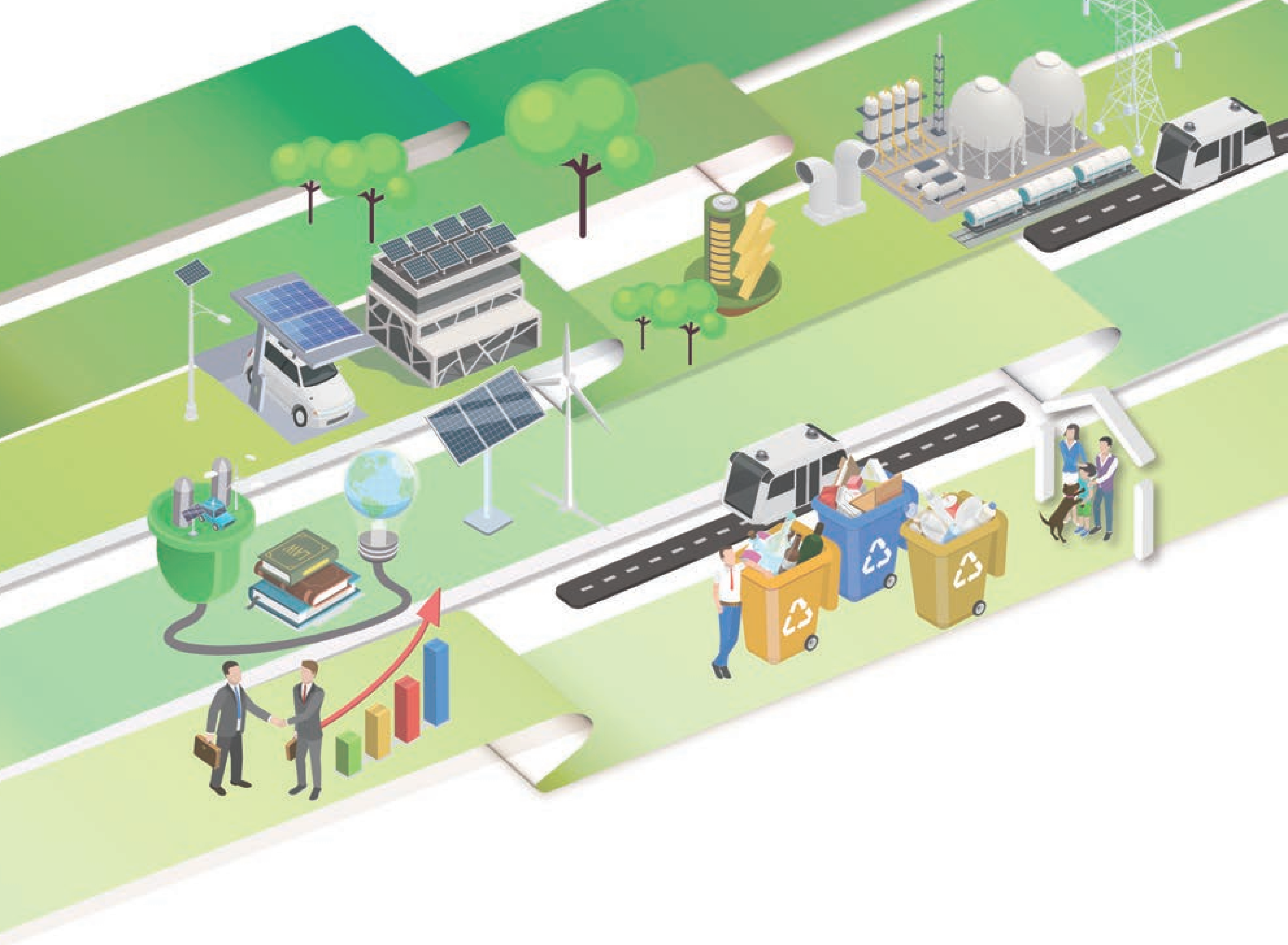
China Power International Development Limited
中國電力國際發展有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code : 2380)

2023 INTERIM REPORT

LOWER CARBON **EMPOWER BETTER LIFE**



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 2023 will be sent to the shareholders of the Company who have selected to receive the printed version of corporate communication by 22 September 2023.

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CONTENTS

2	2023 Interim Performance Highlights
4	Management's Discussion and Analysis
26	Corporate Governance
31	Independent Review Report
32	Interim Condensed Consolidated Income Statement
33	Interim Condensed Consolidated Statement of Comprehensive Income
34	Interim Condensed Consolidated Statement of Financial Position
36	Interim Condensed Consolidated Statement of Changes in Equity
38	Interim Condensed Consolidated Statement of Cash Flows
39	Notes to the Interim Condensed Consolidated Financial Statements

2023 Interim Performance Highlights

PROFIT ATTRIBUTABLE TO

for the six months ended 30 June

Equity holders of the Group

2023 1,849,653 RMB'000

▲117.64%

2022 849,881 RMB'000

Ordinary shareholders of the Company

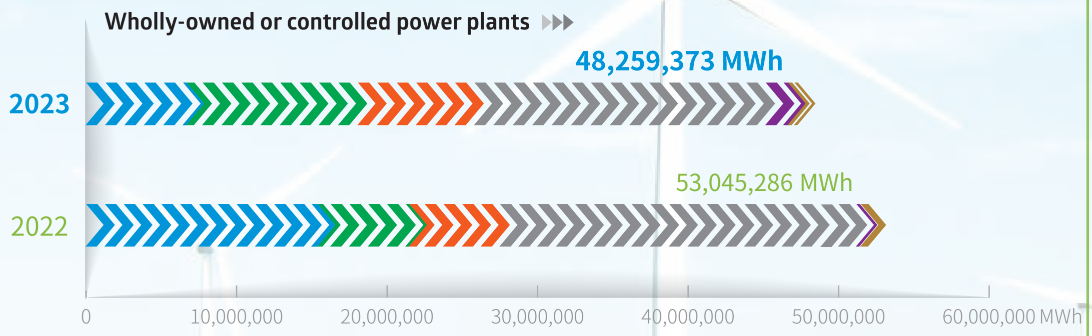
2023 1,679,854 RMB'000

▲114.36%

2022 783,676 RMB'000

TOTAL ELECTRICITY SOLD

for the six months ended 30 June



	2023 MWh	2022 MWh	Change %
Hydropower	5,622,929	12,838,036	-56.20
Wind Power	8,345,931	5,045,418	65.42
Photovoltaic Power	6,015,399	4,523,739	32.97
Coal-fired Power	26,702,281	30,230,377	-11.67
Natural Gas Power	951,592	407,716	133.40
Environmental Power	621,241	N/A	N/A
Total	48,259,373	53,045,286	-9.02

2023 Interim Performance Highlights

NET PROFIT

for the six months ended 30 June

Proportion 2023	Proportion 2022	Net profit (loss)	2023 RMB'000	2022 RMB'000
-5.76%	86.21%	Hydropower	(146,863)	1,233,212
57.00%	59.87%	Wind Power	1,453,360	856,443
30.40%	44.53%	Photovoltaic Power	775,053	636,919
22.03%	-76.62%	Thermal Power	561,718	(1,095,974)
1.38%	1.65%	Energy Storage	35,085	23,522
-5.05%	-15.64%	Unallocated	(128,782)	(223,695)
		Total	**2,549,571**	1,430,427

OTHER KEY PERFORMANCE INDICATORS

for the six months ended 30 June

Revenue

2023: 21,317,030 RMB'000
2022: 20,305,157 RMB'000
4.98%

Operating profit

2023: 4,478,416 RMB'000
2022: 4,016,650 RMB'000
11.50%

Basic earnings per share

2023: 0.14 RMB
2022: 0.07 RMB
100.00%

Consolidated installed capacity

2023: 32,941.2 MW
2022: 32,140.0 MW
2.49%

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000	Change %
Equity attributable to ordinary shareholders of the Company	38,862,838	38,329,364	1.39
Net assets	74,497,848	68,590,105	8.61
Total assets	222,271,885	211,404,964	5.14
Cash and cash equivalents	8,122,121	4,228,099	92.10
Total debts	121,859,338	116,606,464	4.50

Management's Discussion and Analysis

BUSINESS REVIEW

In the first half of 2023, the Chinese economy reopened steadily as the impact of the pandemic gradually subsided. China maintained a safe and stable operation of the power system with a balance between power supply and demand at large, effectively safeguarding the power supply for socio-economic development and household consumption. The power industry achieved remarkable results in its green and low-carbon transformation with optimization and adjustment of the power source structure at an accelerated pace.

In the first half of 2023, the national total electricity consumption in China rose by 5.0% year-on-year and the national power generation recorded a year-on-year increase of 3.8%. Among which, wind power, solar power and thermal power grew by 16.0%, 7.4% and 7.5% respectively, whereas hydropower power decreased by 22.9%.

Given the strenuous efforts in developing clean energy and emerging industries, the proportion of installed capacity of clean energy of the Group increased gradually, and the profit contribution from clean energy projects also continued to rise. The aggregate electricity sales and profit for the period of wind power and photovoltaic power went up by around 50% year-on-year. The energy storage business also expanded continuously, and the revenue of energy storage recorded a drastic increase year-on-year.

For the six months ended 30 June 2023, the profit attributable to equity holders of the Group amounted to RMB1,849,653,000 (2022: RMB849,881,000). Profit attributable to ordinary shareholders of the Company amounted to RMB1,679,854,000 (2022: RMB783,676,000). Basic earnings per share was approximately RMB0.14 (2022: RMB0.07). As at 30 June 2023, net assets per share (excluding non-controlling interests and other equity instruments) was approximately RMB3.14.

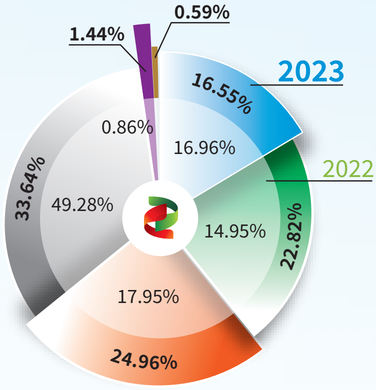
During the period under review, the development and performance of the Group's principal businesses were as follows:

Installed Capacity

As at 30 June 2023, the consolidated installed capacity of the Group's power plants was 32,941.2MW, representing a year-on-year increase of 801.2MW. Among them, the consolidated installed capacity of clean energy including hydropower, wind power, photovoltaic power, natural gas power and environmental power was 21,861.2MW in total, accounting for approximately 66.36% of the consolidated installed capacity of the Group, and representing an increase of approximately 15.6 percentage points as compared with the corresponding period last year.

The details of consolidated installed capacity of the Group as at 30 June 2023 are set out as follows:

Type of Power Plants	First half of 2023 MW	First half of 2022 MW	Change %
Hydropower	5,451.1	5,451.1	–
Wind Power	7,516.9	4,804.1	56.47
Photovoltaic Power	8,221.0	5,769.6	42.49
Coal-fired Power	11,080.0	15,840.0	-30.05
Natural Gas Power	475.2	275.2	72.67
Environmental Power	197.0	N/A	N/A
Total	**32,941.2**	32,140.0	2.49



Management's Discussion and Analysis

The Group's power generating units that commenced commercial operation and those that were acquired during the period from 1 July 2022 to 30 June 2023 are presented by type as follows:

Wind Power 2,712.8 MW

2,546.9 MW Photovoltaic Power

Natural Gas Power 200.0 MW

197.0 MW Environmental Power

Total: 5,656.7 MW

Status of Key Projects

The year 2023 is a year for the Group to forge ahead with its strategic transformation and achieve the new goals in phase II of the national "14th Five-Year" Plan. The development status of the Group's key projects were as follows:

Offshore Photovoltaic Project

The Group actively carried out the technological research on offshore photovoltaic power generation, and has now completed the construction of the Haiyang HG34 Offshore Photovoltaic Power Generation Demonstration Project in the sea area of Haiyang, Yantai City, Shandong Province, which is one of the first national fixed offshore photovoltaic power generation projects with near-shore pile foundation, and the world's largest project of this kind. With a planned installed capacity of 2,700MW, the project has already passed technical verifications in various aspects, including resistance for corrosion, sea wave, typhoon, ocean current, drift ice and others.

Fishery and Photovoltaic Complementary Photovoltaic Power Generation Project

Located in Hou Town, Shouguang City, Weifang, Shandong Province, the Fishery and Photovoltaic Complementary Photovoltaic Power Generation Project with an installed capacity of 100MW is the first project to achieve full capacity power grid connection of the Lubei Saline-Alkali Tidal Flat Land 10 million kW-level Integrated Wind-Photovoltaic-and-Energy Storage Base, and has been put into commercial operation during the period under review. Looking forward, taking this project as the starting point, the Group will promote the development and construction in Lubei region in full swing and continue to develop an array of "photovoltaic+" projects, such as "salt production and photovoltaic complementary project" and "fishery and photovoltaic complementary project", according to the local conditions of Shandong Province, thereby realizing base-oriented, large-scale and digitalized development of projects.

Integrated Photovoltaic Sand Control and Husbandry Promotion Demonstration Project

Located in Dalad Banner, Ordos City, Inner Mongolia Autonomous Region, China, the Integrated Sand Control, Husbandry Promotion and Photovoltaic Power Generation Demonstration Project with an installed capacity of 100MW is a city-level key demonstration project and has been put into commercial operation during the period under review. The project has significant environmental, economic and social benefits, and effectively integrates economic development with environmental protection. In order to ensure the effect of desertification control and husbandry promotion, the project team will plant suitable psammophytes to realize the integrated development of photovoltaic power, husbandry industry, agricultural industry and tourism in the region.

Management's Discussion and Analysis

Integrated Intelligent Wind-and-Energy Storage Wind Power Project

Following the construction of CP Chaoyang 500MW Photovoltaic Power Grid Parity Demonstration Project, the Integrated Intelligent Wind-and-Energy Storage Wind Power Project with an installed capacity of 250MW in Chaoyang County, Chaoyang City, Liaoning Province is another major energy project of the Group under planning and to be constructed in Chaoyang City, Liaoning Province. As of the end of June 2023, certain generating units of that project have commenced commercial operation, signifying groundbreaking progress of the Group in the development of integrated intelligent wind power project within Liaoning Province.

Overseas Intelligent Energy Project

In addition to the Company's investment and construction of the first wind power project in Bangladesh, Wu Ling Power officially commenced the construction of its first integrated intelligent energy project in Bangladesh – the 55MW Rooftop Photovoltaic and 5MW Energy Storage Integrated Intelligent Energy Project. Making full use of the abundant sunlight resources in Bangladesh, the project realizes the integrated energy supply model of photovoltaic power, charging and energy storage by setting up rooftop photovoltaic power system with a certain proportion of energy storage facilities at factories and providing new energy vehicles and charging piles. Upon completion, the project not only will be able to solve the problem of frequent power outages encountered by the local industrial and commercial industries, but will also act as a model for realization of zero-carbon emission by factories in the industrial park in Bangladesh.

