



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

Stock Code: 1071



INTERIM REPORT
2023

www.hdpi.com.cn

* For identification purposes only

CONTENTS

- 2** Business review
- 2** Interim dividend
- 2** The group's major existing assets
- 12** The capacity of newly-added generating units
- 12** Generating units approved and under construction
- 13** Management discussion and analysis
- 19** Business outlook in the second half of the year
- 20** Significant events
- 23** Shareholdings of substantial shareholders
- 24** Interests of directors, supervisors, chief executive or members of senior management in the securities
- 24** Purchase, sale or redemption of listed securities
- 25** Designated deposits and overdue time deposits
- 25** Material litigation
- 25** Audit committee
- 25** Employee remuneration policy for the group
- 26** Corporate governance
- 28** Report on Review of Condensed Consolidated Financial Statements
- 30** Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 32** Condensed Consolidated Statement of Financial Position
- 35** Condensed Consolidated Statement of Changes in Equity
- 37** Condensed Consolidated Statement of Cash Flows
- 38** Notes to the Condensed Consolidated Financial Statements



The board of directors (the “**Board**”) of Huadian Power International Corporation Limited* (the “**Company**”) hereby announces the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2023 (the “**Period**”) prepared in accordance with the International Accounting Standards 34 “Interim Financial Reporting”. The Group’s interim financial statements for the Period are unaudited, but they have been reviewed by SHINEWING (HK) CPA Limited, the auditor of the Company, in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The unmodified review report addressed by the SHINEWING (HK) CPA Limited to the Board of the Company is set out on page 28 to 29. The audit committee of the Company (the “**Audit Committee**”) has also reviewed the 2023 interim report and the relevant financial information of the Group.

BUSINESS REVIEW

During the Period, the turnover of the Group amounted to approximately RMB59,053 million, representing an increase of approximately 20.65% over the corresponding period in 2022; the profit for the Period attributable to equity holders of the Company amounted to approximately RMB2,877 million, representing an increase of approximately 80.88% over the corresponding period in 2022; the basic earnings per share amounted to approximately RMB0.239.

INTERIM DIVIDEND

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

THE GROUP’S MAJOR EXISTING ASSETS

The Group is one of the largest comprehensive energy companies in the People’s Republic of China (“**China**” or the “**PRC**”), primarily engaged in the construction and operation of power plants, including large-scale efficient coal-fired and gas-fired generating units and various hydropower projects. The Group’s power generating assets in operation are located in 12 provinces, autonomous regions and municipalities across the PRC at the prime location, mainly in the electricity and heat load centres or regions with abundant coal resources.

As at the date of this report, the Group had a total of 45 controlled power generation enterprises which have commenced operations involving a total of 57,284.24 MW controlled installed capacity, primarily including 46,230 MW attributable to coal-fired generating units, 8,589.05 MW attributable to gas-fired generating units and 2,459 MW attributable to hydropower generating units.

THE GROUP'S MAJOR EXISTING ASSETS (CONTINUED)

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

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

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

THE GROUP'S MAJOR EXISTING ASSETS (CONTINUED)

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

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
	9 Huadian Zibo Thermal Power Company Limited ("Zibo Company")	950	100%	2 x 330 MW + 2 x 145 MW
	10 Huadian Zhangqiu Power Generation Company Limited ("Zhangqiu Company")	925	87.5%	1 x 335 MW + 1 x 300 MW + 2 x 145 MW
	11 Huadian Tengzhou Xinyuan Thermal Power Company Limited ("Tengzhou Company")	930	93.26%	2 x 315 MW + 2 x 150 MW
Coal-fired	12 Huadian Longkou Power Generation Company Limited ("Longkou Company")	880	100%	4 x 220 MW
	13 Huadian Hubei Power Generation Company Limited ^{Note 1} ("Hubei Company")	6,855.6	82.56%	2 x 680 MW + 2 x 660 MW + 2 x 640 MW + 6 x 330 MW + 1 x 300 MW + 2 x 185 MW + 2 x 122.8 MW
	14 Anhui Huadian Lu'an Power Generation Company Limited ("Lu'an Company")	1,320	95%	2 x 660 MW

THE GROUP'S MAJOR EXISTING ASSETS (CONTINUED)

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

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
Coal-fired	15 Anhui Huadian Suzhou Power Generation Company Limited ("Suzhou Company")	1,260	97%	2 x 630 MW
	16 Anhui Huadian Wuhu Power Generation Company Limited ("Wuhu Company")	2,320	65%	1 x 1,000 MW + 2 x 660 MW
	17 Hebei Huadian Shijiazhuang Yuhua Thermal Power Company Limited ("Yuhua Company")	600	100%	2 x 300 MW
	18 Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited ("Luhua Company")	661	90%	2 x 330 MW + 1 MW ^{Note 2}
	19 Huadian Xinxiang Power Generation Company Limited ("Xinxiang Company")	1,320	90%	2 x 660 MW
	20 Huadian Luohe Power Generation Company Limited ("Luohe Company")	660	75%	2 x 330 MW
	21 Huadian Qudong Power Generation Company Limited ("Qudong Company")	660	90%	2 x 330 MW
	22 Sichuan Guang'an Power Generation Company Limited ("Guang'an Company")	2,400	80%	2 x 600 MW + 4 x 300 MW

THE GROUP'S MAJOR EXISTING ASSETS (CONTINUED)

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

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
Coal-fired	23 Tianjin Development Area Branch Company of Huadian Power International Corporation Limited (" Tianjin Development Area Branch Company ")	510	100%	3 x 170 MW
	24 Guangdong Huadian Pingshi Power Generation Company Limited (" Pingshi Power Generation Company ")	600	100%	2 x 300 MW
	25 Guangdong Huadian Shaoguan Thermal Power Company Limited (" Shaoguan Thermal Power Company ")	700	100%	2 x 350 MW
	26 Shantou Huadian Power Generation Company Limited (" Shantou Company ")	1,360	51%	2 x 680 MW
	27 Shuozhou Thermal Power Branch Company of Huadian Power International Corporation Limited (" Shuozhou Thermal Power Branch Company ")	701.2	100%	2 x 350 MW + 1.2 MW <i>Note 2</i>
	28 Hunan Huadian Changsha Power Generation Company Limited (" Changsha Company ")	1,200	70%	2 x 600 MW
	29 Hunan Huadian Changde Power Generation Company Limited (" Changde Company ")	1,320	48.98%	2 x 660 MW
	30 Hunan Huadian Pingjiang Power Generation Company Limited (" Pingjiang Company ")	2,000	100%	2 x 1,000 MW

