable. Under these circumstances, the Directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and therefore have prepared these interim condensed consolidated financial statements on a going concern basis.

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

These interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's 2021 annual financial statements.

There has not been any change in the risk management department or risk management policies since the year end of 2021.

Notes to the Interim Condensed Consolidated Financial Statements

26. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

26.2 Fair value estimation

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

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

The comparative data in the analysis below included those classified as part of the then disposal groups classified as held for sale.

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

	Fair value as at			
	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)	**Fair value hierarchy**	**Valuation technique and key inputs**
Equity instruments at FVTOCI — Shanghai Power	**3,723,745**	4,657,406	Level 1	Quoted market prices at the end of reporting period (current bid price)
Equity instruments at FVTOCI — Unlisted equity investments in the PRC	**621,928**	578,589	Level 3	Market approach — Fair value of such equity instruments is estimated by calculating the appropriate value ratio based on market multiples derived from a set of comparable listed companies in the same or similar industries. Key inputs are market value of the equity interest, PB ratio (0.85-2.00) and EV/EBITDA (6.11-12.27) of comparable companies and the marketability discount (12.83%-25.60%). The fair value measurement is positively correlated to the above ratios and negatively correlated to the discount for lack of marketability.
Debt instruments at FVTOCI	**184,154**	213,660	Level 3	Discounted cash flow at a comparable discount rate of 3.70%.

26. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

26.2 Fair value estimation *(Continued)*

(b) Reconciliation of Level 3 fair value measurements:

	Equity instruments at FVTOCI RMB'000 (unaudited)	Debt instruments at FVTOCI RMB'000 (unaudited)
At 1 January 2022	**578,589**	**213,660**
Additions	**17,000**	**387,559**
Derecognition	**–**	**(415,573)**
Total gain/(loss) in other comprehensive income	**26,339**	**(1,492)**
At 30 June 2022 (unaudited)	**621,928**	**184,154**
At 1 January 2021	493,189	485,510
Additions	15,933	435,222
Derecognition	–	(566,437)
Total gain/(loss) in other comprehensive income	18,050	(6,017)
At 30 June 2021 (unaudited)	527,172	348,278

During the six months ended 30 June 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

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

	Significant unobservable input	Sensitivity of the input to fair value
Equity instruments at FVTOCI — Unlisted equity investments in the PRC	Average Enterprise Value ("EV")/Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA") multiple of peers PB ratio = 1.43 EV/EBITDA = 8.06x	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB49,960,000
Debt instruments at FVTOCI	Discount rate of 3.70% per annum	5% increase/decrease in discount rate would result in decrease/increase in fair value by RMB323,000

26. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

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

The carrying amounts and fair values of borrowings are as follows:

	30 June 2022		31 December 2021	
	Carrying amount RMB'000 (unaudited)	Fair value RMB'000 (unaudited)	Carrying amount RMB'000 (audited)	Fair value RMB'000 (audited)
Long-term borrowings (note (a))	91,738,945	91,280,391	86,679,938	86,210,873
Short-term borrowings (note (b))	20,160,537	20,160,537	15,648,777	15,648,777
	111,899,482	111,440,928	102,328,715	101,859,650

Notes:

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

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

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

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

27. RELATED PARTY TRANSACTIONS

The Group is controlled by CPI Holding, an intermediate holding company which directly holds approximately 26.2% (31 December 2021: 26.2%) of the Company's shares, and indirectly holds approximately 24.6% (31 December 2021: 24.6%) of the Company's shares through CPDL. In addition, SPIC International Finance (Hong Kong) Company Limited ("SPIC Finance HK"), a wholly-owned subsidiary of SPIC and also a fellow subsidiary of the Company, holds approximately 3.6% (31 December 2021: 3.6%) of the Company's share. SPIC, the beneficial owner of CPI Holding and SPIC Finance HK, owned approximately 54.35% (31 December 2021: 54.35%) of the equity interest in the Company in aggregate as at 30 June 2022.

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

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

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

Notes to the Interim Condensed Consolidated Financial Statements

27. RELATED PARTY TRANSACTIONS (Continued)

(a) Income

	Notes	Six months ended 30 June 2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Interest income from:	(i)		
— SPIC Financial (a company controlled by SPIC)		**10,680**	9,898
— associates		**26,767**	2,859
Dividend income from Shanghai Power, a company controlled by SPIC	(ii)	**–**	39,962
Rental Income from:	(iii)		
— companies controlled by SPIC other than CPI Holding and SPIC Financial		**24**	–
— a joint venture		**679**	–
Income from provision of repairs and maintenance services to:	(iii)		
— companies controlled by SPIC other than CPI Holding and SPIC Financial		**13,288**	7,188
— an associate		**–**	2,193
Income from provision of other services (entrusted management services) to:	(iii)		
— CPI Holding		**38,403**	34,132
— companies controlled by SPIC other than CPI Holding and SPIC Financial		**11,332**	10,524
Income from provision of IT and other services to:	(iii)		
— SPIC		**425**	–
— CPI Holding		**708**	519
— companies controlled by SPIC other than CPI Holding and SPIC Financial		**54,261**	9,767
— a joint venture		**99**	–
— associates		**132,921**	4,639
Sales of coal, coal by-products and spare parts to:	(iii)		
— companies controlled by SPIC other than CPI Holding and SPIC Financial		**1,945**	1,754
— associates		**70,384**	109,096
Sales of heat to non-controlling interests	(iii)	**29,254**	21,796
Sales of unused power production quota to companies controlled by SPIC other than CPI Holding and SPIC Financial	(iii)	**–**	2,089