Photovoltaic Grid Parity Project

In the first half of 2023, the Xinrong Phase II 600MW Grid Parity Photovoltaic Power Generation Project of Datong CP Photovoltaic Company Limited* (大同中電光伏有限公司), a subsidiary of the Company, achieved full capacity power grid connection, marking a new milestone of the Group in establishing its advantages in terms of industry cluster of green energy and bringing the Group's accumulated installed capacity in Datong City, Shanxi Province to 1,300MW. Adopting a forestry-and-photovoltaic complementary mode, the project made use of idle land in the low-lying mining areas in Datong City for the construction of the photovoltaic power base, which not only enhanced the peak shaving and frequency modulation ability and helped raising the consumption level of green power, but also promoted the transformation and rejuvenation of Datong City, also known as the "city of coal" in the old days, through the energy revolution in Shanxi Province with green industries as the driving force.

The above projects contributed to the sustainable development of the Group and China, and are expected to provide a total of more than 6,000,000MWh of clean electricity per year, which is equivalent to saving approximately 2,000,000 tonnes of standard coal and reducing approximately 5,500,000 tonnes of carbon dioxide emissions, thereby further improving the air quality in the locality.

Management's Discussion and Analysis

Innovation of Energy Technology

In order to strengthen and enhance our first-mover advantages in the new industries, the Group accelerated the integrated development of energy with innovative technologies and stepped up its investment in technological research and development with a view to promoting our development in the emerging energy industries. With the successful implementation of various transformation and innovation plans, we have effectively enhanced our level of digitalization and intelligence. While placing strong emphasis on the innovation of key techniques as well as introduction and nurturing of key personnel, we have also accelerated the incubation of new business forms and new business models, thereby initiating a new phase of innovation-driven development.

Energy Storage

During the period under review, Xinyuan Smart Storage launched the self-developed intelligent operation and maintenance platform for general centralized control of energy storage, which is the first 100MW-level energy storage and power station on the power grid side to be connected to the cloud platform through internet in China, as well as the first intelligent switching cluster-level management solution in the industry, marking a new breakthrough in the research and development of the core technologies of energy storage.

Colored Photovoltaic

Xinyuan Jinwu commenced the construction of the first production line with comprehensive utilization of full color photovoltaic functional materials and obsolete photovoltaic modules in Tongzhou District, Beijing at the end of March 2023, which is currently under commissioning and trial run. Meanwhile, it has also achieved new progress in the technological innovation of full color photovoltaic. The first full color auto-powered photovoltaic signage system and street light lighting system have been put into operation under the road scenarios in Tongzhou District and Fangshan District for demonstration. Such systems are expected to be widely applied to provinces and cities nationwide and will hence promote rapid development of colored photovoltaic.

Green Power Transportation

During the period under review, Qiyuanxin Power focused on the development of holistic solution applicable to battery swap of unmanned mine trucks in mine sites, which has already been put into operation, in an active attempt to tap into the unmanned vehicles application market in respect of scenarios such as main routes to collection and distribution ports as well as in-port transportation. In addition, it has developed the first "battery-swap station for unmanned heavy trucks" in Xinjiang, marking the first intelligent green mine model project in Southern Xinjiang. Meanwhile, with regards to innovative areas of motive battery transportation, new energy vessels and echelon utilization of motive battery, we actively applied for a number of national key research and development programs and projects in 2023, so as to constantly enhance the Group's technological innovation capability and its influence in the emerging energy industries with technological innovation and application demonstration as the main focuses.

Projects under Construction

As at 30 June 2023, the consolidated installed capacity of the projects under construction was 7,391.2MW, all of which were clean energy projects and consisted of various large-scale wind power and photovoltaic power generation projects in Hunan Province, Guangdong Province, Shandong Province, Hebei Province and Hubei Province.

During the period under review, the new energy power generation segment of the Group maintained rapid growth, and a number of new energy projects have been put into operation as scheduled.

Management's Discussion and Analysis

New Development Projects

During the period under review, adhering to the regional development planning and major strategies of the Chinese Government, the Group placed emphasis on tracking and developing its business presence in the relevant regions. In particular, the CP Pu'an 1,000MW Integrated Wind-Photovoltaic-Thermal Power-and-Energy Storage Project, the 100MW Centralized Fishery and Photovoltaic Complementary Photovoltaic Power Generation Project in Wujian, Yangzhou and the Fishery and Photovoltaic Complementary Power Generation Project (Phase II with a capacity of 110MW) in Tanggou, Wuhu have all obtained full-capacity construction quotas, while the Lubei Saline-Alkali Tidal Flat Land Integrated Wind-Photovoltaic-Energy Storage-and-Transmission Base Project has obtained a construction quota of 2,480MW. Meanwhile, the Group has further deepened the cooperation with the local governments of Shaoguan in Guangdong, Huaihua in Hunan and Mulei in Xinjian, respectively, and secured an array of premium large-scale base project resources with a total capacity of 5,150MW through agreements and the supporting industries.

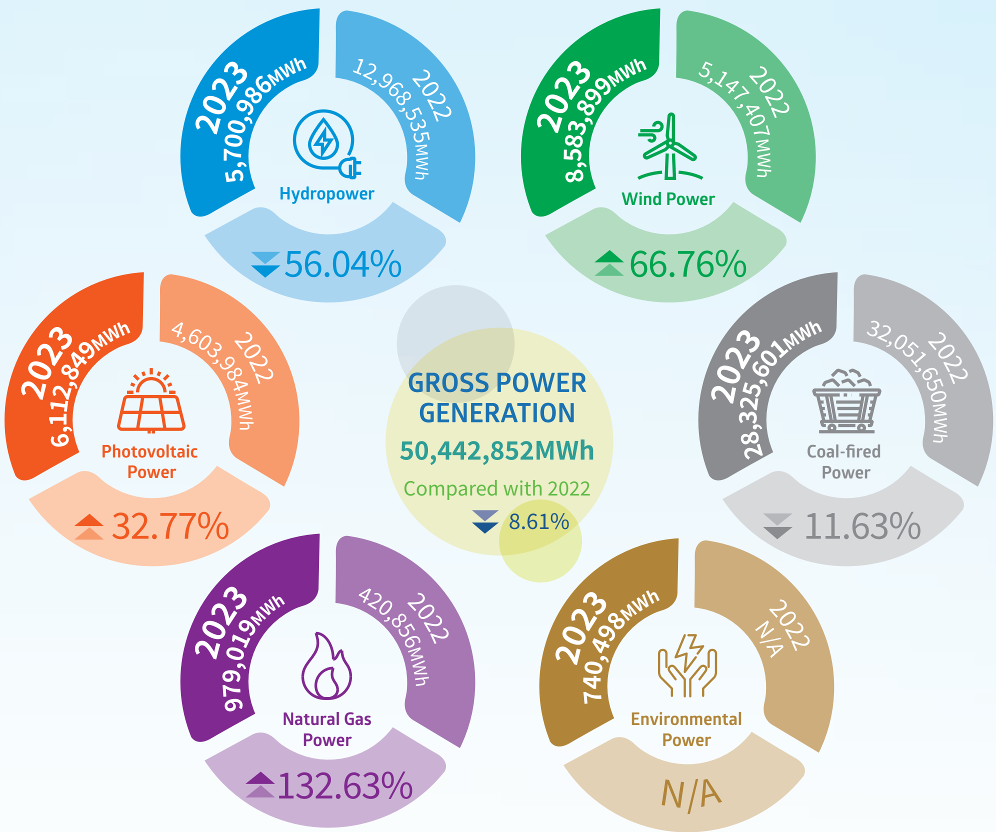
Besides, by making active efforts in exploring offshore base projects, the Group has also successfully obtained the approval for offshore wind power projects with a total capacity of 1,500MW and a quota capacity of 2,000MW in Shandong Province. The preliminary works in relation to the development of Phase I of the Shandong Offshore 400MW Photovoltaic Power Project were also pushed forward in an orderly manner.

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 18,600MW, among which, the capacity of clean energy projects was approximately 16,600MW. New projects were primarily located in areas with development potential, such as Shandong Province, Guangxi Zhuang Autonomous Region, Anhui Province and Liaoning Province.

Power Generation and Electricity Sales

For the first half of 2023, the details of power generation and electricity sold by the Group are set out as follows:

Power Generation



Management's Discussion and Analysis

Electricity Sales

Type of Power Plants	First half of 2023 MWh	First half of 2022 MWh	Change %
Hydropower	5,622,929	12,838,036	–56.20
Wind Power	8,345,931	5,045,418	65.42
Photovoltaic Power	6,015,399	4,523,739	32.97
Coal-fired Power	26,702,281	30,230,377	–11.67
Natural Gas Power	951,592	407,716	133.40
Environmental Power	621,241	N/A	N/A
Total	**48,259,373**	53,045,286	–9.02

In the first half of 2023, the total electricity sold by the Group amounted to 48,259,373MWh, representing a decrease of 9.02% 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

A decrease of 56.20% in electricity sold due to a year-on-year decrease in average rainfall in the river basins where the Group's hydropower plants are located during the period.

Wind Power **Photovoltaic Power**

Benefitted from the mergers and acquisitions as well as the commencement of commercial operation of new generating units, the electricity sales of wind power and photovoltaic power recorded year-on-year increases of 65.42% and 32.97%, respectively.

Coal-fired Power

Despite the benefits from the increase in electricity demand during the period, the electricity sold decreased by 11.67% year-on-year as a result of the completion of the disposal of shares in two coal-fired power subsidiaries at the end of last year (the "**Coal-fired Power Disposal**"). If the effect of the Coal-fired Power Disposal was excluded, the electricity sales of coal-fired power increased year-on-year, exceeding the growth rate of national electricity consumption.

Natural Gas Power

Benefitted from the commencement of commercial operation of new projects in the second half of 2022, the electricity sold increased by 133.40% year-on-year.

Environmental Power

The Group acquired various environmental power generation companies during the second half of last year, which resulted in the addition of a new power segment to the Group.

Management's Discussion and Analysis

For the first half of 2023, the details of electricity sold by the Group's main associates and joint ventures are set out as follows:

Associates	First half of 2023 MWh	First half of 2022 MWh	Change %
Wind Power	406,613	N/A	N/A
Photovoltaic Power	58,754	55,444	5.97
Coal-fired Power	20,397,058	11,226,884	81.68
Joint ventures			
Wind Power	439,581	743,678	–40.89
Photovoltaic Power	2,300	N/A	N/A
Coal-fired Power	1,380,754	1,214,370	13.70
Total	22,685,060	13,240,376	71.33

Heat Sales

Against the backdrop of Carbon Emissions Peak and Carbon Neutrality, the Group continued to carry out in-depth exploration of potential sites for heat supply in various regions. Driven by the commencement of commercial operation of one of the heat and electricity co-generation projects developed by the Group in the second half of last year, the heat sales of the Group increased year-on-year as a whole. The Group will continue to push ahead with its heat supply transformation. Currently, two power generating units in Pingwei Power Plant III are undergoing heat supply transformation.

For the first half of 2023, the total heat sold by the subsidiaries of the Group was 8,187,093GJ, representing a decrease of 984,556GJ or 10.73% as compared with the corresponding period last year. The Group's main associates and joint ventures recorded total heat sold of 9,465,613GJ, representing an increase of 2,384,037GJ or 33.67% as compared with the corresponding period last year. The commencement of operation of the new generating units has had a positive impact on the overall heat sold, however, with two subsidiaries became associates after the Coal-fired Power Disposal, the total heat sold by subsidiaries has decreased year-on-year.

Market-Power Transactions

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

For the first half of 2023, all the power production quota of large-scale coal-fired power generating units of the Group were obtained from the market, therefore the proportion of market-power sales has reached 100% (2022: 100%), and the average market on-grid tariff was at a premium of approximately 20.23% (2022: 19.34%), as compared with the average benchmark on-grid tariff officially approved by the Chinese Government.

Management's Discussion and Analysis

Average On-Grid Tariff

For the first half of 2023, the Group's average on-grid tariffs of each power segment as compared with the corresponding period last year were as follows:

	2023	2022	Change
Hydropower	263.65 RMB/MWh	262.29 RMB/MWh	+0.52%
Wind Power	476.73 RMB/MWh	482.87 RMB/MWh	-1.27%
Photovoltaic Power	418.64 RMB/MWh	443.37 RMB/MWh	-5.58%
Coal-fired Power	402.68 RMB/MWh	401.92 RMB/MWh	+0.19%
Natural Gas Power	654.12 RMB/MWh	620.86 RMB/MWh	+5.36%
Environmental Power	540.89 RMB/MWh	N/A	N/A

Hydropower

It was mainly attributable to the increase in the proportion of electricity sales with relatively higher tariffs, and thus resulted in a higher average on-grid tariff of hydropower.

Wind Power

It was mainly attributable to the fact that the average on-grid tariff of the newly operating wind power projects was lower than that of the existing wind power projects, and thus resulted in a lower average on-grid tariff of wind power.

Photovoltaic Power

It was mainly attributable to the commencement of operation of the Group's various grid parity photovoltaic power generation projects, which resulted in a lower average on-grid tariff of photovoltaic power.

Natural Gas Power

It was mainly attributable to the increase in average selling price upon the participation of a natural gas power plant of the Group in the market-power transactions through the power grid company in Guangdong Province.

Environmental Power

The average on-grid tariff of the environmental power business, which was newly added in the second half of last year, was RMB540.89/MWh.

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.

Management's Discussion and Analysis

Average Utilization Hours of Power Generating Units

For the first half of 2023, 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:

Segment	2023	2022	Change
Hydropower	1,046 hours	2,379 hours	-56.03%
Wind Power	1,163 hours	1,099 hours	+5.82%
Photovoltaic Power	769 hours	825 hours	-6.79%
Coal-fired Power	2,556 hours	2,154 hours	+18.66%
Natural Gas Power	2,060 hours	1,529 hours	+34.73%
Environmental Power	3,759 hours	N/A	N/A

Hydropower	It was mainly attributable to the decrease in power generation as a result of the decrease in the average rainfall in the river basins where the Group's hydropower plants are located during the period.
Wind Power	It was mainly attributable to the improved availability of wind resources as compared with the corresponding period last year.
Photovoltaic Power	It was mainly attributable to the decrease in solar irradiance for photovoltaic power as compared with the corresponding period last year, as well as the commencement of operation of various distributed and household photovoltaic projects with relatively lower utilization hours.
Coal-fired Power	It was mainly attributable to the recovery of power consumption driven by the year-on-year increase in electricity demand during the period.
Natural Gas Power	It was mainly attributable to the recovery of power consumption driven by the year-on-year increase in electricity demand during the period.
Environmental Power	The average utilization hours of the environmental power business, which was newly added in the second half of last year, was 3,759 hours.