THE GROUP'S MAJOR EXISTING ASSETS (CONTINUED)

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

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
Gas-fired	31 Hangzhou Huadian Banshan Power Generation Company Limited (" Banshan Company ")	2,415	64%	3 x 415 MW + 3 x 390 MW
	32 Hangzhou Huadian Xiasha Thermal Power Company Limited (" Xiasha Company ")	246	56%	1 x 88 MW + 2 x 79 MW
	33 Hangzhou Huadian Jiangdong Thermal Power Company Limited (" Jiangdong Company ")	960.5	70%	2 x 480.25 MW
	34 Huadian Zhejiang Longyou Thermal Power Company Limited (" Longyou Company ")	405	100%	1 x 130.3 MW + 2 x 127.6 MW + 1 x 19.5 MW
	35 Hebei Huadian Shijiazhuang Thermal Power Company Limited (" Shijiazhuang Thermal Power Company ")	1,310.2	82%	2 x 453.6 MW + 2 x 200 MW ^{Note 3} + 3 MW ^{Note 2}
	36 Shijiazhuang Huadian Heat Corporation Limited (" Shijiazhuang Heat Corporation ")	12.55	100%	2 x 4.275 MW + 2 x 2 MW
	37 Tianjin Huadian Fuyuan Thermal Power Company Limited (" Fuyuan Thermal Power Company ")	400.49	100%	2 x 200 MW + 0.49 MW ^{Note 2}

THE GROUP'S MAJOR EXISTING ASSETS (CONTINUED)

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

Category	Name of power plant/company	Installed capacity (MW)	Equity interest held by the Company	Generating units
	38 Tianjin Huadian Nanjiang Thermal Power Company Limited (" Nanjiang Thermal Power Company ")	930	65%	2 x 315 MW + 1 x 300 MW
Gas-fired	39 Guangdong Huadian Shenzhen Energy Company Limited (" Shenzhen Company ")	365	100%	1 x 120 MW + 2 x 82 MW + 1 x 81 MW
	40 Huadian Foshan Energy Company Limited (" Foshan Energy Company ")	329	90%	4 x 59 MW + 47.5 MW + 45.5 MW
	41 Guangdong Huadian Qingyuan Energy Company Limited (" Qingyuan Company ")	1,003.2	100%	2 x 501.6 MW

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

Category	Name of power plant/company	Installed capacity (MW)	Shareholding percentage of Hubei Company	Generating units
Coal-fired	Huadian Hubei Power Generation Company Limited Huangshi Thermal Power Plant (" Huangshi Thermal Power Plant ")	330	100%	1 x 330 MW
	Hubei Xisaishan Power Generation Company Limited (" Xisaishan Company ")	660	50%	2 x 330 MW
	Hubei Huadian Xisaishan Power Generation Company Limited (" Huadian Xisaishan Company ")	1,360	50%	2 x 680 MW
	Hubei Huadian Xiangyang Power Generation Company Limited (" Xiangyang Company ")	2,570	60.1%	2 x 640 MW + 3 x 330 MW + 1 x 300 MW
	Hubei Huadian Jiangling Power Generation Company Limited (" Jiangling Company ")	1,320	100%	2 x 660 MW
Gas-fired	Huadian Hubei Power Generation Company Limited Wuchang Thermal Power Branch Company (" Wuchang Thermal Power ")	370	100%	2 x 185 MW
	Hubei Huadian Xiangyang Gas Turbine Thermal Power Company Limited (" Xiangyang Thermal Power ")	245.6	51%	2 x 122.8 MW

Note 2: The 1.2 MW photovoltaic generating units of Shuozhou Thermal Power Branch Company, the 1 MW photovoltaic generating units of Luhua Company, the 3 MW photovoltaic generating units of Shijiazhuang Thermal Power Company and the 0.49 MW photovoltaic generating units of Fuyuan Thermal Power Company are for own use.

Note 3: Generating units of Shijiazhuang Thermal Power Company include two 200 MW coal-fired generating units.

THE GROUP'S MAJOR EXISTING ASSETS (CONTINUED)

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

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

THE GROUP'S MAJOR EXISTING ASSETS (CONTINUED)

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

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

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

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

THE CAPACITY OF NEWLY-ADDED GENERATING UNITS

From 1 January 2023 to the date of this report, the details of the Group's newly-added generating units are as follows:

Projects	Category	Capacity (MW)
Shantou Company	Coal-fired	1,360
Pingjiang Company	Coal-fired	1,000
Tianjin Development Area Branch Company	Coal-fired	170
Total		2,530

GENERATING UNITS APPROVED AND UNDER CONSTRUCTION

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

Company Name	Planned new installed capacity
Guangdong Huadian Huizhou Energy Company Limited ("Huizhou Company")	Two 535 MW gas-fired generating units
Qingdao Company	Two 505.54 MW gas-fired generating units
Huadian Jinan Zhangqiu Thermal Power Company Limited ("Zhangqiu Thermal Power")	Two 400 MW gas-fired generating units
Shantou Company	Two 1,000 MW coal-fired generating units
Longkou Company	Two 660 MW coal-fired generating units
Zhejiang Huadian Wuxi River Hybrid Pumped Storage Power Generation Company Limited ("Wuxi River Company")	298 MW pumped storage generating unit
Total	6,499.08 MW

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

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Macroeconomic conditions and electricity demand

According to the data released by the National Bureau of Statistics, after preliminary calculations, the Gross Domestic Product (GDP) in the first half of 2023 amounted to RMB59,303.4 billion, representing an increase of 5.5% over the corresponding period in 2022. According to the data released by the National Energy Administration, power consumption of the entire society in the PRC totaled 4,307.6 billion KWh in the first half of 2023, representing a year-on-year increase of 5.0%. With regard to different industries, the consumption by the primary industry accounted for 57.8 billion KWh, representing a year-on-year increase of 12.1%; the consumption by the secondary industry accounted for 2,867.0 billion KWh, representing a year-on-year increase of 4.4%; and the consumption by the tertiary industry accounted for 763.1 billion KWh, representing a year-on-year increase of 9.9%; and the consumption by urban and rural residents accounted for 619.7 billion KWh, representing a year-on-year increase of 1.3%.