Notes:

(i) Interest income from these related parties are charged at interest rates from 0.30% to 5.66% (2021: 0.30% to 5.66%) per annum.

(ii) Dividend income from Shanghai Power is recognized based on dividend declared by its board of directors in proportion to the Group's interest in it.

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

27. RELATED PARTY TRANSACTIONS (Continued)

(b) Expenses

	Notes	Six months ended 30 June 2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Purchases of coal, coal by-products and spare parts from:	(i)		
— companies controlled by SPIC other than CPI Holding and SPIC Financial		**45,481**	21,352
— a joint venture		**5,672**	19,105
— non-controlling interests		**3,954,332**	2,900,654
Construction costs and other services fees to:	(ii)		
— companies controlled by SPIC other than CPI Holding and SPIC Financial		**150,582**	256,905
— non-controlling interests		**183,904**	273,527
Interest expenses to:	(iii)		
— SPIC		**160,479**	181,905
— CPI Holding		**4,035**	8,386
— SPIC Financial		**97,672**	127,206
— an associate		**350**	562
— companies controlled by SPIC other than CPI Holding and SPIC Financial		**8,080**	13,050
— companies controlled by SPIC on lease liabilities		**24,099**	21,600

Notes:

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

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

(iii) Interest expenses to these related parties are charged at interest rates from 2.05% to 7.00% (2021: 1.85% to 7.00%) per annum.

Notes to the Interim Condensed Consolidated Financial Statements

27. RELATED PARTY TRANSACTIONS (Continued)

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

	Notes	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Prepayments for construction of power plants to companies controlled by SPIC other than SPIC Financial	(i)	**510,114**	752,720
Prepayments (included in prepayments, deposits and other receivables) to non-controlling interests		**38,574**	78,496
Deposits at SPIC Financial	(ii)	**4,266,251**	533,783
Amounts due from related parties:			
— CPDL		**14,120**	14,120
— CPI Holding	(vii)	**98,307**	97,390
— SPIC Financial	(vii)	**11,260**	6,695
— companies controlled by SPIC other than CPI Holding and SPIC Financial	(vii)	**245,240**	117,816
— associates	(iii)	**1,594,828**	1,633,233
— joint ventures	(iv)	**947,900**	665,409
— non-controlling shareholders	(vi)	**454,189**	100,496
		3,365,844	2,635,159
Less: Amount that is expected to realize after 12 months shown under non-current assets (Note 14)		**(100,000)**	(100,000)
Amounts that is expected to realize within 12 months shown under current assets		**3,265,844**	2,535,159
Amounts due to related parties:	(ix)		
— SPIC		**74,410**	42,650
— CPI Holding		**115,395**	110,409
— SPIC Financial	(viii)	**45,331**	33,523
— companies controlled by SPIC other than CPI Holding and SPIC Financial	(vii)	**321,534**	762,986
— associates	(v)	**131,910**	160,007
— joint ventures	(vii)	**–**	22
— non-controlling shareholders	(vi)	**229,902**	240,195
		918,482	1,349,792

27. RELATED PARTY TRANSACTIONS (Continued)

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

Notes:

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

(ii) Deposits at SPIC Financial are interest bearing at 1.38% (31 December 2021: 1.38%) per annum.

(iii) The amounts due from associates are unsecured. Except for the balance of RMB200,000,000 (31 December 2021: RMB200,000,000) which is interest bearing at 3.00% (31 December 2021: 3.00%) per annum, a balance of RMB55,080,000 (31 December 2021: RMB55,080,000) which is interest bearing at 1.75% (31 December 2021: 1.75%) per annum, a balance of RMB70,000,000 (31 December 2021: Nil) which is interest bearing at 4.70% (31 December 2021: Nil) per annum and repayable within one year, the remaining balances are interest free and repayable on demand. A balance of RMB100,000,000 (31 December 2021: RMB100,000,000) which is interest bearing at 3.50% (31 December 2021: 3.50%) per annum and repayable by 2024, and has been included in other non-current assets (Note 14).