Management's Discussion and Analysis

Energy Storage Business

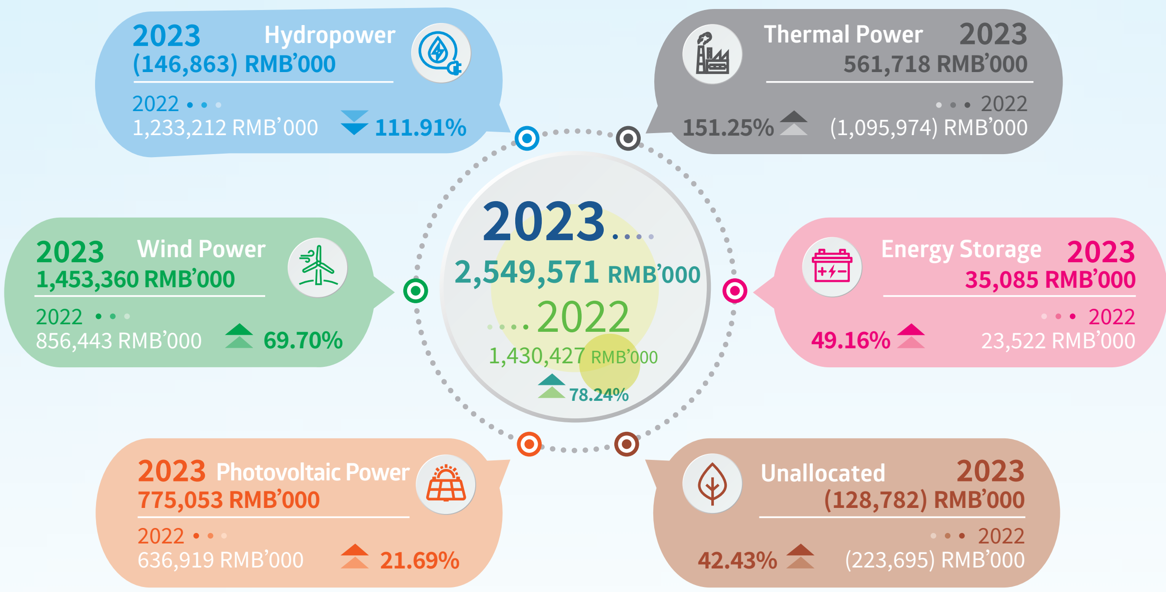
For the first half of 2023, the revenue from the energy storage business amounted to RMB1,626,370,000, representing a year-on-year increase of RMB1,533,855,000 or a growth of over 16 times; and the net profit amounted to RMB35,085,000, representing an increase of RMB11,563,000 or 49.16% as compared with the corresponding period last year. The revenue of energy storage business has increased significantly year-on-year with the continuous expansion of the business. However, due to fierce market competition, coupled with the significant price fluctuations of raw material, the increase in net profit was limited. The energy storage business mainly comprises the sales of energy storage equipment, the provision of subcontracting services for developing and assembling power stations integrated with energy storage and energy storage capacities leasing services, and charging services of energy storage power stations. Energy storage is an emerging industry, and the Group's energy storage business is still at the preliminary stage of growth. In light of the rapid development of the energy storage market, it is expected that the energy storage business will have a promising prospect.

During the period under review, the Group diversified the development of its energy storage projects and continued to expand its overseas businesses, including the entering into of strategic cooperation agreements with companies in Mexico, Australia and other countries. Given the huge opportunities in the international market, the Group will also accelerate the establishing of an overseas sales team and actively expand its sales channels in the future, so as to press ahead with the development in the overseas energy storage market in full steam. As the business continues to grow, it is expected that the contribution of the energy storage segment to the Group will continue to increase in the future.

OPERATING RESULTS OF THE FIRST HALF OF 2023

For the first half of 2023, the net profit of the Group amounted to RMB2,549,571,000, representing an increase of RMB1,119,144,000 or 78.24% as compared with the corresponding period last year.

For the first half of 2023, the net profit (loss) of each operating segment and their respective changes over the corresponding period last year were as follows:



Management's Discussion and Analysis

As compared with the first half of 2022, the changes in net profit were mainly due to the following factors:

Revenue

The revenue of the Group was mainly derived from the sales of electricity to regional and provincial power grid companies, and the provision of power generation and energy storage-related services. For the first half of 2023, the Group recorded a revenue of RMB21,317,030,000, representing an increase of 4.98% as compared with RMB20,305,157,000 of the corresponding period last year.

For the first half of 2023, the details of revenue of each operating segment are set out as follows:

Operating Segment	First half of 2023 RMB'000	First half of 2022 RMB'000	Change %
Hydropower	1,482,497	3,367,340	–55.97
Wind Power	3,978,786	2,436,299	63.31
Photovoltaic Power	2,518,311	2,005,709	25.56
Thermal Power	11,711,066	12,403,294	–5.58
Energy Storage	1,626,370	92,515	1,657.95
Total	**21,317,030**	20,305,157	4.98

- Revenue from hydropower decreased by RMB1,884,843,000, which was attributable to the decrease in electricity sales of hydropower during the period.

- Revenue from wind power and photovoltaic power increased by RMB2,055,089,000 in aggregate due to the commencement of commercial operation of various projects.

- Revenue from thermal power decreased by RMB692,228,000, which was attributable to the effect of the Coal-fired Power Disposal. If the effect of the Coal-fired Power Disposal was excluded, the revenue from thermal power would have increased year-on-year.

- Revenue from energy storage increased by RMB1,533,855,000 as the Group expanded its energy storage business continuously in tandem with the accelerated growth of the energy storage market.

Operating Costs

Operating costs of the Group mainly consist of fuel costs, repairs and maintenance expenses for power generating units and facilities, depreciation and amortization, staff costs, subcontracting costs, cost of sales of energy storage equipment, consumables and other operating expenses. For the first half of 2023, the operating costs of the Group amounted to RMB17,590,882,000, representing a rise of 4.35% as compared with RMB16,857,356,000 of the corresponding period last year. Despite the significant decrease in fuel costs due to the Coal-fired Power Disposal, the operating costs recorded a year-on-year increase as a result of the commencement of operation and consolidation of various newly acquired clean energy projects, as well as the significant year-on-year increase in the relevant costs due to the expansion of the business of energy storage equipment sales.

Management's Discussion and Analysis

Total Fuel Costs

The total fuel costs decreased by RMB1,770,966,000 or 17.29%, mainly due to the significant decrease in fuel costs as a result of the significant decrease in fuel consumption after the Coal-fired Power Disposal.

Unit Fuel Cost

The average unit fuel cost of the Group's coal-fired power business was RMB297.87/MWh, representing a decrease of 10.16% from that of RMB331.57/MWh of the corresponding period last year. It was mainly attributable to the fact that prices continued to fall as a result of the steady growth of production volume and the improvement in supply given the continuous release of domestic coal production capacity. In addition, the Group actively promoted the fulfillment of and supervision over coal purchase under long-term coal contracts, which, coupled with the implementation of policies such as zero tariff on coal imports, also contributed to the decrease in fuel costs.

Depreciation and Staff Costs

Depreciation of property, plant and equipment and the right-of-use assets and staff costs increased by RMB627,266,000 in aggregate as a result of business expansion and the large number of new power generating units that commenced commercial operation and being consolidated in the second half of last year and during the period.

Cost of Energy Storage Equipment Sales and Subcontracting Costs

The Group's energy storage segment is principally engaged in sales of energy storage equipment and the provision of subcontracting services for developing and assembling power station integrated with energy storage. For the first half of 2023, the cost of energy storage equipment sales and subcontracting cost totaled RMB1,545,347,000, representing an increase of RMB1,487,034,000 or 2,550.09% as compared with the corresponding period last year, which was mainly attributable to the year-on-year increase in sales of energy storage equipment and the increase in raw material costs thereof during the period.

Other Operating Expenses

Other operating expenses increased by RMB303,047,000 or 28.84% year-on-year, mainly due to the increase in the amortization of other intangible assets.

Other Gains and Losses, Net

The net gains from other gains and losses decreased by RMB105,016,000 or 35.74% year-on-year, mainly due to the year-on-year decrease in sales of unused power production quota and profits on sales of heat, trading of coal, coal by-products, spare parts and others.

Operating Profit

For the first half of 2023, the Group's operating profit was RMB4,478,416,000, representing an increase of 11.50% as compared with the operating profit of RMB4,016,650,000 of the corresponding period last year.

Finance Costs

For the first half of 2023, the finance costs of the Group amounted to RMB1,986,918,000 (2022: RMB2,137,952,000), representing a decrease of RMB151,034,000 or 7.06% as compared with the corresponding period last year. The decrease in finance costs was mainly due to the decrease in average interest rate as a result of the Group's proactive efforts in promoting the optimization of debt structure and replacing the borrowings with high interests, as well as the effect of the Coal-fired Power Disposal.

Management's Discussion and Analysis

Share of Results of Associates

For the first half of 2023, the share of results of associates was a profit of RMB250,773,000, representing an increase in profits of RMB321,951,000 as compared with the loss of RMB71,178,000 of the corresponding period last year. The increase in profits was mainly due to the year-on-year decrease in cost of coal prices, and the significant increase in profit of associates engaging in coal-fired power-related business as a result of the year-on-year increase in the average on-grid tariff of coal-fired power.

Share of Results of Joint Ventures

For the first half of 2023, the share of results of joint ventures was a profit of RMB61,891,000, representing an increase in profits of RMB69,580,000 as compared with the loss of RMB7,689,000 of the corresponding period last year. The increase in profits was mainly due to the year-on-year decrease in cost of coal prices, and the significant increase in profits of joint ventures engaging in coal-fired power-related business as a result of the year-on-year increase in the average on-grid tariff of coal-fired power.

Income Tax Expense

For the first half of 2023, income tax expense of the Group was RMB430,088,000, representing a decrease of RMB30,149,000 as compared with RMB460,237,000 of the corresponding period last year. The decrease was mainly due to the year-on-year decrease in profits of the hydropower segment.

Interim Dividend

The Board has resolved not to distribute any interim dividend for the six months ended 30 June 2023.

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

As at 30 June 2023, the carrying amount of equity instruments at FVTOCI was RMB4,384,055,000, accounting for 1.97% of total assets, including listed equity securities of RMB3,912,657,000 and unlisted equity investments of RMB471,398,000.

Listed equity securities represent the equity interests in Shanghai Electric Power Co., Ltd.* ("**Shanghai Power**") held by the Group. As at 30 June 2023, the Group held 12.90% (31 December 2022: 12.90%) of the issued share capital of Shanghai Power, the A shares of which are listed on the Shanghai Stock Exchange. It was categorized as level 1 financial assets of fair value measurements, and its fair value increased by 7.59% as compared with RMB3,636,555,000 as at 31 December 2022.

Unlisted equity investments represent the Group's investment in equity of certain unlisted companies principally engaged in financial services, coal production and electricity trading services respectively. They were categorized as level 3 financial assets of fair value measurements, and their fair values decreased by 4.79% from RMB495,112,000 as at 31 December 2022.

The valuation technique and key inputs used for measuring the fair value of the above level 3 financial assets were market approach, i.e. fair value of such equity instruments is estimated by calculating the appropriate value ratio based on market multiples derived from a set of comparable listed companies in the same or similar industries. Key inputs were (i) the market value of the said equity interests, (ii) price-to-book ratio (1.4) and price-earning ratio (4.7) of the comparable companies, and (iii) the discount for lack of marketability (22.0%-27.7%).

Management's Discussion and Analysis

The fair value gain on equity instruments at FVTOCI for the six months ended 30 June 2023 of RMB189,291,000 (net of tax) (2022: loss of RMB680,493,000) was recognized in the interim condensed consolidated statement of comprehensive income.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions and disposals during the period under review.

EVENT AFTER THE REPORTING PERIOD

On 26 July 2023, the Company and SPIC entered into Agreement I, pursuant to which the Company conditionally agreed to acquire, and SPIC conditionally agreed to sell, Equity Interests I, being the equity interests in four companies principally engaged in clean energy power generation, to the Company at a consideration of RMB8,811,044,100, which will be settled by cash. On the same day, the Company, SPIC Guangdong and CPCEC entered into Agreement II, pursuant to which the Company conditionally agreed to acquire, and SPIC Guangdong and CPCEC conditionally agreed to sell, Equity Interests II, being the equity interests in Jieyang Company, to the Company at a consideration of RMB1,974,016,700, which will be settled by cash. For details, please refer to the announcement and the circular of the Company dated 26 July 2023 and 18 August 2023 respectively.

LIQUIDITY, CASH FLOWS AND FINANCIAL RESOURCES

As at 30 June 2023, cash and cash equivalents of the Group were RMB8,122,121,000 (31 December 2022: RMB4,228,099,000). Current assets amounted to RMB36,711,944,000 (31 December 2022: RMB30,885,745,000), current liabilities amounted to RMB47,244,828,000 (31 December 2022: RMB45,925,034,000) and current ratio was 0.78 (31 December 2022: 0.67).

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 provide the Group with deposit services, settlement services, loan services and other financial services approved by the CBIRC on a non-exclusive basis. 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 the period from 1 January 2023 to 30 June 2023, the maximum daily balance of deposit (including accrued interests) placed by the Group with SPIC Financial was approximately RMB4.69 billion (31 December 2022: RMB5.45 billion).

Pursuant to the aforementioned 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 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.

Management's Discussion and Analysis

During the period under review, the Group recorded a net increase in cash and cash equivalents of RMB3,905,160,000 (2022: net increase of RMB6,810,225,000). For the six months ended 30 June 2023:

- net cash generated from operating activities amounted to RMB3,248,977,000 (2022: RMB6,625,423,000). The significant change in cash inflow was mainly attributable to the significantly lower amount of value-added tax credit refunds and new energy subsidies received during the first half of this year.

- net cash used in investing activities amounted to RMB7,526,899,000 (2022: RMB8,519,147,000), which mainly represented the cash outflow of capital expenditure on payments for property, plant and equipment, and right-of-use assets and prepayments for construction of power plants of the Group. The decrease in cash used was mainly due to the significant year-on-year increase in repayment from related parties.

- net cash generated from financing activities amounted to RMB8,183,082,000 (2022: RMB8,703,949,000). The decrease in net cash inflow, as compared with the corresponding period last year, was mainly attributable to the year-on-year decrease in the amount of drawdown of other borrowings.

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

DEBTS

As at 30 June 2023, total debts of the Group amounted to RMB121,859,338,000 (31 December 2022: RMB116,606,464,000). Over 99% of the Group's total debts are denominated in RMB.

As at 30 June 2023, 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 60% (31 December 2022: approximately 62%). The Group's gearing ratio remained stable.

As at 30 June 2023, the amount of borrowings granted by SPIC Financial was approximately RMB3.16 billion (31 December 2022: approximately RMB2.01 billion).