(2) Power generation

During the Period, the power generated by the Group amounted to approximately 107.59 million MWh, representing an increase of 7.72% over the corresponding period in 2022; the on-grid power sold amounted to approximately 100.73 million MWh, representing an increase of 7.71% over the corresponding period in 2022. The year-on-year increase in the power generated and on-grid power sold was mainly attributable to the impact of newly-added generating units and strong power demand. The average utilisation hours of the generating units were 1,947 hours, representing a year-on-year increase of 83 hours, among which the average utilisation hours of coal-fired generating units were 2,167 hours, representing a year-on-year increase of 104 hours, and the coal consumption for power supply was 285.97g/KWh, which was remarkably lower than the national average. The on-grid tariff was RMB527.05/MWh, representing an increase of 1.74% over the corresponding period in 2022. The unit price of standard coal for furnace was RMB1,092.78/ton, representing a decrease of 7.38% over the corresponding period in 2022.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(3) Turnover and profit

During the Period, the turnover of the Group amounted to approximately RMB59,053 million, representing an increase of approximately 20.65% over the corresponding period in 2022. This was mainly due to the increase in power generation and coal trading volume. The revenue of the Group generated from the sale of electricity amounted to approximately RMB47,130 million, representing an increase of approximately 9.56% over the corresponding period in 2022. This was mainly due to the increase in power generation and unit price of the sale of electricity. The revenue generated from the sale of heat amounted to approximately RMB5,482 million, representing an increase of approximately 11.89% over the corresponding period in 2022. This was mainly due to the increase in the volume of heat sold and unit price of heat sold. The revenue generated from the sale of coal amounted to approximately RMB6,441 million, representing an increase of approximately RMB5,411 million over the corresponding period in 2022. This was mainly due to the increase in coal trading volume.

During the Period, the Group's operating profit amounted to approximately RMB2,186 million, and the Group's operating loss amounted to approximately RMB872 million for the corresponding period in 2022, which was mainly due to the decrease in coal prices and the increase in power generation; the profit for the Period attributable to equity holders of the Company amounted to approximately RMB2,877 million, representing an increase of approximately 80.88% over the corresponding period in 2022; the basic earnings per share amounted to approximately RMB0.239, representing an increase of approximately RMB0.124 over the corresponding period in 2022.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(4) Major operating expenses

Fuel costs are the major operating expense of the Group. During the Period, the fuel costs of the Group amounted to approximately RMB38,829 million, representing an increase of approximately 2.74% over the corresponding period in 2022. This was mainly due to the increase in power generation.

During the Period, the cost of coal sold of the Group amounted to approximately RMB6,125 million, and the cost of coal sold of the Group amounted to approximately RMB979 million for the corresponding period in 2022. This was mainly due to the increase in coal trading volume.

During the Period, the depreciation and amortisation expenses of the Group amounted to approximately RMB5,162 million, representing an increase of approximately 2.02% over the corresponding period in 2022. This was mainly due to the operation of new generating units.

During the Period, the repairs, maintenance and inspection expenses of the Group amounted to approximately RMB1,541 million, representing an increase of approximately 10.26% over the corresponding period in 2022. This was mainly due to the increase in power generation and the operation of new generating units.

During the Period, the personnel costs of the Group amounted to approximately RMB3,446 million, representing an increase of approximately 16.82% over the corresponding period in 2022. This was mainly due to the increase in employee compensation linked to operating results and the operation of new generating units.

During the Period, the tax and surcharges of the Group amounted to approximately RMB428 million, representing an increase of approximately 16.06% over the corresponding period in 2022. This was mainly due to the increase in operating income.

During the Period, the other operating expenses of the Group amounted to approximately RMB793 million, representing an increase of approximately 9.73% over the corresponding period in 2022. This was mainly due to the operation of new generating units.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(5) Other revenue and net income

During the Period, the other revenue and net income of the Group amounted to approximately RMB829 million, representing a decrease of approximately 26.38% over the corresponding period in 2022. This was mainly due to the decrease in sales revenue from by-products of power generation such as coal ash and power subsidies.

(6) Finance costs

During the Period, the finance costs of the Group amounted to approximately RMB1,853 million, representing a decrease of approximately 10.42% over the corresponding period in 2022. This was mainly due to the increase in capital operation and financing innovation and the lower financing costs of the Company.

(7) Share of results of associates and joint ventures

During the Period, the share of results of associates and joint ventures of the Group amounted to approximately RMB2,273 million, representing a decrease of approximately 21.50% over the corresponding period in 2022. This was mainly due to a year-on-year decrease in benefits of coal mine from equity investments.

(8) Income tax

During the Period, the income tax of the Group amounted to approximately RMB454 million, and the income tax credit of the Group amounted to approximately RMB153 million for the corresponding period in 2022. This was mainly due to the increase in operating results.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(9) Pledge and mortgage of assets

As at 30 June 2023, the Company and its subsidiaries have pledged their income stream in respect of the sale of electricity and heat to secure loans amounting to approximately RMB10,426 million (approximately RMB11,105 million at the end of 2022).

As at 30 June 2023, the Company and its subsidiaries have mortgaged their generating units and relevant equipment to secure loans amounting to approximately RMB2,334 million (approximately RMB2,482 million at the end of 2022).

(10) Indebtedness

As at 30 June 2023, the total borrowings of the Group amounted to approximately RMB96,197 million, of which borrowings denominated in Euro amounted to approximately EUR6 million. The liabilities to assets ratio was approximately 64.02%, representing a decrease of 3.79 percentage points compared to that at the end of 2022. Borrowings of the Group were mainly at floating rates. In addition, the balance of medium-term notes payable and company debentures of the Group (including the portion due within one year) amounted to approximately RMB24,003 million; and the balance of lease liabilities of the Group amounted to approximately RMB196 million.