(iv) The amounts due from joint ventures are unsecured, interest free and repayable on demand, except for the amount due from SPIC Guangxi Beibu Gulf (Qinzhou) Thermal Power Co., Ltd. ("Beibu Gulf Thermal Power") of RMB261,300,000 (31 December 2021: RMB261,300,000) which is interest bearing at 5.66% (31 December 2021: 5.66%) per annum and repayable within one year. In 2019, Beibu Gulf Thermal Power ceased operation as a result of an unforeseeable adverse change in the operating environment of its thermal power project and a loss allowance for the amount due from such joint venture of RMB261,300,000 has been fully recognized in 2019 based on the impairment assessment under lifetime ECL, as the Group considers that the joint venture is in severe financial difficulty and it has no realistic prospect of recovery. The Group received settlement of RMB 30,960,000 from Beibu Gulf Thermal Power in the current period.

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

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

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

(viii) The balances as at 30 June 2022 represent interest payable on borrowings from these related parties.

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

Notes to the Interim Condensed Consolidated Financial Statements

27. RELATED PARTY TRANSACTIONS (Continued)

(d) The Company is a state-owned enterprise and is an indirect subsidiary of SPIC, which is controlled by the State Council of the PRC. For the six months ended 30 June 2022 and 2021, the Group's significant transactions and balances with entities that are controlled, jointly-controlled or significantly influenced by the PRC government mainly include:

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

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

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

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

(v) Construction cost to state-owned enterprises

(vi) Service fees to state-owned enterprises

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

(e) Key management personnel remuneration

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Fees, basic salaries, housing allowance, other allowances and benefits in kind, discretionary bonus, employer's contribution to pension schemes and other benefits	**6,074**	7,477

28. EVENTS AFTER THE REPORTING PERIOD

Acquisitions of the equity interests in target companies

On 30 June 2022, the Company entered into an agreement with China Power (New Energy) Holdings Limited ("CPNE"), an indirect non-wholly owned subsidiary of SPIC, pursuant to which the Company has conditionally agreed to acquire, and CPNE has conditionally agreed to sell equity interests of 16 companies principally engaged in clean energy power generation, mainly including wind power, photovoltaic power and environmental power at the consideration of RMB5,782,593,000, which will be settled by the issue of consideration shares to CPNE by the Company under the special mandate at the issue price of HK$4.40 (equivalent to approximately RMB3.76) per consideration share.

On 30 June 2022, the Company has also entered into an agreement with China Power International New Energy Holding Limited ("CPINE"), an indirect non-wholly owned subsidiary of SPIC, pursuant to which the Company has conditionally agreed to acquire, and CPINE has conditionally agreed to sell equity interests of 10 companies principally engaged in clean energy power generation, mainly including wind power and photovoltaic power, at the consideration of RMB1,670,099,000 which will be settled by cash.

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

Grant of Share Options

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

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

Issuance of debt instruments

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

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

Notes to the Interim Condensed Consolidated Financial Statements

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

Reconciliation of profit before taxation to cash generated from operating activities

The comparative data included those classified as part of the then disposal groups classified as held for sale.

	Notes	Six months ended 30 June 2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited and restated)
Profit before taxation		**1,890,664**	2,999,310
Adjustments for:			
Share of results of associates		**71,178**	(107,246)
Share of results of joint ventures		**7,689**	814
Finance income	8	**(90,833)**	(95,057)
Finance costs	8	**2,137,952**	1,966,549
Dividend income	4	**–**	(39,962)
Depreciation of property, plant and equipment	7	**3,489,212**	2,752,889
Depreciation of right-of-use assets	7	**182,914**	150,460
Reversal of impairment of an amount due from a joint venture and other receivables	6	**(34,600)**	–
Amortization of other intangible assets	7	**27,439**	27,439
Amortization of deferred income	5	**(1,149)**	(4,581)
(Gain)/loss on disposal of property, plant and equipment, net	5	**(67)**	6,601
Loss on derivative financial instruments		**–**	24,257
Operating cash flows before working capital changes		**7,680,399**	7,681,473
Changes in working capital:			
(Increase)/decrease in inventories		**(13,017)**	99,197
Increase in accounts receivable		**(2,358,005)**	(1,619,754)
Decrease/(increase) in prepayments, deposits and other receivables		**2,829,230**	(203,424)
Increase in amounts due from related parties		**(424,022)**	(1,451,614)
Decrease in debt instruments at FVTOCI		**28,014**	140,561
(Decrease)/increase in accounts and bills payables		**(47,264)**	491,345
Increase/(decrease) in other payables and accrued charges		**1,623,703**	(199,439)
Decrease in amounts due to related parties		**(354,345)**	(29,407)
Increase in deferred income		**6,167**	2,310
Cash generated from operations		**8,970,860**	4,911,248
Interest paid		**(2,122,892)**	(1,714,471)
Tax paid		**(222,545)**	(595,164)
Net cash generated from operating activities		**6,625,423**	2,601,613