ASSET IMPAIRMENT

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

During the period, the Group has no material asset impairment.

Management's Discussion and Analysis

SIGNIFICANT FINANCING

Perpetual Debt Investment Contracts

In August 2022, the Central Government adopted a series of follow-up policies for stabilizing the economy as part of its intensified efforts to strengthen the foundation for economic recovery and growth according to the decision made at the executive meeting of the State Council. Among them, it encouraged power generation enterprises to issue energy supply assurance special bonds to enhance the financial strength of these enterprises, promote their reform and transformation, improve their ability to ensure stable energy supply, and thus promote the overall economic recovery and development. Through SPIC, the ultimate controlling shareholder of the Company, the Group has been allocated up to an aggregate amount of approximately RMB11.268 billion of funding in the form of perpetual debt instruments, of which an accumulated total of RMB9.227 billion has been received up to 30 June 2023. The perpetual trust funds under the perpetual debt investment contracts enable the Group to expand its financing channels, enhance its cash flow adequacy, and optimize its asset-liability structure and thus its financial position. For the first half of 2023, certain subsidiaries and an associate of the Group have received approximately RMB2.967 billion and RMB0.2 billion, respectively by entering into the perpetual debt investment contracts.

The proceeds from the above debt instrument have been fully applied towards the repayment of the existing borrowings and/or replenishment of the working capital of the Group.

CAPITAL EXPENDITURE

For the first half of 2023, the capital expenditure of the Group was RMB8,632,097,000 (2022: RMB8,155,033,000). In particular, the capital expenditure for clean energy segments (hydropower, wind power, photovoltaic power and energy storage) was RMB8,113,490,000 (2022: RMB6,274,389,000), which was mainly applied for the engineering construction of new power plants and power stations, and the asset purchases related to the energy storage business; whereas the capital expenditure for thermal power segment was RMB290,305,000 (2022: RMB1,653,404,000), which was mainly applied for the engineering construction of new thermal power generating units and technical upgrade for the existing power generating units. These expenditures were mainly funded by project financing, debt instruments, funds generated from business operations and borrowings from related parties.

PLEDGE OF ASSETS

As at 30 June 2023, the Group pledged certain property, plant and equipment and right-of-use assets with a net book value of RMB2,393,838,000 (31 December 2022: RMB1,849,800,000) to certain banks and other third parties to secure bank borrowings and other borrowings in the amount of RMB2,557,638,000 (31 December 2022: RMB741,473,000). In addition, certain bank borrowings, other borrowings and lease liabilities totaling RMB28,692,181,000 (31 December 2022: RMB26,120,745,000) were secured by the rights on certain accounts receivable amounted to RMB4,828,394,000 (31 December 2022: RMB3,467,887,000).

CONTINGENT LIABILITIES

As at 30 June 2023, the Group had no material contingent liabilities.

Management's Discussion and Analysis

RISK MANAGEMENT

Risk management provides strong support and basic guarantee for the high-quality and sustainable development of the Group. The Group has implemented all-rounded risk management and has established a systematic and comprehensive risk management mechanism and internal control system. Furthermore, the Group has established a comprehensive risk management structure covering the governing body, the management and internal audit, which promotes risk management responsibilities to all employees and the entire business system. 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, borrowings from related parties as well as cash and cash equivalents, the Group's assets and liabilities are mainly denominated in RMB. The Group held borrowings denominated in Japanese Yen ("**JPY**") and United States Dollars ("**USD**") during the period. Volatility of RMB exchange rate against JPY and USD may increase the exchange risks of the Group, thus affecting its financial position and operating results. As at 30 June 2023, the Group's borrowings denominated in foreign currencies amounted to RMB709,660,000 (31 December 2022: RMB702,940,000), which accounted for 0.58% (31 December 2022: 0.60%) of the total debts of the Group.

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

Funding Risks

With the Group's strengthened efforts in developing all kinds of new energy and innovative technology projects, funding adequacy has become an important issue for the Group. The financing market is affected by a number of factors such as the liquidity of the lending market, interest rates and the economic environment, which in turn may also affect the effectiveness and costs of the Group's borrowing. Last year, the Group obtained financing from SPIC in the form of perpetual debt instruments, which has significantly increased its financial resources. In addition, 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 2023, the Group had sufficient available unutilized financing facilities amounting to RMB24,937,615,000 and will refinance and restructure the existing loan terms when appropriate to safeguard against funding risks.

Management's Discussion and Analysis

Risks of Policy Changes

Impact on coal-fired power business

During the period, the National Development and Reform Commission held a special press conference on stabilization of prices, at which it was proposed that all means should be sought to stabilize the price of energy and other commodities with coal as an anchor. It aimed to limit the market prices of coal within a reasonable range by innovating and improving the market price formation mechanism for coal, proposing a reasonable range of market prices for coal, clarifying the criteria for determining price gouging behavior in the coal industry and expediting the release of advanced coal production capacity. A stable coal price would lay a solid foundation for stabilizing power tariff and energy consumption cost. This policy is conducive to stabilizing coal price, and hence will drive the development of the Group's coal-fired power business with a positive effect on the profitability of the thermal power segment.

Impact on energy storage business

The National Energy Administration issued the "Technical Guidelines on Planning of Developing Novel Energy Storage for Power Transmission by New Energy Bases (《新能源基地送電配置新型儲能規劃技術導則》)" in June 2023. These guidelines have been used to guide the planning of developing novel energy storage for power transmission across provinces and districts by new energy bases. It affirmed that while novel energy storage would be primarily used for peak shaving and enhancing the reliability of power transmission of bases, it would also be considered for other purposes, including modulation of system frequency and backup in case of accident, based on the needs of dispatching and operation. Serving as a reference for works related to developing novel energy storage for other types of new energy projects, these guidelines have provided a strong support for planning and developing novel energy system and accelerating the establishment of a novel power system. In recent years, the Group has been actively expanding its energy storage business. Benefited from the continuous optimization of domestic policies relating to energy storage, the market continued to grow, which is conducive to the future development of the Group's energy storage business and will contribute a new source of profit growth.

SOCIAL AND ENVIRONMENTAL GOVERNANCE

Operational Safety

The Group set the goal of "zero serious injuries" and strived to enhance the production safety management capability of its management personnel. Focusing on the two main strategies of "strengthening supervision while putting safety standards in place and reinforcing the foundation before expanding construction", the Group took a multi-pronged approach to achieve steady improvement in production safety standards. During the period under review, the Company continued to organize training courses for production safety management officers and held production safety meetings on a regular basis, with a view to boosting the effectiveness of safety education and training. The Group pursued the standardized development of production safety for environmentally-friendly power stations and unified the production safety management standards of the environmentally-friendly power stations. By guiding relevant business units to "set, benchmark against, reach and create standards", the Group has established a standardized production safety system for environmentally-friendly power stations with its own characteristics. At the same time, it conducted inspections on production safety and environmental specific inspections at various power plants, and carried out spring inspection, flood control, fire prevention and other investigations and rectifications throughout the system. By adopting innovative means such as remote video surveillance, it monitored production safety of power plants and safety management at the sites of inspection, repair and technical upgrade, which helped curb major risks and potential safety hazards at an early stage.

Management's Discussion and Analysis

During the period under review, closely adhering to the decisions and deployment for production safety, the Company mapped out a number of key tasks in relation to supervision over safety, quality and environmental protection and took a 360-degree approach to promote steady improvement in production safety standards of China Power. In order to accomplish the annual mission and target of "zero serious injuries" in all aspects, the Group has distinguished and formulated various actions and measures to maintain controls as source, at the same time strengthening the foundation of essential safety. It commenced the standardized development of energy storage power stations and completed the compilation of the "Implementation Rules for Supervision of Energy Storage Technologies (《儲能技術監督實施細則》)", with a view to promoting the improvement of the level of production safety management of emerging industries.

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 Prevention and Control of Occupational Diseases Law of the People's Republic of China and other laws and regulations relating to safety and hygiene. It equipped employees with work equipment and labor protective gears in line with safety standards and organized various trainings on safety knowledge and safety skills, as well as emergency trainings and drills.

The "three standards" Quality, Occupational Health and Safety, and Environment (QHSE) management system established by the Group maintained stable implementation and complied with international standards, which played an important role in enhancing management and implementing transformational development.

In the first half of 2023, there had been no material accidents in relation to employees, facilities and environmental protection of the Group.

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

Human Resources

The Group has placed great emphasis on the establishment of the performance appraisal, rewarding and punishment mechanism for all employees. It determines the emoluments of its directors and employees based on their respective performance, working experience, duties of the position, the remuneration system of the Company's parent company and prevailing market conditions. In addition, the Group has implemented an incentive policy that links emoluments with overall business performance. Moreover, the Company has adopted a share incentive scheme in June 2022 with an objective to effectively attract, motivate and retain core backbone employees of the Company to support the Company's strategic transformation and long-term development.

The Group has also attached great importance to the learning and training of employees and to the communication 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 2023, the Group had a total of 10,636 (2022: 10,928) full-time employees.

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

Management's Discussion and Analysis

Stakeholder Engagement

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

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 further pressed ahead with clean energy development, optimized the operation of various power plants, actively carried out optimization for carbon reduction and efficiency enhancement, and continuously promoted the orderly elimination of traditional coal-fired power generating units with lagging production capacity or carried out energy-saving upgrades and transformation.

In recent years, the Company pays high regards to works relating to environmental, social and governance ("**ESG**") matters and devoted consistent efforts in enhancing the ESG management standards. During the period under review, the Company was ranked on the list of "Top 100 ESG Pioneer Among Listed Companies in China (中國ESG上市公司先鋒100)" and was awarded the title of "Leading Listed Company in terms of ESG Development (上市公司ESG發展領先者)".

In April 2023, the Group established the Strategic and Sustainable Development Committee for optimizing the management structure of the Company's ESG matters. The Company integrated its strategic vision with sustainable development, and further promoted the integration of ESG concepts into the Group's production, operation and corporate culture. The Strategic and Sustainable Development Committee will take over the role of overseeing the ESG-related matters of the Group. The Strategic and Sustainable Development Committee will be responsible for reviewing and evaluating the Group's plans, policies, practices, opportunities and risks in relation to its strategic and sustainable development, and make recommendation to the Board in this regard.

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, tackle 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. Against the current backdrop, we have further comprehended the general requirements of the "Dual Carbon Goals" and integrated climate issues into our overall corporate strategy. With reference to the two disclosure standards of "Sustainability Disclosure Standards of IFRS 1 – General Requirements for Disclosure of Sustainability-Related Financial Information" and "Sustainability Disclosure Standards of IFRS 2 – Climate-Related Disclosures" which were formally issued by the International Sustainability Standards Board (ISSB) in June 2023, we would continue to further improve our environmental and climate governance system based on the recommendations of the TCFD to combat climate change with our best efforts.

The Company published its latest Sustainability Report in April 2023. The report identified and analyzed corporate climate risks in line with the "Climate-related Risks, Opportunities and Financial Impacts" framework put forward by the TCFD and highlighted the Group's efforts in maintaining sustainable growth.

Management's Discussion and Analysis

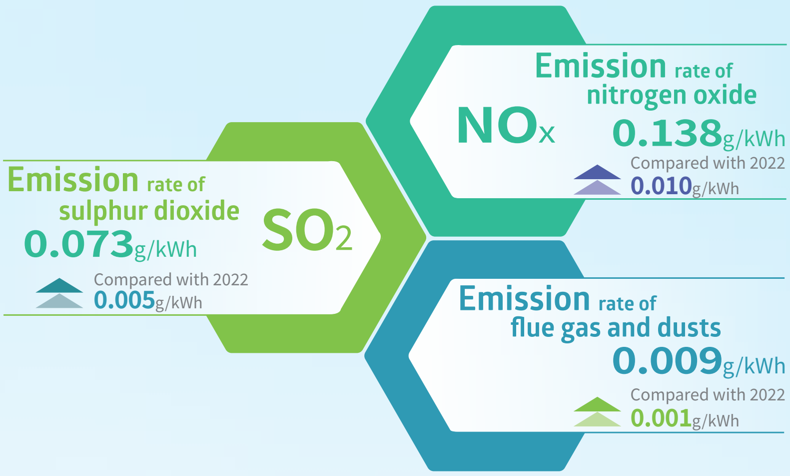
Energy Saving and Emissions Reduction

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

For the first half of 2023, the net coal consumption rate of the Group was 298.47g/kWh, representing a slight decrease of 2.48g/kWh as compared with the corresponding period last year. Benefitted from the optimization of the power generation structure, and the completion of the energy-saving transformation projects of various power generating units, the net coal consumption was lowered effectively.

For the first half of 2023, the operational ratio of desulphurization facilities for the coal-fired power generating units of the Group was 100% (2022: 100%), and the efficiency ratio of desulphurization reached 99.45% (2022: 99.42%); while the operational ratio of denitration facilities was 100% (2022: 100%) and the efficiency ratio of denitration reached 89.16% (2022: 90.27%).

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



Due to the Coal-fired Power Disposal (i.e. the disposal of Yaomeng Power Plant and Dabieshan Power Plant) with relatively lower emission rate, the average value of environmental protection indicators has increased.

During the period under review, the Group carried out transformation at a number of power plants to enhance efficiency and save energy. For instance, Pingwei Power Plant completed the energy-saving optimization and transformation of the vacuum system of condenser of one of the power generating units. Wuhu Power Plant completed the energy-saving upgrade of the compressed air conveying system. Shangqiu Power Plant completed the sealing transformation of one of the air pre-heaters. All of which would reduce the amount of coal consumed and hence lower the coal consumption of the transformed power generating units.

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

Management's Discussion and Analysis

OUTLOOK FOR THE SECOND HALF OF 2023

In the second half of the year, the Company will firmly adhere to the annual operation and development goals and spare no efforts in ensuring the achievement of all missions and targets comprehensively in this year for forging ahead its strategic transformation by focusing on priorities and key tasks, addressing inadequacies and shoring up points of weakness, catching up schedules and achieving outstanding results, with a focus on the following tasks:

Continuously optimizing asset structure with a focus on further enhancement of operation efficiency. The acquisition of high-quality clean energy assets involved in the Acquisitions (for details, please refer to the announcement of the Company dated 26 July 2023) will further enhance the asset structure of the Company, firmly promote the implementation of the Company's new development strategy of transforming itself into a leading clean and low-carbon energy provider and represent a frog-leap step towards its strategic goal. Upon completion of the Acquisitions, it is expected that the proportion of the Company's installed capacity of clean energy will increase by approximately 6.9 percentage points. The Company will vigorously promote the development and commencement of operation of quality clean energy and strive to proceed the Acquisitions to completion as soon as possible within this year, which is expected to further improve the results and earnings per share of the Company.