(11) Cash and cash equivalents

As at 30 June 2023, the Group had cash and cash equivalents of approximately RMB6,523 million.

(12) Contingent Liabilities

As at 30 June 2023, certain of the Group's subsidiaries were the defendant in certain lawsuits for events occurred. As at the date of the financial statements, the lawsuits were in progress of which the final outcomes cannot be determined at present. The management of the Group considered that the outcome of these outstanding lawsuits will not result in significant adverse effect on the financial position and operating results of the Group.

Apart from the above, the Group has no other material contingent liabilities as at 30 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(13) Provisions

Provisions represent the Group's best estimate of its liabilities and remedial work costs arising from mine disposal and environmental restoration based on industry practices and historical experience. As at 30 June 2023, the balance of the Group's provisions amounted to approximately RMB70 million.

(14) Cash Flow Analysis

In the first half of 2023, the net cash inflow from operating activities of the Group amounted to approximately RMB1,751 million, representing a decrease of approximately 37.08% over the corresponding period in 2022, mainly due to the decrease of the refund of the outstanding of VAT credit received. The net cash outflow used in investing activities amounted to approximately RMB4,041 million, representing an increase of approximately 43.73% over the corresponding period in 2022, mainly due to the consideration received for disposal of assets was more in the last year and less in this year. The net cash inflow from financing activities amounted to approximately RMB2,905 million, and the net cash outflow used in financing activities amounted to approximately RMB368 million in 2022, mainly due to the issuance of Perpetual Medium-term Notes by the Company.

(15) Exchange rate fluctuation risk and related hedging

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

Save as disclosed herein, information with respect to the Group's other matters as set out in paragraph 32 of Appendix 16 to the Rules Governing the Listing of Securities (the "**Hong Kong Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") has not changed materially from that included in the Company's 2022 annual report.

BUSINESS OUTLOOK IN THE SECOND HALF OF THE YEAR

In the second half of the year, the economy and society have fully resumed normal operation, and macro policies have been more effective with the national economy rebounding towards a positive trend and high-quality development progressing steadily. The Company will implement the “14th Five-Year” plan and the Company’s development strategy, focus on improving quality and efficiency, implementing the responsibility of safety and environmental protection, adhering to reform and innovation, and continue to promote the new improvements in operating results to ensure that the annual target tasks are fully completed with high quality.

With regard to the electricity market, it is expected that the supply of electricity will be safe and stable in the second half of the year, the growth rate of electricity consumption will be stable and favourable, and the situation of electricity supply and demand will be balanced in general. With the gradually restoring vitality in China’s economic environment, the growth rate of electricity consumption was also driven by the economy to improve year-on-year. With the installed capacity of thermal generating units as its core, the Company actively promotes the transformation and upgrading of coal-fired generating units to participate in and serve the construction of a new power market, and continues to carry out the energy-saving transformation of coal-fired power, heat supply transformation and flexibility transformation. The Company will play a greater role in peak load, frequency, voltage regulation of the power system preparing itself technically, so as to meet the basic need and ensure the supply. The Company adheres to maximizing the overall benefits as the goal, carefully analyses the operation of the power market, and adopts targeted strategies to enhance response capacity of electricity demand, with fully seizes key opportunities since the beginning of summer and winter, and completes the annual target tasks with high quality and quantity.

On the coal market, the continuous implementation of the China’s assurance policy as well as the continuous release of advanced coal production capacity provided a solid foundation for coal price stabilization. The Company continued to strengthen the coordination of thermal coal inventories, enhance strategic research on coal procurement, focus on increasing the rate of fulfilment of annual long-term coal agreements so as to actively make efforts to maintain supply and control prices.

In terms of the capital market, the prudent monetary policies will continue to be implemented with accuracy and vigour by the People’s Bank of China, giving full play on the effectiveness of the monetary and credit policies, and to promote in a coordinated manner a sustained improvement in economic operation, continued improvement of domestic dynamics, and sustained improvement in social expectations so as to create a favourable monetary and financial environment for sustained economic rebound and improvement. The Company focused on strengthening the coordination to ensure the demand for funds, enhancing the monitoring of the capital risk of coal-fired power enterprises, following up on the credit investment policies of financial institutions in a timely manner, and guiding its subsidiaries to replace high-cost funds and optimize the financing structure.

Regarding safety and environmental protection, in order to ensure the supply of electricity and heat energy since the beginning of summer, winter and other important periods, and make efforts to ensure the supply assurance of electricity consumption during the peak period, the Company has enhanced requirements for the reliability and flexibility of its equipment, strictly complied with China’s production safety requirements, implemented the responsibility system for production safety at all levels, carried out strict and proper management of its equipment, and deepened the investigation of risks in various key areas so as to resolutely prevent accidents from occurring. The Company will deepen its efforts to optimize the water consumption and water pollution prevention and renovation in all regions, and will need to continue to increase its efforts to reduce pollution and carbon emissions as the trading quotas of carbon emissions are reduced year on year.

SIGNIFICANT EVENTS

1. Appointment of General Manager

On 2 March 2023, at the 32nd meeting of the ninth session of the Board, Mr. Chen Bin was appointed as the general manager of the Company, with the term of office commencing at the end of the 32nd meeting of the ninth session of the Board of the Company held on 2 March 2023 and ending on the expiry date of the term of office for the ninth session of the Board of the Company.

For details, please refer to the announcement of the Company dated 2 March 2023.