Optimizing the development layout while accelerating the implementation of key projects. The Company will promote the rapid implementation of large-scale new energy base projects and the two types of "integrated" projects (i.e. integrated source-grid-load-and-storage project and integrated multi-energy complementary project). An integrated intelligent zero-carbon power plant will be established with pooled management achieved through "load-side management + distributed power source + energy storage". The Company will also fully leverage the function of the green power conversion and development center and make use of its internal and external resources to track the progress of green power conversion projects on a continuous basis and practically steer the implementation of the first batch of these integrated projects.

Strengthening the top-level design of scientific research to unlock greater values of the emerging energy industries and technological innovation. The Company will step up its efforts in the research and development of advanced technologies to push forward the progress of electrochemical energy storage and compressed air energy storage projects in full steam, whilst actively applying for establishment of demonstration pilot projects of novel energy storage with the National Energy Administration. We will carry on developing the organization system of scientific research, and complete the collaborative works in relation to the establishment of green energy and low-carbon technology research institutes, endeavoring to achieve groundbreaking success in the application of nation-level scientific research projects in the coming future. We will also accelerate the expansion in emerging industries and markets by driving companies in the emerging energy industries such as Xinyuan Jingwu to quickly lock in their first batch of users and resources, so as to ensure its long-term contribution to the profits of the Group.

Exploring opportunities for international development and leveraging on overseas investment and financing. Keeping abreast of the global trend of energy reform, the Group will capitalize on its advantages in technological innovation and development of clean energy and give play to its edges in overseas investment and financing as a red chip company to develop or acquire quality green power projects in certain key regional markets, such as Asia, Europe and Latin America, as and when appropriate, striving to push forward the development of emerging industries of green energy including energy storage and green power transportation overseas in full force. The Group will continue to intensify its efforts in the cultivation of international talents and establish a new international business and talent support center to secure a talent pool for its overseas projects and guarantee large-scale development of overseas green power industries, so as to expand the brand influence of the Company abroad.

The Group will continue to optimize its path of transformation and development, stay committed to green, innovative and high-quality development and accelerate the pace to become a "World-class Green and Low-carbon Energy Provider" in full steam, and create greater value for all shareholders and other stakeholders.

Corporate Governance

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

The Group's corporate governance practices have been fully disclosed in the "Corporate Governance Report" of the Company's annual report 2022. The Company has complied with all the applicable provisions of the Corporate Governance Code (the "**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 2023.

STRATEGIC AND SUSTAINABLE DEVELOPMENT COMMITTEE

On 12 April 2023, the Company established the Strategic and Sustainable Development Committee (the "**SSDC**") to optimize the environment, social and governance ("**ESG**") management structure of the Company. The terms of reference of the SSDC has been published on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). Its major duties include reviewing, assessing and making recommendations to the Board on the plans, policies, practices, opportunities and risks related to the Group's strategic and sustainable development which consider, review and make recommendations to the Board on the ESG objectives, strategies, targets and management policies for the sustainable development of the Group; review and assess the adequacy and effectiveness of the management framework for ESG-related matters. For details, please refer to the Company's announcements dated 12 April 2023.

BOARD OF DIRECTORS

As at 30 June 2023, our Board comprises a total of seven Directors, as follows:

Executive Directors	**Non-executive Directors**	**Independent non-executive Directors**
Mr. HE Xi *(Chairman of the Board)*	Mr. ZHOU Jie	Mr. LI Fang
Mr. GAO Ping *(President)*	Ms. HUANG Qinghua	Mr. YAU Ka Chi
		Mr. HUI Hon Chung, Stanley

The appointment of Ms. HUANG Qinghua as a non-executive Director to succeed Mr. XU Zuyong who retired from the position was approved by the shareholders and became effective upon the conclusion of the annual general meeting of the Company held on 8 June 2023.

Mr. HE Xi, Mr. GAO Ping, Mr. ZHOU Jie, Mr. LI Fang and Mr. YAU Ka Chi have been appointed as the members of the newly established SSDC, with Mr. HE Xi being the committee's chairman.

Mr. HUI Hon Chung, Stanley retired as an independent non-executive director of Guangzhou Baiyun International Airport Co., Ltd, a company listed on the Shanghai Stock Exchange with effect from 16 February 2023. Mr. HUI also retired as a member of the 13th session of National Committee of the Chinese People's Political Consultative Conference with effect from 10 March 2023.

Corporate Governance

Save as disclosed above, there is no other updated information of the Directors that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the Company's annual report 2022 to the date of this Report.

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 2023.

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 2023.

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 2023, and the "Independent Review Report" is set out on page 31.

RISK MANAGEMENT AND INTERNAL CONTROL

For the six months ended 30 June 2023, the Company has strictly complied with the relevant provisions of the CG Code regarding risk management and internal control. We have carried out major works in this respect during the period, which specifically included:

Further improving the internal audit policies and systems. With a focus on our economic responsibilities, we developed the audit of economic responsibilities in an orderly manner to put emphasis on key areas and promoted various specific tasks by relying on the "audit + post-evaluation" mode. We also enhanced the audit rectification mechanism, with an aim to increase the effectiveness of audit and expand the scope of utilization of the audit findings, hence realizing closed-loop accountability management of audit. In addition, we vigorously promoted refined management throughout the whole process of audit projects. Advanced planning was made to optimize the allocation of audit resources, improve the audit procedures, further regulate sound audit behaviors and habits and strengthen the quality control over the processes.

Optimizing the risk management and control mechanism. While persisting on implementing the timely reporting mechanism for risk management, we practically carried out analysis and research on the overall risks to identify major risks of the Group for year 2023. We also tracked the progress of the prevention and control measures implemented, so as to comprehensively eliminate or minimize the possible risks and reinforce the division of responsibilities for effective follow-up, hence safeguarding the development of the Group. Subsequent to the establishment of the SSDC under the Board in April 2023 that took over the role of overseeing the ESG-related matters of the Group, which was previously performed by the Risk Management Committee (the "**RMC**"), the Sustainability Working Committee was reassigned from RMC to the SSDC accordingly, and consequential amendments have been made to the terms of reference of the RMC. For details, please refer to the announcement of the Company dated 12 April 2023. In response to the above, we have revised the internal "Working Manual for the Risk Management Committee" accordingly.

Corporate Governance

Conducting internal control assessment on transformation and development projects. For some of the representative business units designated in our transformation and development strategy, we have conducted specific supervision and assessment on their transformation and development. We have also optimized the utilization mechanism for assessment results of internal control to give play to its effects in multiple aspects including risk prevention and control, management consultation, and assessment and supervision.

Enhancing the decision-making standards for investment projects. Firstly, we have completed the risk assessment review of each investment project at the investment-decision meetings, during which we analyzed the existing risks and recommended responsive measures for the projects, thereby effectively managing the risks regarding our major investment decisions. Secondly, we have completed the issuance of the opinion letters for post-evaluation of projects for year 2022 and started to implement projects in respect of our post-evaluation plans for year 2023. We continued to implement closed-loop risk management for investment projects and updated the dynamic management ledgers on a monthly basis. We also analyzed and tracked the responsive measures for risks arising from each investment project and the implementation progress thereof regularly with risk alerts being issued as and when appropriate. Feedback on the results of post-investment evaluation and calculation of financial efficiency indexes were provided to the Executive Committee in a timely manner, in an effort to enhance the decision-making standards of investment projects in the future.

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 2023, each of the relevant companies of the Group had strictly monitored the agreed prices and terms of the various continuing connected transactions in the actual course of business operations, hence none of the transactions exceeded the relevant annual caps as disclosed.

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 popular financial media platforms in China and the Company's website at www.chinapower.hk, the annual and interim reports, the announcements on the Group's electricity sold and other announcements on the Group's key business development and corporate activities.

In the first half of 2023, the Group organized a press conference immediately after the publication of its annual results 2022. At the same time, we also launched several roadshows in Hong Kong and Mainland China 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 550 personnel from investment institutions, and maintained the exchange activities of answering telephone consultations from investors and actively responded to investors' emails enquiries.

SHARE INCENTIVE SCHEME

A share option incentive scheme was approved by the shareholders of the Company at an extraordinary general meeting held on 15 June 2022 (the "**Share Incentive Scheme**"). The Share Incentive Scheme aims at (i) further improving the governance structure of the Company, and establishing and improving the balance of interests mechanism between its employees, shareholders, investors and the Company; (ii) establishing a benefit sharing and risk sharing mechanism among shareholders, the Company and its employees to enhance the Company's performance and long-term stable development; and (iii) effectively attracting, motivating and retaining the core backbone employees of the Company to support the Company's strategic transformation and long-term development. The principal terms of the Share Incentive Scheme are summarized in the 2022 annual report.

Corporate Governance

Movements of the share options granted under the Share Incentive Scheme for the six months ended 30 June 2023 are as follows:

Name or category of grantees	Date of grant	Exercise price (HK$)	Exercise period (from date of grant)	As at 1 January 2023	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	As at 30 June 2023
Directors									
HE Xi	5 July 2022	4.82	72 months	1,100,000	-	-	-	-	1,100,000
GAO Ping	5 July 2022	4.82	72 months	1,100,000	-	-	-	-	1,100,000
Other Employees									
	5 July 2022	4.82	72 months	82,390,000	-	-	-	-	82,390,000
	20 July 2022	4.90	72 months	18,590,000	-	-	-	-	18,590,000

As at 30 June 2023, the total number of shares in respect of which may be issued upon exercise of all share options to be granted under the Share Incentive Scheme was 8,531,100 shares, representing approximately 0.07% of the number of the existing issued shares of the Company. Details of the movement in share options of the Company during the six months ended 30 June 2023 are set out in Note 18 to the Interim Condensed Consolidated Financial Statements.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2023, the following Directors have the following interest in the shares of the Company:

Name	Capacity	Number of shares in which interested other than under equity derivatives	Percentage of issued share capital of the Company (%)	Long/short position
HE Xi	Beneficial owner	1,100,000	0.009	Long
GAO Ping	Beneficial owner	1,100,000	0.009	Long

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

Corporate Governance

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2023, 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	21.52	Long
China Power (New Energy) Holdings Limited ("**CPNE**")	Beneficial owner	1,664,910,662	13.46	Long
China Power International Holding Limited ("**CPI Holding**")[1]	Interest of controlled corporations	4,326,910,662	34.98	Long
	Beneficial owner	2,833,518,060	22.91	Long
SPIC International Finance (Hong Kong) Company Limited ("**SPIC Finance HK**")	Beneficial owner	392,275,453	3.17	Long
State Power Investment Corporation Limited ("**SPIC**")[2]	Interest of controlled corporations	7,552,704,175	61.06	Long

Notes:

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

(2) SPIC is the beneficial owner of CPI Holding 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, CPNE 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 2023.

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 32 to 74, 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 2023 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
24 August 2023

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2023

	Notes	Six months ended 30 June 2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Revenue	3	**21,317,030**	20,305,157
Other income	4	**563,467**	275,032
Fuel costs		**(8,473,766)**	(10,244,732)
Depreciation		**(4,129,483)**	(3,672,126)
Staff costs		**(1,487,955)**	(1,318,046)
Repairs and maintenance		**(356,099)**	(328,904)
Subcontracting costs		**(312,837)**	(58,313)
Cost of sales of energy storage equipment		**(1,232,510)**	–
Consumables		**(244,261)**	(184,311)
Other gains and losses, net	5	**188,801**	293,817
Other operating expenses	6	**(1,353,971)**	(1,050,924)
Operating profit	7	**4,478,416**	4,016,650
Finance income	8	**175,497**	90,833
Finance costs	8	**(1,986,918)**	(2,137,952)
Share of results of associates		**250,773**	(71,178)
Share of results of joint ventures		**61,891**	(7,689)
Profit before taxation		**2,979,659**	1,890,664
Income tax expense	9	**(430,088)**	(460,237)
Profit for the period		**2,549,571**	1,430,427
Attributable to:			
Ordinary shareholders of the Company		**1,679,854**	783,676
Other equity instruments' holders		**169,799**	66,205
Non-controlling interests		**699,918**	580,546
		2,549,571	1,430,427
Earnings per share for profit attributable to ordinary shareholders of the Company (expressed in RMB per share)			
– Basic	10	**0.14**	0.07
– Diluted	10	**0.14**	0.07

The notes on pages 39 to 74 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 2023

	Note	Six months ended 30 June 2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Profit for the period		**2,549,571**	1,430,427
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Fair value gain/(loss) on equity instruments at fair value through other comprehensive income ("FVTOCI"), net of tax	13	**189,291**	(680,493)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**–**	(276)
Fair value gain/(loss) on debt instruments at FVTOCI, net of tax		**1,143**	(1,119)
Other comprehensive income/(loss) for the period, net of tax		**190,434**	(681,888)
Total comprehensive income for the period		**2,740,005**	748,539
Attributable to:			
Ordinary shareholders of the Company		**1,873,052**	108,235
Other equity instruments' holders		**169,799**	66,205
Non-controlling interests		**697,154**	574,099
Total comprehensive income for the period		**2,740,005**	748,539

The notes on pages 39 to 74 are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	12	147,082,747	142,306,292
Right-of-use assets	12	6,931,348	6,893,878
Prepayments for construction of power plants	12	4,636,541	4,951,116
Goodwill		832,388	832,388
Other intangible assets		8,047,846	8,286,390
Interests in associates		6,095,870	5,455,182
Interests in joint ventures		1,307,635	1,201,014
Equity instruments at FVTOCI	13	4,384,055	4,131,667
Deferred income tax assets		405,261	288,300
Restricted deposits		18,711	18,711
Other non-current assets	14	5,817,539	6,154,281
		185,559,941	180,519,219
Current assets			
Inventories		1,329,924	1,091,344
Accounts receivable	15	15,879,275	12,634,771
Prepayments, deposits and other receivables		7,047,781	6,594,392
Amounts due from related parties	28(c)	4,206,593	6,098,185
Tax recoverable		42,154	70,738
Debt instruments at FVTOCI	16	51,576	108,972
Restricted deposits		32,520	59,244
Cash and cash equivalents		8,122,121	4,228,099
		36,711,944	30,885,745
Total assets		222,271,885	211,404,964
EQUITY			
Equity attributable to ordinary shareholders of the Company			
Share capital	17	24,508,986	24,508,986
Reserves	19	14,353,852	13,820,378
		38,862,838	38,329,364
Other equity instruments		11,689,296	8,639,281
Non-controlling interests		23,945,714	21,621,460
Total equity		74,497,848	68,590,105

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
LIABILITIES			
Non-current liabilities			
Deferred income		38,555	35,625
Bank borrowings	20	68,034,985	62,212,186
Borrowings from related parties	21	11,013,939	10,415,324
Other borrowings	22	14,158,987	16,811,531
Lease liabilities	23	2,993,281	3,189,645
Deferred income tax liabilities		2,361,039	2,275,328
Provisions for other long-term liabilities	24	1,863,503	1,866,003
Other non-current liabilities		64,920	84,183
		100,529,209	96,889,825
Current liabilities			
Accounts and bills payables	25	3,609,335	2,566,171
Construction costs payable		11,302,393	11,990,216
Other payables and accrued charges		4,406,351	3,607,678
Amounts due to related parties	28(c)	1,824,294	3,412,795
Bank borrowings	20	18,135,692	16,726,791
Borrowings from related parties	21	4,951,874	4,718,980
Other borrowings	22	2,145,400	2,015,000
Lease liabilities	23	425,180	517,007
Tax payable		444,309	370,396
		47,244,828	45,925,034
Total liabilities		147,774,037	142,814,859
Total equity and liabilities		222,271,885	211,404,964
Net current liabilities		10,532,884	15,039,289
Total assets less current liabilities		175,027,057	165,479,930

The notes on pages 39 to 74 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 2023

	Attributable to ordinary shareholders of the Company						
	Share capital (Note 17) RMB'000	Other reserves (Note 19) RMB'000	Retained earnings (Note 19) RMB'000	Sub-total RMB'000	Other equity instruments RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023 (audited)	24,508,986	6,732,799	7,087,579	38,329,364	8,639,281	21,621,460	68,590,105
Profit for the period	–	–	1,679,854	1,679,854	169,799	699,918	2,549,571
Other comprehensive income for the period:							
Fair value gain/(loss) on equity instruments at FVTOCI, net of tax	–	192,160	–	192,160	–	(2,869)	189,291
Fair value loss on debt instruments at FVTOCI, net of tax	–	(176)	–	(176)	–	(90)	(266)
Release on derecognition of debt instruments at FVTOCI, net of tax	–	1,214	–	1,214	–	195	1,409
Total comprehensive income for the period	–	193,198	1,679,854	1,873,052	169,799	697,154	2,740,005
Issuance of perpetual debts	–	–	–	–	2,967,300	–	2,967,300
Share-based payment expenses	–	21,139	–	21,139	–	–	21,139
Appropriation of safety production funds	–	77,275	(77,275)	–	–	–	–
Share of changes of reserves of associates and joint ventures	–	18,195	(18,195)	–	–	–	–
Capital injections from non-controlling shareholders of subsidiaries	–	–	–	–	–	2,090,025	2,090,025
Distributions to holders of other equity instruments	–	–	–	–	(87,084)	–	(87,084)
Dividends paid to non-controlling interests	–	–	–	–	–	(462,925)	(462,925)
2022 final dividend (Note 11)	–	–	(1,360,717)	(1,360,717)	–	–	(1,360,717)
Total transactions recognized directly in equity	–	116,609	(1,456,187)	(1,339,578)	2,880,216	1,627,100	3,167,738
At 30 June 2023 (unaudited)	24,508,986	7,042,606	7,311,246	38,862,838	11,689,296	23,945,714	74,497,848

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to ordinary shareholders of the Company						
	Share capital (Note 17) RMB'000	Other reserves (Note 19) RMB'000	Retained earnings (Note 19) RMB'000	Sub-total RMB'000	Other equity instruments RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2021 (audited)	20,418,001	7,074,468	5,316,837	32,809,306	2,997,600	16,077,891	51,884,797
Effect of application of Amendments to HKAS 16	–	–	245,562	245,562	–	246,324	491,886
At 1 January 2022 (restated)	20,418,001	7,074,468	5,562,399	33,054,868	2,997,600	16,324,215	52,376,683
Profit for the period	–	–	783,676	783,676	66,205	580,546	1,430,427
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)	783,676	108,235	66,205	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
Distributions to holders of other equity instruments	–	–	–	–	(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	(541,669)	(536,445)	(66,205)	198,528	(404,122)
At 30 June 2022 (unaudited)	20,418,001	6,404,251	5,804,406	32,626,658	2,997,600	17,096,842	52,721,100

The notes on pages 39 to 74 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 2023

	Note	Six months ended 30 June 2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Cash flows from operating activities			
Net cash generated from operating activities	30	**3,248,977**	6,625,423
Cash flows from investing activities			
Payments for property, plant and equipment, and right-of-use assets and prepayments for construction of power plants		**(9,021,161)**	(8,486,897)
Proceeds from disposal of property, plant and equipment		**–**	75
Net cash outflow on acquisitions of subsidiaries		**–**	(29,083)
Payments of consideration payable for acquisition of subsidiaries in prior year		**(750,975)**	–
Investments in associates and a joint venture		**(279,607)**	(44,840)
Capital injections to associates		**(183,068)**	–
Purchase of equity instruments at FVTOCI		**–**	(2,000)
Capital injection to an equity instrument at FVTOCI		**–**	(15,000)
Repayment from related parties		**2,502,433**	–
Dividend received		**32,295**	371
Interest received		**146,460**	55,836
Decrease in restricted deposits		**26,724**	2,391
Net cash used in investing activities		**(7,526,899)**	(8,519,147)
Cash flows from financing activities			
Drawdown of bank borrowings		**27,277,816**	30,434,259
Drawdown of borrowings from related parties		**4,806,199**	6,860,786
Drawdown of other borrowings		**588,564**	6,174,123
Capital injections from non-controlling shareholders of subsidiaries		**2,090,025**	346,101
Proceeds from disposal of equity interests in subsidiaries without loss of control		**–**	83,925
Issuance of perpetual debts		**2,967,300**	–
Repayment of bank borrowings		**(20,035,597)**	(26,945,435)
Repayment of borrowings from related parties		**(3,991,929)**	(5,597,746)
Repayment of other borrowings		**(3,110,708)**	(1,520,000)
Payments for lease liabilities		**(711,755)**	(342,173)
Dividend paid		**(1,384,828)**	(556,576)
Dividends paid to non-controlling interests		**(312,005)**	(233,315)
Net cash generated from financing activities		**8,183,082**	8,703,949
Net increase in cash and cash equivalents		**3,905,160**	6,810,225
Cash and cash equivalents at 1 January		**4,228,099**	1,766,632
Exchange (loss)/gain, net		**(11,138)**	2,605
Cash and cash equivalents at 30 June		**8,122,121**	8,579,462

The notes on pages 39 to 74 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 thermal 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 2023 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 2022 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 2022 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 2022 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 27.1. They are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated, and have been approved by the board of Directors (the "Board") on 24 August 2023.

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

Notes to the Interim Condensed Consolidated Financial Statements

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 2022, 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.

HKFRS 17 and Amendments to HKFRS 17	*Insurance Contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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

Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

Amendments to HKAS 12 narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognize a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have a material impact on the Group's interim condensed consolidated financial information.

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	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Types of goods or services:		
Sales of electricity to regional and provincial power grid companies (note (a))	19,648,035	20,154,790
Provision of power generation (note (b))	42,625	57,852
Energy storage revenue (note (c))	1,626,370	92,515
	21,317,030	20,305,157
Timing of revenue recognition:		
Goods - at a point in time	20,988,703	20,236,079
Services - over time	328,327	69,078
	21,317,030	20,305,157

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 income from the provision of power generation to other companies in the PRC which are calculated based on mutually agreed terms.

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

Segment information

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

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 2023 (unaudited)							
	Thermal power electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue								
Sales of electricity	11,707,393	1,482,497	3,976,089	2,482,056	–	19,648,035	–	19,648,035
Provision of power generation	3,673	–	2,697	36,255	–	42,625	–	42,625
Energy storage revenue	–	–	–	–	1,626,370	1,626,370	–	1,626,370
	11,711,066	1,482,497	3,978,786	2,518,311	1,626,370	21,317,030	–	21,317,030
Segment results	1,052,737	211,251	2,119,938	1,305,483	43,353	4,732,762	–	4,732,762
Unallocated income	–	–	–	–	–	–	190,099	190,099
Unallocated expenses	–	–	–	–	–	–	(444,445)	(444,445)
Operating profit/(loss)	1,052,737	211,251	2,119,938	1,305,483	43,353	4,732,762	(254,346)	4,478,416
Finance income	8,026	4,799	30,648	32,896	507	76,876	98,621	175,497
Finance costs	(407,074)	(412,625)	(648,828)	(483,716)	(7,194)	(1,959,437)	(27,481)	(1,986,918)
Share of results of associates	136,979	2,134	22,781	20,015	–	181,909	68,864	250,773
Share of results of joint ventures	(18,673)	–	67,022	2,475	–	50,824	11,067	61,891
Profit/(loss) before taxation	771,995	(194,441)	1,591,561	877,153	36,666	3,082,934	(103,275)	2,979,659
Income tax (expense)/credit	(210,277)	47,578	(138,201)	(102,100)	(1,581)	(404,581)	(25,507)	(430,088)
Profit/(loss) for the period	561,718	(146,863)	1,453,360	775,053	35,085	2,678,353	(128,782)	2,549,571
Other segment information								
Capital expenditure								
– Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	290,305	230,959	3,172,473	4,133,843	576,215	8,403,795	228,302	8,632,097
Depreciation of property, plant and equipment	887,723	787,380	1,378,528	841,273	264	3,895,168	22,627	3,917,795
Depreciation of right-of-use assets	53,714	26,160	11,313	92,809	1,150	185,146	26,542	211,688
Amortization of other intangible assets	101,108	–	94,559	42,877	–	238,544	–	238,544
Loss on disposal of property, plant and equipment, net	–	301	393	–	–	694	–	694
Reversal of impairment of other receivables	–	–	–	–	–	–	(780)	(780)

Notes to the Interim Condensed Consolidated Financial Statements

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

	As at 30 June 2023 (unaudited)							
	Thermal power electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment assets								
Other segment assets	41,902,924	39,405,145	62,901,682	52,229,134	3,383,318	199,822,203	-	199,822,203
Goodwill	-	585,751	-	246,637	-	832,388	-	832,388
Interests in associates	2,583,513	26,064	1,002,605	297,758	-	3,909,940	2,185,930	6,095,870
Interests in joint ventures	110,364	-	711,689	92,128	-	914,181	393,454	1,307,635
	44,596,801	40,016,960	64,615,976	52,865,657	3,383,318	205,478,712	2,579,384	208,058,096
Equity instruments at FVTOCI	-	-	-	-	-	-	4,384,055	4,384,055
Deferred income tax assets	-	-	-	-	-	-	405,261	405,261
Other unallocated assets	-	-	-	-	-	-	9,424,473	9,424,473
Total assets per interim condensed consolidated statement of financial position	44,596,801	40,016,960	64,615,976	52,865,657	3,383,318	205,478,712	16,793,173	222,271,885
Segment liabilities								
Other segment liabilities	(4,878,806)	(4,035,482)	(5,825,581)	(6,640,333)	(2,421,064)	(23,801,266)	-	(23,801,266)
Borrowings	(22,659,725)	(25,656,535)	(37,044,726)	(30,875,930)	(823,024)	(117,059,940)	(1,380,937)	(118,440,877)
	(27,538,531)	(29,692,017)	(42,870,307)	(37,516,263)	(3,244,088)	(140,861,206)	(1,380,937)	(142,242,143)
Deferred income tax liabilities	-	-	-	-	-	-	(2,361,039)	(2,361,039)
Tax payable	-	-	-	-	-	-	(444,309)	(444,309)
Other unallocated liabilities	-	-	-	-	-	-	(2,726,546)	(2,726,546)
Total liabilities per interim condensed consolidated statement of financial position	(27,538,531)	(29,692,017)	(42,870,307)	(37,516,263)	(3,244,088)	(140,861,206)	(6,912,831)	(147,774,037)

Notes to the Interim Condensed Consolidated Financial Statements

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information *(Continued)*

	Six months ended 30 June 2022 (unaudited)							
	Thermal power electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue								
Sales of electricity	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 31 December 2022 (audited)							
	Thermal power electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Segment assets								
Other segment assets	42,122,040	38,240,726	62,274,898	46,349,727	2,177,820	191,165,211	–	191,165,211
Goodwill	–	585,751	–	246,637	–	832,388	–	832,388
Interests in associates	2,243,623	23,930	781,586	422,586	–	3,471,725	1,983,457	5,455,182
Interests in joint ventures	129,037	–	644,667	39,653	–	813,357	387,657	1,201,014
	44,494,700	38,850,407	63,701,151	47,058,603	2,177,820	196,282,681	2,371,114	198,653,795
Equity instruments at FVTOCI	–	–	–	–	–	–	4,131,667	4,131,667
Deferred income tax assets	–	–	–	–	–	–	288,300	288,300
Other unallocated assets	–	–	–	–	–	–	8,331,202	8,331,202
Total assets per interim condensed consolidated statement of financial position	44,494,700	38,850,407	63,701,151	47,058,603	2,177,820	196,282,681	15,122,283	211,404,964
Segment liabilities								
Other segment liabilities	(5,525,298)	(3,963,718)	(5,963,257)	(7,528,845)	(1,072,052)	(24,053,170)	–	(24,053,170)
Borrowings	(24,813,007)	(24,377,720)	(34,800,167)	(25,843,726)	(779,432)	(110,614,052)	(2,285,760)	(112,899,812)
	(30,338,305)	(28,341,438)	(40,763,424)	(33,372,571)	(1,851,484)	(134,667,222)	(2,285,760)	(136,952,982)
Deferred income tax liabilities	–	–	–	–	–	–	(2,275,328)	(2,275,328)
Tax payable	–	–	–	–	–	–	(370,396)	(370,396)
Other unallocated liabilities	–	–	–	–	–	–	(3,216,153)	(3,216,153)
Total liabilities per interim condensed consolidated statement of financial position	(30,338,305)	(28,341,438)	(40,763,424)	(33,372,571)	(1,851,484)	(134,667,222)	(8,147,637)	(142,814,859)

Notes to the Interim Condensed Consolidated Financial Statements

4. OTHER INCOME

	Six months ended 30 June	
	2023 **RMB'000** **(unaudited)**	2022 RMB'000 (unaudited)
Rental income	**16,247**	8,872
Income from provision of repairs and maintenance services	**64,676**	28,536
Dividend income	**21,827**	–
Income from provision of IT and other services	**288,451**	237,624
Waste treatment income	**160,789**	–
Others	**11,477**	–
	563,467	275,032

5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2023 **RMB'000** **(unaudited)**	2022 RMB'000 (unaudited)
Amortization of deferred income	**1,679**	1,149
Government subsidies	**58,303**	100,117
(Loss)/gain on disposal of property, plant and equipment, net	**(694)**	67
Sales of unused power production quota	**–**	46,556
Profits on sales of heat, trading of coal, coal by-products, spare parts and others	**72,387**	115,669
Others	**57,126**	30,259
	188,801	293,817

6. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2023 **RMB'000** **(unaudited)**	2022 RMB'000 (unaudited)
Amortization of other intangible assets	**238,544**	27,439
Research and development expenses	**18,794**	14,190
Lease expenses	**32,817**	25,285
Reversal of impairment of an amount due from a joint venture and other receivables	**(780)**	(34,600)
Reservoir maintenance and usage fees	**40,366**	38,456
Administrative and selling related expenses	**208,079**	216,140
Taxes other than income tax and surcharges	**154,509**	165,438
Power and heat generation costs	**385,023**	379,107
Others	**276,619**	219,469
	1,353,971	1,050,924

Notes to the Interim Condensed Consolidated Financial Statements

7. OPERATING PROFIT

Operating profit is stated after charging the following:

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Amortization of other intangible assets	**238,544**	27,439
Depreciation:		
– Property, plant and equipment	**3,917,795**	3,489,212
– Right-of-use assets	**211,688**	182,914
Lease expenses:		
– Equipment	**12,194**	7,231
– Leasehold land and buildings	**20,623**	18,054
Key management personnel compensation (Note 28(e))	**8,819**	6,074

8. FINANCE INCOME AND FINANCE COSTS

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Finance income		
Interest income from bank deposits	**29,420**	30,387
Interest income from related parties (Note 28(a))	**97,101**	37,447
Interest income from discounting effect on clean energy power price premium receivable (Note 15(b))	**48,976**	22,999
	175,497	90,833
Finance costs		
Interest expense on		
– bank borrowings	**1,383,546**	1,706,422
– borrowings from related parties (Note 28(b))	**312,850**	269,049
– other borrowings	**206,118**	152,630
– amounts due to related parties (Note 28(b))	**1,338**	1,567
– lease liabilities	**73,159**	66,602
– provisions for other long-term liabilities (Note 24)	**52,026**	52,044
	2,029,037	2,248,314
Less: amounts capitalized in property, plant and equipment	**(84,086)**	(87,191)
	1,944,951	2,161,123
Exchange loss/(gain), net	**41,967**	(23,171)
	1,986,918	2,137,952

The weighted average interest rate on capitalized borrowings is approximately 3.75% (2022: 3.93%) 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 2023 (2022: Nil).