2. Election of Directors and Supervisors

At the annual general meeting (“AGM”) of the Company for the financial year ended 31 December 2022 held on 31 May 2023, Mr. Dai Jun, Mr. Chen Bin and Mr. Li Guoming were elected as Executive Directors of the tenth session of the Board; Mr. Zhao Bing, Mr. Zhang Zhiqiang, Mr. Li Qiangde, Ms. Cao Min and Mr. Wang Xiaobo were elected as Non-executive Directors of the tenth session of the Board; Mr. Feng Zhenping, Mr. Li Xingchun, Mr. Wang Yuesheng and Ms. Shen Ling were elected as Independent Non-executive Directors of the tenth session of the Board; and Mr. Liu Shujun and Mr. Ma Jing’an were elected as Supervisors of the tenth session of the Supervisory Committee. On 31 May 2023, the employees of the Company elected Mr. Zhang Peng as the employee representative Supervisor of the tenth session of the Supervisory Committee through democratic procedures in accordance with the laws and regulations of the PRC and the Articles of Association.

On 31 May 2023, due to the expiration of the term of office, Mr. Luo Xiaoqian ceased to be an Executive Director of the Company, Mr. Ni Shoumin, Mr. Peng Xingyu and Mr. Li Pengyun ceased to be Non-executive Directors of the Company, Mr. Li Menggang ceased to be an Independent Non-executive Director of the Company, and Ms. Chen Wei ceased to be a Supervisor of the Company.

For details, please refer to the announcements of the Company dated 28 April 2023 and 31 May 2023 and the circular dated 28 April 2023.

SIGNIFICANT EVENTS (CONTINUED)

3. Election of Chairman and Vice Chairman, Appointments of Members of Special Committees of the Board, the Chairman of the Supervisory Committee and Appointment of General Manager

At the 1st meeting of the tenth session of the Board held on 31 May 2023, Mr. Dai Jun and Mr. Zhao Bing were elected as the Chairman and the Vice Chairman of the Company respectively, and the following members of the Board were appointed as members of respective special committees of the Board:

Strategic Committee: Dai Jun (chairman), Zhao Bing, Li Guoming, Li Qiangde and Feng Zhenping

Audit Committee: Shen Ling (chairman), Cao Min, Wang Xiaobo, Li Xingchun and Wang Yuesheng

Remuneration and Appraisal Committee: Wang Yuesheng (chairman), Zhang Zhiqiang, Wang Xiaobo, Li Xingchun and Shen Ling

Nomination Committee: Feng Zhenping (chairman), Chen Bin, Wang Xiaobo, Li Xingchun and Wang Yuesheng

In addition, Mr. Chen Bin was appointed as the general manager of the Company.

At the 1st meeting of the tenth session of the Supervisory Committee of the Company held on 31 May 2023, Mr. Liu Shujun was elected as the Chairman of the Supervisory Committee.

For details, please refer to the announcement of the Company dated 31 May 2023.

4. Amendments to the Articles of Association and its Appendices

In order to make the Articles of Association conform to the relevant regulatory requirements of the listing places (including the core shareholder protection standards set out in Appendix 3 to the Hong Kong Listing Rules) and in light of the conversion of “Huadian Dingzhuān (華電定轉)” convertible corporate bonds issued by the Company as of 31 March 2023 and the Constitution of the Communist Party of China, the Board of the Company proposed to amend the relevant articles in the Articles of Association and its appendices. The amended Articles of Association has taken effect on the approval of the Shareholders at the AGM.

For details, please refer to the announcements of the Company dated 28 April 2023 and 31 May 2023 and the circular dated 28 April 2023.

SIGNIFICANT EVENTS (CONTINUED)

5. Change of Auditors

As at 29 March 2023, the 33rd meeting of the ninth session of the Board resolved to propose the appointment of ShineWing Certified Public Accountants (Special General Partnership) as the domestic auditor (internal control auditor) and SHINEWING (HK) CPA Limited as the overseas auditor of the Company for 2023 to replace Baker Tilly China Certified Public Accountants (Special General Partnership) and Baker Tilly Hong Kong Limited respectively. It was considered and approved at the annual general meeting on 31 May 2023. The respective term of service of ShineWing Certified Public Accountants (Special General Partnership) and SHINEWING (HK) CPA Limited has commenced from the date of the approval at the annual general meeting up to the date of next annual general meeting of the Company.

For details, please refer to the announcements of the Company dated 29 March 2023 and 31 May 2023 and the circular dated 28 April 2023.

6. Results of the Conversion of Convertible Bonds and Change in Shares

As at 1 June 2023, all “Huadian Dingzhuan (華電定轉)” have been converted into unrestricted outstanding shares of the Company, a total of 14,701,590 “Huadian Dingzhuan” convertible bonds (RMB1,470,159,000) have been converted into unrestricted outstanding shares of the Company, and the cumulative number of converted shares is 357,702,918 shares, accounting for 3.62% of the total number of shares issued prior to the date of commencement of the conversion period of the Company. The source of the converted shares were new shares, and the total share capital of the Company after the conversion was 10,227,561,133 shares. “Huadian Dingzhuan” has been delisted from the Shanghai Stock Exchange since 8 June 2023.

For details, please refer to the announcement of the Company dated 1 June 2023.

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

So far as the directors of the Company are aware, each of the following persons, not being a director, supervisor, chief executive or members of the senior management of the Company, had an interest or short position as at 30 June 2023 in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or was otherwise interested in 5% or more of any class of issued share capital of the Company as at 30 June 2023, or was a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company as at 30 June 2023.

Name of shareholder	Class of shares	Number of shares held	Approximate percentage of the total number of shares of the Company in issue	Approximate percentage of the total number of A shares of the Company in issue	Approximate percentage of the total number of H shares of the Company in issue	Capacity
China Huadian	A shares	4,534,199,224 (L)	44.33%	53.28%	-	Beneficial owner
	H shares	85,862,000 (L)	0.84%	-	5.00%	Interests in a controlled corporation
Shandong Development Investment Holding Group Co., Ltd.	A shares	664,865,346 (L)	6.50%	7.81%	-	Beneficial owner

(L) = long position

(S) = short position

(P) = lending pool

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

Save as disclosed above and so far as the Directors are aware, as at 30 June 2023, no other person (other than the directors, supervisors, chief executive or members of senior management of the Company) had any interest or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company.

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

As at 30 June 2023, none of the directors, supervisors, chief executive or members of the senior management of the Company and their respective associates had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (as defined in Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interest or short position which any such director, supervisor, chief executive or member of senior management of the Company was taken or deemed to have under such provisions of the SFO) or which was required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO, or which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") adopted by the Company (which for this purpose shall be deemed to apply to the supervisors of the Company to the same extent as it applies to the directors of the Company).