The provision for PRC enterprise income tax is calculated based on the statutory tax rate of 25% (2022: 25%) on the estimated assessable profits for the six months ended 30 June 2023 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% (2022: 7.5%, 12.5%, 15% or 20%).

The amount of income tax recognized represents:

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
PRC enterprise income tax		
Charge for the period	**517,652**	475,917
Under provision in prior years	**7,164**	3,058
	524,816	478,975
Deferred income tax		
Credit for the period	**(94,728)**	(18,738)
	430,088	460,237

Share of income tax charge attributable to associates and joint ventures for the six months ended 30 June 2023 of RMB34,893,000 (2022: credit of RMB17,573,000) and RMB7,275,000 (2022: credit of RMB10,813,000) were included in the Group's share of results of associates and joint ventures respectively for the current period.

Notes to the Interim Condensed Consolidated Financial Statements

10. EARNINGS PER SHARE

(a) Basic

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

	Six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Profit for the period attributable to ordinary shareholders of the Company (RMB'000)	**1,679,854**	783,676
Weighted average number of shares in issue (shares in thousands)	**12,370,151**	10,833,386
Basic earnings per share (RMB)	**0.14**	0.07

(b) Diluted

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

For the six months ended 30 June 2022, the dilutive earnings per share was same as basic earnings per share as there was no dilutive potential ordinary shares outstanding during that period.

11. DIVIDEND

During the six months ended 30 June 2023, a final dividend of RMB0.11 (equivalent to HK$0.1256) per ordinary share for the year ended 31 December 2022 (2022: final dividend of RMB0.05 (equivalent to HK$0.0616) per ordinary share for the year ended 31 December 2021) 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 2023 (2022: Nil).

Notes to the Interim Condensed Consolidated Financial Statements

12. CAPITAL EXPENDITURE

During the six months ended 30 June 2023, 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 RMB8,632,097,000 (2022: RMB8,155,033,000) in total. The Group acquired property, plant and equipment and made prepayments for construction of power plants which in aggregate amounted to RMB8,068,517,000 (2022: RMB8,045,306,000).

During the six months ended 30 June 2023, 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 RMB563,580,000 (2022: RMB109,727,000) and lease liabilities of RMB423,176,000 (2022: RMB96,660,000).

As at 30 June 2023, certain property, plant and equipment and right-of-use assets of the Group with carrying amounts of RMB2,393,838,000 (31 December 2022: RMB1,849,800,000) were pledged as security for certain long-term bank borrowings (Note 20(d)) and other borrowings (Note 22(b)) of the Group.

13. EQUITY INSTRUMENTS AT FVTOCI

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Unlisted equity investments in the PRC	471,398	495,112
Listed equity securities in the PRC		
– Shanghai Electric Power Co., Ltd. ("Shanghai Power")	3,912,657	3,636,555
	4,384,055	4,131,667

The fair value gain on equity instruments at FVTOCI (net of tax) for the six months ended 30 June 2023 of RMB189,291,000 (2022: loss of RMB680,493,000) was recognized in the interim condensed consolidated statement of comprehensive income.

Notes to the Interim Condensed Consolidated Financial Statements

14. OTHER NON-CURRENT ASSETS

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Deductible value-added tax and other taxes	3,159,013	2,844,592
Accounts receivable (Note 15)	2,390,059	2,402,163
Amounts due from related parties (Note 28(c))	–	600,000
Others (note)	268,467	307,526
	5,817,539	6,154,281

Note:

As at 30 June 2023, 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 RMB64,920,000 (31 December 2022: RMB75,798,000).

15. ACCOUNTS RECEIVABLE

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Accounts receivable from regional and provincial power grid companies (note (b))	17,240,754	14,228,449
Accounts receivable from other companies (note (b))	1,003,236	697,615
	18,243,990	14,926,064
Notes receivable (note (c))	25,344	110,870
	18,269,334	15,036,934
Analyzed for reporting purposes as:		
– Non-current (included in other non-current assets (Note 14)) (note (b))	2,390,059	2,402,163
– Current	15,879,275	12,634,771
	18,269,334	15,036,934

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 2023 and 31 December 2022 was insignificant.

Notes to the Interim Condensed Consolidated Financial Statements

15. ACCOUNTS RECEIVABLE (CONTINUED)

Notes: *(Continued)*

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

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Unbilled	2,390,059	2,402,163
1 to 3 months	15,853,931	12,523,901
	18,243,990	14,926,064

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 2023, accounts receivable from regional and provincial power grid companies included clean energy power price premium receivable of RMB2,390,059,000 (31 December 2022: RMB2,402,163,000), which was unbilled and was stated after discounting.

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

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

In February 2020, the MOF, the NDRC and the NEA jointly issued new guidelines and notices, i.e., Caijian [2020] No. 4 Guidelines on the Stable Development of Non-Water Renewable Energy Generation (關於促進非水可再生能源發電健康發展的若干意見) and Caijian [2020] No. 5 Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法) (collectively referred to as the "New Guidelines"). Pursuant to the New Guidelines, the quota of new subsidies is decided based on the scale of subsidy funds, there will not be any new Subsidy Catalogues to be published 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.

Notes to the Interim Condensed Consolidated Financial Statements

15. ACCOUNTS RECEIVABLE (CONTINUED)

Notes: *(Continued)*

(b) *(Continued)*

Based on the above New Guidelines and their past experience, the Directors estimated that there are no foreseeable obstacles that would lead to the application not being approved before entering into either the Subsidy Catalogues or the Subsidy List. It is expected that the Group's projects of wind, photovoltaic and waste-to-energy's power generation will be listed as qualified projects for tariff premium after 30 June 2024 (31 December 2022: after 31 December 2023) 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 2023, the respective clean energy power price premiums were adjusted for this financing component based on an effective interest rate of 3.71% (2022: 4.01%) per annum. During the current period, the Group's revenue was adjusted by RMB43,076,000 (2022: RMB53,906,000) and interest income amounting to RMB48,976,000 (2022: RMB22,999,000) (Note 8) was recognized.

(c) As at 30 June 2023, notes receivable were bank acceptance notes issued by third parties and were normally with a maturity period within 360 days (31 December 2022: 360 days).

(d) As at 30 June 2023, certain of the bank borrowings, other borrowings and lease liabilities (Notes 20(d), 22(b) and 23) (31 December 2022: certain of the bank borrowings, long-term borrowings from related parties, and lease liabilities) were secured by the rights on certain accounts receivable. The accounts receivable pledged under these debts as at 30 June 2023 amounted to RMB4,828,394,000 (31 December 2022: RMB3,467,887,000).

(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 2023, debt instruments at FVTOCI represented certain notes receivable issued by third parties and were normally with a maturity period within 360 days (31 December 2022: 360 days). For the six months ended 30 June 2023, notes receivable discounted and endorsed to banks, suppliers and related parties of RMB831,053,000, RMB179,620,000 and RMB2,000,000 (2022: RMB200,251,000, RMB215,322,000 and nil) respectively were derecognized by the Group.

17. SHARE CAPITAL

The total number of shares of the Company amounted to 12,370,150,983. There are no movements in the number of shares of the Company from 1 January to 30 June 2023.

Notes to the Interim Condensed Consolidated Financial Statements

18. SHARE OPTION SCHEME

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

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

During the current period, no share options granted under the Scheme were cancelled or exercised. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Notes to the Interim Condensed Consolidated Financial Statements

19. RESERVES

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

Notes to the Interim Condensed Consolidated Financial Statements

19. 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 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
Effect of application of Amendments to HKAS 16	–	–	–	–	–	–	–	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	–	–	–	–	–	–	–	783,676	783,676
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

Notes to the Interim Condensed Consolidated Financial Statements

20. BANK BORROWINGS

Bank borrowings are analyzed as follows:

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Non-current		
Long-term bank borrowings		
– Secured (note (d))	26,677,839	25,173,243
– Unsecured (note (e))	49,622,925	44,539,773
	76,300,764	69,713,016
Less: Current portion of long-term bank borrowings	(8,265,779)	(7,500,830)
	68,034,985	62,212,186
Current		
Short-term bank borrowings		
– Secured (note (d))	547,177	705,007
– Unsecured	9,322,736	8,520,954
Current portion of long-term bank borrowings	8,265,779	7,500,830
	18,135,692	16,726,791
	86,170,677	78,938,977

Notes:

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

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
RMB	85,937,920	78,695,701
Japanese Yen	232,757	243,276
	86,170,677	78,938,977

Notes to the Interim Condensed Consolidated Financial Statements

20. BANK BORROWINGS (CONTINUED)

Notes: *(Continued)*

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

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Within one year	**8,265,779**	7,500,830
Between one and two years	**6,587,260**	7,987,257
Between two and five years	**17,412,654**	17,368,948
Over five years	**44,035,071**	36,855,981
	76,300,764	69,713,016

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

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Short-term bank borrowings	**3.26%**	3.46%
Long-term bank borrowings (including current portion)	**3.87%**	4.07%

(d) As at 30 June 2023 and 31 December 2022, the bank borrowings of the Group are secured as follows:

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Secured by the equity of a non-controlling shareholder of a subsidiary	**169,240**	169,240
Secured by certain property, plant and equipment and right-of-use assets (Note 12)	**886,704**	741,473
Secured against the rights on certain accounts receivable (Note 15(d))	**26,169,072**	24,967,537

(e) As at 30 June 2023, bank borrowings amounting to RMB232,757,000 (31 December 2022: RMB243,276,000) were guaranteed by Hunan Provincial Finance Bureau.

Notes to the Interim Condensed Consolidated Financial Statements

21. BORROWINGS FROM RELATED PARTIES

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Non-current		
Long-term borrowings from SPIC (note (b))	9,866,472	9,646,099
Long-term borrowings from SPIC Financial Company Limited ("SPIC Financial") (note (c))	970,000	863,000
Long-term borrowings from other related parties (note (d))	851,705	790,463
	11,688,177	11,299,562
Less: Current portion of long-term borrowings from SPIC	(294,238)	(504,238)
Current portion of long-term borrowings from SPIC Financial	(180,000)	(180,000)
Current portion of long-term borrowings from other related party	(200,000)	(200,000)
	11,013,939	10,415,324
Current		
Short-term borrowings from SPIC (note (e))	1,285,000	1,500,000
Short-term borrowings from SPIC Financial (note (f))	2,186,636	1,150,000
Short-term borrowings from other related parties (note (g))	806,000	1,184,742
Current portion of long-term borrowings from SPIC (note (b))	294,238	504,238
Current portion of long-term borrowings from SPIC Financial (note(c))	180,000	180,000
Current portion of long-term borrowings from other related party (note (d))	200,000	200,000
	4,951,874	4,718,980
	15,965,813	15,134,304

Notes:

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

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
RMB	15,488,910	14,674,640
United States Dollars	476,903	459,664
	15,965,813	15,134,304

Notes to the Interim Condensed Consolidated Financial Statements

21. BORROWINGS FROM RELATED PARTIES (CONTINUED)

Notes: *(Continued)*

(b) The long-term borrowings from SPIC are unsecured, interest bearing from 3.29% to 5.50% (31 December 2022: 3.35% to 5.50%) per annum and wholly repayable within five years.

The repayment terms of these borrowings are analyzed as follows:

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Within one year	294,238	504,238
Between one and two years	7,788,390	820,000
Between two and five years	1,783,844	8,321,861
	9,866,472	9,646,099

(c) The long-term borrowings from SPIC Financial are unsecured, interest bearing from 3.73% to 4.27% (31 December 2022: 3.29% to 4.27%) per annum.

The repayment terms of these borrowings are analyzed as follows:

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Within one year	180,000	180,000
Between one and two years	253,000	180,000
Between two and five years	3,000	76,000
Over five years	534,000	427,000
	970,000	863,000

(d) As at 30 June 2023, the long-term borrowings from other related parties are unsecured, interest bearing from 4.60% to 6.23% (31 December 2022: 3.79% to 4.55%) per annum and wholly repayable within three years.

(e) As at 30 June 2023, the short-term borrowings from SPIC are unsecured, interest bearing from 1.59% to 2.00% (31 December 2022: 3.45% to 3.85%) per annum and repayable within one year.

(f) As at 30 June 2023, the short-term borrowings from SPIC Financial are unsecured, interest bearing from 2.80% to 3.50% (31 December 2022: 3.45% to 4.27%) per annum and repayable within one year.

(g) As at 30 June 2023, the short-term borrowings from other related parties are unsecured and interest bearing from 2.20% to 3.75% (31 December 2022: 2.85% to 4.35%) per annum and repayable within one year.

Notes to the Interim Condensed Consolidated Financial Statements

22. OTHER BORROWINGS

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Non-current		
Medium-term notes issued by the Company (note (a))	13,000,000	13,000,000
Long-term other borrowings from third parties (note (b))	3,158,987	3,811,531
	16,158,987	16,811,531
Less: Current portion of medium-term notes issued by the Company	(2,000,000)	–
	14,158,987	16,811,531
Current		
Super & short-term commercial papers issued by the Company (note (c))	–	2,000,000
Short-term other borrowings from third parties	145,400	15,000
Current portion of medium-term notes issued by the Company (note (a))	2,000,000	–
	2,145,400	2,015,000
	16,304,387	18,826,531

Notes:

(a) The balance includes:

(i) Four unsecured RMB denominated medium-term notes issued by the Company in June, July and September 2022 respectively, each of RMB2,000,000,000 for a term of three years, which are interest bearing at 3.00%, 2.99%, 2.87% and 2.71% per annum respectively.