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

DESIGNATED DEPOSITS AND OVERDUE TIME DEPOSITS

As at 30 June 2023, the Group's deposits placed with financial institutions or other parties did not include any designated or trust deposits or any material time deposits which could not be collected by the Group upon maturity.

MATERIAL LITIGATION

As of 30 June 2023, certain members of the Group were parties to certain litigations arising from the ordinary course of business or acquisition of assets. The management of the Group believes that any possible legal liability which incurred or may incur from the aforesaid litigations will not have any material adverse effect on the financial position and operating results of the Group.

AUDIT COMMITTEE

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

EMPLOYEE REMUNERATION POLICY FOR THE GROUP

As at 30 June 2023, the total number of employees of the Group was 24,221. The Group has always complied with the relevant requirements of the PRC, and determined the salary levels of employees according to its economic benefits. It has established an objective, impartial, scientific and effective remuneration distribution mechanism and staff performance appraisal mechanism, according to the talent concept of "identifying talents through performance, selecting talents through competition and awarding talents through remuneration".

CORPORATE GOVERNANCE

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

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

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

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

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

CORPORATE GOVERNANCE (CONTINUED)

- The Company has formulated the Code on Trading in Securities of Huadian Power International Corporation Limited for Directors and Supervisors and the Code on Trading in Securities of Huadian Power International Corporation Limited for Employees, which are on terms no less lenient than those set out in the Model Code.
- In addition to the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, the Company has established the Strategic Committee and has stipulated the Terms of Reference for the Strategic Committee.
- In the first half of 2023, a total of four Board meetings were held by the Company.
- The Audit Committee comprises five members, including two non-executive directors and three independent non-executive directors.

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

Beijing, the PRC
30 August 2023

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

Dai Jun (Chairman, Executive Director), Zhao Bing (Vice Chairman, Non-executive Director), Chen Bin (Executive Director), Zhang Zhiqiang (Non-executive Director), Li Qiangde (Non-executive Director), Cao Min (Non-executive Director), Wang Xiaobo (Non-executive Director), Li Guoming (Executive Director), Feng Zhenping (Independent Non-executive Director), Li Xingchun (Independent Non-executive Director), Wang Yuesheng (Independent Non-executive Director) and Shen Ling (Independent Non-executive Director).

* For identification purpose only

Report on Review of Condensed Consolidated Financial Statements



SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE BOARD OF DIRECTORS OF HUADIAN POWER INTERNATIONAL CORPORATION LIMITED

華電國際電力股份有限公司

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

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Huadian Power International Corporation Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) set out on pages 30 to 80, which comprise the condensed consolidated statement of financial position as of 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion 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 Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Report on Review of Condensed Consolidated Financial Statements (Continued)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

OTHER MATTER

The comparative condensed consolidated statement of profit or statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period ended 30 June 2022 and the relevant explanatory notes included in these condensed consolidated financial statements were extracted from the condensed consolidated financial statements of the Group for the six-month period ended 30 June 2022 reviewed by another auditor who expressed an unmodified conclusion on those condensed consolidated financial statements on 26 August 2022, for which certain comparative financial information has been adjusted by the directors of the Company as described in note 3(b) to these condensed consolidated financial statements.

The comparative condensed consolidated statement of financial position as at 31 December 2022 and the relevant explanatory notes included in these condensed consolidated financial statements were extracted from the consolidated financial statements of the Group for the year ended 31 December 2022 audited by the same auditor who expressed an unmodified opinion on those consolidated financial statements on 29 March 2023, for which certain comparative financial information has been adjusted by the directors of the Company as described in note 3(b) to these condensed consolidated financial statements.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Wong Hon Kei, Anthony

Practising Certificate Number: P05591

Hong Kong
30 August 2023

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023
(Expressed in Renminbi)

	Notes	Six months ended 30 June	
		2023	2022
		RMB'000 (Unaudited)	RMB'000 (Unaudited) (Restated)
Turnover	4	59,053,025	48,945,471
Operating expenses			
Fuel costs		(38,828,764)	(37,793,593)
Costs of coal sold		(6,125,012)	(978,808)
Depreciation and amortisation		(5,161,889)	(5,059,441)
Repairs, maintenance and inspection		(1,540,821)	(1,397,429)
Personnel costs		(3,445,875)	(2,949,746)
Administration expenses		(543,822)	(547,446)
Taxes and surcharges		(427,603)	(368,420)
Other operating expenses	7(b)	(793,137)	(722,824)
		(56,866,923)	(49,817,707)
Operating profit (loss)		2,186,102	(872,236)
Investment income	5	11,533	2,060
Other revenue and net income		829,301	1,126,412
Interest income from bank deposits		44,415	51,074
Finance costs	6	(1,853,160)	(2,068,636)
Share of results of associates		2,272,579	2,894,894
Profit before taxation	7(a)	3,490,770	1,133,568
Income tax (expense) credit	8	(453,845)	152,934
Profit for the period		3,036,925	1,286,502

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

For the six months ended 30 June 2023
(Expressed in Renminbi)

	Notes	Six months ended 30 June	
		2023	2022
		RMB'000 (Unaudited)	RMB'000 (Unaudited) (Restated)
Other comprehensive (expense) income:			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Share of other comprehensive (expense) income of investees accounted for under the equity method (with nil tax effect)		(13,225)	40
<i>Items that will not be reclassified to profit or loss:</i>			
Share of other comprehensive income (non-recycling) of investees accounted for under the equity method (with nil tax effect)		9,388	–
Other comprehensive (expense) income for the period (net of tax)	9	(3,837)	40
Total comprehensive income for the period		3,033,088	1,286,542
Profit (loss) for the period attributable to:			
Equity holders of the Company		2,876,840	1,590,477
Non-controlling interests		160,085	(303,975)
		3,036,925	1,286,502
Total comprehensive income (expense) for the period attributable to:			
Equity holders of Company		2,872,853	1,590,517
Non-controlling interests		160,235	(303,975)
		3,033,088	1,286,542
Earnings per share	10		
– Basic (RMB)		0.239	0.115
– Diluted (RMB)		0.236	0.113