(ii) Two unsecured RMB denominated medium-term notes issued by the Company in April and October 2021 respectively, each of RMB2,000,000,000 for a term of three years, which are interest bearing at 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 2023, the medium-term note issued in April 2021 was classified and presented as current.

(b) As at 30 June 2023, the balance is secured (of which, RMB1,441,004,000 is secured against the rights on certain accounts receivable (Note 15(d))) and interest bearing from 3.88% to 5.10% (31 December 2022: 4.25% to 4.85%) per annum.

(c) As at 30 June 2023, the two unsecured RMB denominated super & short-term commercial papers of RMB1,000,000,000 each issued by the Company in June and July 2022 has been repaid during the current period.

Notes to the Interim Condensed Consolidated Financial Statements

23. LEASE LIABILITIES

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Lease liabilities	3,418,461	3,706,652
Less: Current portion of lease liabilities	(425,180)	(517,007)
Non-current portion of lease liabilities	2,993,281	3,189,645

The balance as at 30 June 2023 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 RMB1,096,533,000 (31 December 2022: RMB1,168,356,000), of which RMB1,082,105,000 (31 December 2022: RMB1,153,208,000) is secured by the rights on certain accounts receivable (Note 15(d)).

24. 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 2023 is as follows:

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Non-current liabilities	1,863,503	1,866,003
Current liabilities (included in other payables and accrued charges)	107,677	105,990
	1,971,180	1,971,993

Notes to the Interim Condensed Consolidated Financial Statements

24. PROVISIONS FOR OTHER LONG-TERM LIABILITIES (CONTINUED)

The movements of the provisions for inundation compensations for the six months ended 30 June 2023 are as follows:

	30 June 2023 RMB'000 (unaudited)	30 June 2022 RMB'000 (unaudited)
At 1 January	1,971,993	1,972,664
Interest expense (Note 8)	52,026	52,044
Payment	(52,839)	(52,226)
At 30 June	1,971,180	1,972,482

25. ACCOUNTS AND BILLS PAYABLES

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Accounts payable (note (a))	3,390,594	2,490,043
Bills payable (note (b))	218,741	76,128
	3,609,335	2,566,171

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 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
1 to 6 months	2,570,504	2,267,580
7 to 12 months	785,324	187,697
Over 1 year	34,766	34,766
	3,390,594	2,490,043

(b) As at 30 June 2023, bills payable are bills of exchange with maturity period ranged from 3 to 12 months (31 December 2022: 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.

Notes to the Interim Condensed Consolidated Financial Statements

26. CAPITAL COMMITMENTS

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Contracted but not provided for in respect of:		
– property, plant and equipment	**5,654,603**	5,937,359
– capital contribution to associates	**1,536,481**	1,400,836
	7,191,084	7,338,195

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

27.1 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 2023, the Group had net current liabilities of RMB10,532,884,000. 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 2023, the Group had available unutilized facilities in writing from banks and related parties amounting to approximately RMB24,937,615,000. 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 2022 annual financial statements.

There has not been any change in the risk management department or risk management policies since the year end of 2022.

27.2 Fair value estimation

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

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

Notes to the Interim Condensed Consolidated Financial Statements

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

27.2 Fair value estimation *(Continued)*

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

	Fair value as at 30 June 2023 RMB'000 (unaudited)	Fair value as at 31 December 2022 RMB'000 (audited)	Fair value hierarchy	Valuation technique and key inputs
Equity instruments at FVTOCI – Shanghai Power	**3,912,657**	3,636,555	Level 1	Quoted market prices at the end of reporting period (current bid price).
Equity instruments at FVTOCI – Unlisted equity investments in the PRC	**471,398**	495,112	Level 3	Market approach – Fair value of such equity instruments is estimated by calculating the appropriate value ratio based on market multiples derived from a set of comparable listed companies in the same or similar industries. Key inputs are market value of the equity interest, price-to-book ratio (1.4) and price earning ratio (4.7) of comparable companies and discount for lack of marketability (22.0%–27.7%). The fair value measurement is positively correlated to the above ratios and negatively correlated to the discount for lack of marketability.
Debt instruments at FVTOCI	**51,576**	108,972	Level 3	Discounted cash flow at a comparable discount rate of 3.55% per annum

Notes to the Interim Condensed Consolidated Financial Statements

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

27.2 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 2023	**495,112**	**108,972**
Additions	**–**	**953,753**
Derecognition	**–**	**(1,012,673)**
Total (loss)/gain in other comprehensive income	**(23,714)**	**1,524**
At 30 June 2023 (unaudited)	**471,398**	**51,576**

	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

During the six months ended 30 June 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

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

	Significant unobservable input	Sensitivity of the input to fair value
Equity instruments at FVTOCI – Unlisted equity investments in the PRC	Average Enterprise Value ("EV")/ Peer Net Assets = 1.4x EV/Peer Net Profit = 4.7x	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB28,010,000
Debt instruments at FVTOCI	Discount rate of 3.55% per annum	5% increase/decrease in discount rate would result in decrease/increase in fair value by RMB87,000

Notes to the Interim Condensed Consolidated Financial Statements

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

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

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

	30 June 2023		31 December 2022	
	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))	104,147,928	103,713,860	97,824,109	97,315,255
Short-term borrowings (note (b))	14,292,949	14,292,949	15,075,703	15,075,703
	118,440,877	118,006,809	112,899,812	112,390,958

Notes:

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

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

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

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

Notes to the Interim Condensed Consolidated Financial Statements

28. RELATED PARTY TRANSACTIONS

As at 30 June 2023, the Group is controlled by CPI Holding, an intermediate holding company which directly holds approximately 22.9% (31 December 2022: 22.9%) of the Company's shares, and indirectly holds approximately 21.5% (31 December 2022: 21.5%) 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 3.2% (31 December 2022: 3.2%) of the Company's shares. China Power (New Energy) Holdings Limited ("CPNE"), an indirect non-wholly subsidiary of SPIC, holds approximately 13.5% (31 December 2022: 13.5%) of the Company's shares. SPIC, the beneficial owner of CPI Holding, SPIC Finance HK and CPNE, owned approximately 61.1% (31 December 2022: 61.1%) of the equity interest in the Company in aggregate as at 30 June 2023.

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

For the purpose of the related party transactions disclosures, the Directors believe that it is also meaningful to disclose the related party transactions with SPIC companies for the interests of financial statements users. 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

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Income

	Notes	Six months ended 30 June 2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Interest income from:	(i)		
– SPIC Financial (a company controlled by SPIC)		12,588	10,680
– A joint venture		54,667	–
– Associates		29,846	26,767
Dividend income from:	(ii)		
– Shanghai Power		12,715	–
– Huainan Mining Industry (Group) Company Limited		9,112	–
Rental income from:	(iii)		
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		–	24
– A joint venture		679	679
– Non-controlling interests		3,774	–
Income from provision of repairs and maintenance services to:	(iii)		
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		27,935	13,288
– Associates		1,819	–
Income from provision of other services (entrusted management services) to:	(iii)		
– CPI Holding		34,847	38,403
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		12,104	11,332
Income from provision of IT and other services to:	(iii)		
– SPIC		94	425
– CPI Holding		4,387	708
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		40,601	54,261
– A joint venture		241	99
– Associates		122,645	132,921
Sales of coal, coal by-products and spare parts to:	(iii)		
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		39	1,945
– Associates		77,527	70,384
Sales of heat to non-controlling interests	(iii)	–	29,254
Sales of energy storage equipment to:	(iii)		
– SPIC		734,956	–
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		375,119	–

Notes:

(i) Interest income from these related parties are charged at interest rates from 0.30% to 4.70% (2022: 0.30% to 5.66%) per annum.

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

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

Notes to the Interim Condensed Consolidated Financial Statements

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Expenses

	Notes	Six months ended 30 June 2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Purchases of coal, coal by-products and spare parts from:	(i)		
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		**9,992**	45,481
– A joint venture		**–**	5,672
– Non-controlling interests		**3,307,429**	3,954,332
Construction costs and other services fees to:	(ii)		
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		**1,544,776**	150,582
– Non-controlling interests		**1,008,207**	183,904
– Associates		**15,440**	–
Interest expenses to:	(iii)		
– SPIC		**161,614**	160,479
– CPI Holding		**1,338**	4,035
– SPIC Financial		**107,577**	97,672
– An associate		**339**	350
– Companies controlled by SPIC other than CPI Holding and SPIC Financial		**43,320**	8,080
– Companies controlled by SPIC on lease liabilities		**21,200**	24,099

Notes:

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

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

(iii) Interest expenses to these related parties are charged at interest rates from 1.25% to 7.00% (2022: 2.05% to 7.00%) per annum.

Notes to the Interim Condensed Consolidated Financial Statements

28. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Notes	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Prepayments for construction of power plants to companies controlled by SPIC other than SPIC Financial	(i)	**1,254,857**	1,397,007
Prepayments (included in prepayments, deposits and other receivables) to non-controlling interests		**34,269**	30,034
Deposits at SPIC Financial	(ii)	**3,562,509**	894,830
Amounts due from related parties:			
– SPIC	(vii)	**830,950**	450
– CPDL		**15,998**	14,120
– CPI Holding	(vii)	**68,044**	60,024
– SPIC Financial	(vii)	**12,419**	3,400
– Companies controlled by SPIC other than CPI Holding and SPIC Financial	(vii)	**1,437,612**	1,153,263
– Associates	(iii)	**526,886**	4,509,905
– Joint ventures	(iv)	**985,798**	926,988
– Non-controlling shareholders	(vi)	**328,886**	30,035
		4,206,593	6,698,185
Less: Amount that is expected to realize after 12 months shown under non-current assets (Note 14)		**–**	(600,000)
Amounts that is expected to realize within 12 months shown under current assets		**4,206,593**	6,098,185
Amounts due to related parties:	(ix)		
– SPIC		**211,062**	99,381
– CPI Holding		**154,903**	139,053
– SPIC Financial	(viii)	**86,827**	38,524
– Companies controlled by SPIC other than CPI Holding and SPIC Financial	(vii)	**711,895**	1,887,712
– Associates	(v)	**263,007**	843,549
– Joint ventures	(vii)	**26,577**	26,046
– Non-controlling shareholders	(vi)	**370,023**	378,530
		1,824,294	3,412,795

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.

Notes to the Interim Condensed Consolidated Financial Statements

28. RELATED PARTY TRANSACTIONS (CONTINUED)

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

Notes: *(Continued)*

(ii) Deposits at SPIC Financial are interest bearing at 1.38% (31 December 2022: 1.38%) per annum.

(iii) The amounts due from associates are unsecured. Except for the balance of RMB55,080,000 (31 December 2022: RMB55,080,000) which is interest bearing at 1.75% (31 December 2022: 1.75%) per annum, a balance of RMB82,550,000 (31 December 2022: RMB518,250,000) which is interest bearing at 2.20% (31 December 2022: 2.20%) per annum, a balance of RMB270,000,000 (31 December 2022: RMB270,000,000) which is interest bearing at 4.63% (31 December 2022: 4.63%) per annum and repayable within one year, the remaining balances are interest free and repayable on demand. During the current period, the amount of RMB355,080,000 with an annual interest rate of 3.23% per annum in 2022 has been repaid. The balance of RMB600,000,000 bearing interest at 3.50% per annum, which had included in other non-current assets, has been recovered during the year (Note 14).

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

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

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

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

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

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

Notes to the Interim Condensed Consolidated Financial Statements

28. 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 2023 and 2022, 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 compensation

	Six months ended 30 June	
	2023 **RMB'000** **(unaudited)**	2022 RMB'000 (unaudited)
Fees, basic salaries, housing allowance, other allowances and benefits in kind, discretionary bonus, employer's contribution to pension schemes, share-based payment expense and other benefits	**8,819**	6,074

29. EVENTS AFTER THE REPORTING PERIOD

On 26 July 2023, the Company and SPIC entered into an agreement pursuant to which the Company conditionally agreed to acquire, and SPIC conditionally agreed to sell, equity interests of four companies principally engaged in clean energy power generation, at a total consideration of RMB8,811,044,000, which will be settled by cash. On the same day, the Company, SPIC Guangdong Electric Power Co., Ltd. ("SPIC Guangdong") and China Power Complete Equipment Co., Ltd. ("CPCEC"), both of which are subsidiaries of SPIC, entered into an agreement pursuant to which the Company conditionally agreed to acquire, and SPIC Guangdong and CPCEC conditionally agreed to sell, equity interests of Jieyang Qianzhan Wind Power Co., Ltd. at a total consideration of RMB1,974,017,000, which will be settled by cash.

Notes to the Interim Condensed Consolidated Financial Statements

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

Reconciliation of profit before taxation to cash generated from operating activities

	Notes	Six months ended 30 June 2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Profit before taxation		**2,979,659**	1,890,664
Adjustments for:			
Share of results of associates		**(250,773)**	71,178
Share of results of joint ventures		**(61,891)**	7,689
Finance income	8	**(175,497)**	(90,833)
Finance costs	8	**1,986,918**	2,137,952
Dividend income	4	**(21,827)**	–
Depreciation of property, plant and equipment	7	**3,917,795**	3,489,212
Depreciation of right-of-use assets	7	**211,688**	182,914
Reversal of impairment of an amount due from a joint venture and other receivables	6	**(780)**	(34,600)
Amortization of other intangible assets	7	**238,544**	27,439
Amortization of deferred income	5	**(1,679)**	(1,149)
Loss/(gain) on disposal of property, plant and equipment, net	5	**694**	(67)
Share-based payment expenses		**21,139**	–
Operating cash flows before working capital changes		**8,843,990**	7,680,399
Changes in working capital:			
Increase in inventories		**(238,580)**	(13,017)
Increase in accounts receivable		**(3,195,528)**	(2,358,005)
(Increase)/decrease in prepayments, deposits and other receivables		**(133,751)**	2,829,230
Increase in amounts due from related parties		**(613,218)**	(424,022)
Decrease in debt instruments at FVTOCI		**58,920**	28,014
Increase/(decrease) in accounts and bills payables		**1,043,164**	(47,264)
Increase in other payables and accrued charges		**182,465**	1,623,703
Decrease in amounts due to related parties		**(767,868)**	(354,345)
Increase in deferred income		**4,609**	6,167
Cash generated from operations		**5,184,203**	8,970,860
Interest paid		**(1,512,907)**	(2,122,892)
Tax paid		**(422,319)**	(222,545)
Net cash generated from operating activities		**3,248,977**	6,625,423