Condensed Consolidated Statement of Financial Position

As at 30 June 2023

(Expressed in Renminbi)

		At 30 June 2023	At 31 December 2022
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited) (Restated)
Non-current assets			
Property, plant and equipment	11	132,389,631	128,171,003
Right-of-use assets		5,888,134	5,979,607
Construction in progress	12	8,319,335	14,842,864
Investment properties		70,385	71,405
Intangible assets		1,900,612	1,939,859
Goodwill		1,032,483	1,032,483
Interests in associates		43,478,839	41,482,010
Financial assets at fair value through profit or loss		370,055	370,055
Other non-current assets	13	799,170	823,936
Deferred tax assets		2,749,196	2,856,915
		196,997,840	197,570,137
Current assets			
Inventories		5,795,733	3,937,380
Trade debtors and bills receivables	14	13,307,650	12,389,467
Deposits, other receivables and prepayments	15	6,484,775	6,521,277
Tax recoverable		83,438	99,832
Restricted deposits	16	282,352	374,824
Cash and cash equivalents	17	6,522,622	5,907,615
		32,476,570	29,230,395

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2023
(Expressed in Renminbi)

	Notes	At 30 June 2023	At 31 December 2022
		<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited) (Restated)
Current liabilities			
Bank loans		27,141,277	28,838,057
Loans from shareholders		9,832	1,358,019
State loans		1,891	1,781
Other loans	18(a)	3,596,144	7,450,216
Long-term debentures payable – current portion	18(b)	4,914,706	2,442,132
Amount due to the parent company		57,198	11,245
Lease liabilities		142,267	218,402
Trade creditors and bills payable	19	13,645,557	16,606,208
Other payables and contract liabilities	20	6,730,569	6,088,796
Tax payable		209,284	76,954
		<u>56,448,725</u>	<u>63,091,810</u>
Net current liabilities		<u>(23,972,155)</u>	<u>(33,861,415)</u>
Total assets less current liabilities		<u>173,025,685</u>	<u>163,708,722</u>

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2023

(Expressed in Renminbi)

	Notes	At 30 June 2023	At 31 December 2022
		RMB'000 (Unaudited)	RMB'000 (Audited) (Restated)
Non-current liabilities			
Bank loans		53,014,649	49,551,462
Loans from shareholders		5,545,170	4,395,860
State loans		46,681	44,880
Other loans	18(a)	6,841,642	5,747,581
Long-term debentures payable	18(b)	19,088,310	23,572,927
Convertible bonds – liability components	21	–	1,461,245
Lease liabilities		54,019	61,492
Provisions		69,631	59,733
Deferred governments grants		1,447,205	1,422,925
Deferred income	22	2,798,970	2,871,409
Deferred tax liabilities		1,535,755	1,502,839
Retirement benefit obligations		8,109	9,929
		90,450,141	90,702,282
Net assets		82,575,544	73,006,440
Capital and reserves			
Share capital		10,227,561	9,869,858
Perpetual capital securities	23	30,851,341	23,506,213
Reserves		29,619,056	28,032,776
Equity attributable to equity holders of the Company		70,697,958	61,408,847
Non-controlling interests		11,877,586	11,597,593
Total equity		82,575,544	73,006,440

The condensed consolidated financial statements on pages 30 to 80 were approved and authorized for issue by the board of directors 30 August 2023 and are signed on its behalf by:

Dai Jun
Director

Li Guoming
Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023
(Expressed in Renminbi)

	Attributable to equity holders of the Company											
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Revaluation reserve	Fair value reserve	Retained profits	Convertible bonds reserve	Perpetual capital securities	Total	Non-controlling interest	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (note 23)	RMB'000	RMB'000	RMB'000
Balance at 31 December 2021 (audited)	9,869,858	14,977,092	4,331,149	68,089	44,726	65,990	11,922,933	41,250	22,473,349	63,794,436	12,552,278	76,346,714
Effects on adoption of Amendments to IAS 12	-	-	(3,663)	-	-	-	(34,511)	-	-	(38,174)	(668)	(39,042)
Balance at 1 January 2022 (restated)	9,869,858	14,977,092	4,327,486	68,089	44,726	65,990	11,888,422	41,250	22,473,349	63,756,262	12,551,410	76,307,672
Profit for the period (restated)	-	-	-	-	-	-	1,137,223	-	453,254	1,590,477	(303,975)	1,286,502
Other comprehensive income for the period (note 9)	-	-	-	-	-	40	-	-	-	40	-	40
Total comprehensive income for the period	-	-	-	-	-	40	1,137,223	-	453,254	1,590,517	(303,975)	1,286,542
Issued of perpetual capital securities	-	-	-	-	-	-	-	-	2,497,700	2,497,700	-	2,497,700
Redemption of perpetual capital securities	-	-	-	-	-	-	-	-	(1,500,000)	(1,500,000)	-	(1,500,000)
Appropriation of specific reserve	-	-	143	-	-	-	(143)	-	-	-	-	-
Utilisation of specific reserve	-	-	(4,425)	-	-	-	4,425	-	-	-	-	-
Dividends recognised as distribution (note 24)	-	-	-	-	-	-	(2,467,465)	-	-	(2,467,465)	-	(2,467,465)
Dividends declared to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(524)	(524)
Distributions payable to holders of perpetual capital securities (note 23)	-	-	-	-	-	-	-	-	(616,288)	(616,288)	-	(616,288)
Others	-	(1,899)	-	-	-	-	-	-	-	(1,899)	(1,029)	(2,928)
Balance at 30 June 2022 (unaudited) (restated)	9,869,858	14,975,193	4,323,204	68,089	44,726	66,030	10,562,462	41,250	23,308,015	63,258,827	12,245,882	75,504,709

Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

	Attributable to equity holders of the Company											Total equity
	Share capital	Capital reserve	Statutory surplus reserve	Discretionary surplus reserve	Revaluation reserve	Fair value reserve	Retained profits	Convertible bonds reserve	Perpetual capital securities	Total	Non-controlling interest	
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	
Balance at 31 December 2022 (audited)	9,869,858	14,952,439	4,718,633	68,089	44,726	93,026	8,136,318	41,250	23,506,213	61,430,552	11,598,357	73,028,909
Effects on adoption of Amendments to IAS 12 (note 3(b))	-	-	(2,037)	-	-	-	(19,668)	-	-	(21,705)	(764)	(22,469)
Balance at 1 January 2023 (audited) (restated)	9,869,858	14,952,439	4,716,596	68,089	44,726	93,026	8,116,650	41,250	23,506,213	61,408,847	11,597,593	73,006,440
Profit for the period	-	-	-	-	-	-	2,402,367	-	474,473	2,876,840	160,085	3,036,925
Other comprehensive income for the period (note 9)	-	-	-	-	-	(3,987)	-	-	-	(3,987)	150	(3,837)
Total comprehensive income for the period	-	-	-	-	-	(3,987)	2,402,367	-	474,473	2,872,853	160,235	3,033,088
Conversion of convertible bonds	357,703	1,159,931	-	-	-	-	-	(41,250)	-	1,476,384	-	1,476,384
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	112,500	112,500
Issued of perpetual capital securities	-	(2,102)	-	-	-	-	-	-	11,500,000	11,497,898	-	11,497,898
Redemption of perpetual capital securities	-	-	-	-	-	-	-	-	(4,000,001)	(4,000,001)	-	(4,000,001)
Appropriation of specific reserve	-	-	407,987	-	-	-	(407,987)	-	-	-	-	-
Utilisation of specific reserve	-	-	(197,222)	-	-	-	197,222	-	-	-	-	-
Dividends recognised as distribution (note 24)	-	-	-	-	-	-	(2,045,512)	-	-	(2,045,512)	-	(2,045,512)
Distributions payable to holders of perpetual capital securities (note 23)	-	-	-	-	-	-	-	-	(629,344)	(629,344)	-	(629,344)
Others	-	116,833	-	-	-	-	-	-	-	116,833	7,258	124,091
Balance at 30 June 2023 (unaudited)	10,227,561	16,227,101	4,927,361	68,089	44,726	89,039	8,262,740	-	30,851,341	70,697,958	11,877,586	82,575,544

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2023

(Expressed in Renminbi)

1 GENERAL

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

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

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

2 BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for six months ended 30 June 2023 have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by International Accounting Standards Board (“**IASB**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

At 30 June 2023, the Group had net current liabilities of approximately RMB23,972 million and certain capital commitments (see note 25). The directors of the Company, are of the opinion that, taking into account the current operation of the Group, the unutilised banking facilities available to the Group as well as debentures and bonds registered in the PRC interbank debenture market which has not been issued, the Group has sufficient working capital to enable it to meet in full its financial obligations as and when they fall due in the foreseeable future. Therefore, these condensed consolidated financial statements have been continuously prepared on a going concern basis.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

3 PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“IFRSs”) as set out in note 3(a) below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2022.

(a) Application of new and amendments to IFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB, which are effective for the Group’s financial year beginning on 1 January 2023:

IFRS 17 and related amendments	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Impact on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. Therefore, entities are required to recognise 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 shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations.

The Group previously applied IAS 12 requirements to the relevant assets and liabilities separately. Temporary differences on initial recognition of the relevant assets and liabilities are not recognised due to application of the initial recognition exemption. Upon application of the amendments, the Group has recognised a separate deferred tax asset and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Impact on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Continued)

The impacts of the amendments on each financial line item and earnings per share are as follow:

	Six months ended 30 June 2022
	RMB'000
<i>Impact on profit and total comprehensive income for the period</i>	
Increase in income tax credit	11,266
Increase in profit and total comprehensive income for the period attributable to:	
– Equity holders of the Company	10,973
– Non-controlling interests	293
	11,266
<i>Impact on basic earnings per share (RMB)</i>	
Basic earnings per share before adjustments	0.114
Net adjustments arising from change in accounting policy	0.001
Reported basic earnings per share as restated	0.115
<i>Impact on diluted earnings per share (RMB)</i>	
Diluted earnings per share before adjustments	0.112
Net adjustments arising from change in accounting policy	0.001
Reported diluted earnings per share as restated	0.113

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Impact on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Continued)

Impact on the condensed consolidated statement of financial position as at 1 January 2022 and 31 December 2022

	At 31 December 2022	Adjustments	At 31 December 2022
	<i>RMB'000</i> (as originally stated)	<i>RMB'000</i>	<i>RMB'000</i> (Restated)
Deferred tax assets	2,858,796	(1,881)	2,856,915
Deferred tax liabilities	(1,482,251)	(20,588)	(1,502,839)
Reserves	28,054,481	(21,705)	28,032,776
Non-controlling interests	11,598,357	(764)	11,597,593
Net assets	73,028,909	(22,469)	73,006,440

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Impact on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Continued)

Impact on the condensed consolidated statement of financial position as at 1 January 2022 and 31 December 2022 (Continued)

	At 1 January 2022	Adjustments	At 1 January 2022
	<i>RMB'000</i> (as originally stated)	<i>RMB'000</i>	<i>RMB'000</i> (Restated)
Deferred tax assets	2,289,323	(1,966)	2,287,357
Deferred tax liabilities	(1,690,353)	(37,076)	(1,727,429)
Reserves	31,451,229	(38,174)	31,413,055
Non-controlling interests	12,552,278	(868)	12,551,410
Net assets	76,346,714	(39,042)	76,307,672

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

4 TURNOVER

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

	Six months ended 30 June	
	2023	2022
	<i>RMB' 000</i> (Unaudited)	<i>RMB' 000</i> (Unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
– Sale of electricity	47,129,670	43,015,885
– Sale of heat	5,482,148	4,899,666
– Sale of coal	6,441,207	1,029,920
	59,053,025	48,945,471

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

5 INVESTMENT INCOME

	Six months ended 30 June	
	2023	2022
	RMB '000 (Unaudited)	RMB '000 (Unaudited)
Interest income from other long-term receivables	7,378	7,187
Loss on disposal of financial assets measured at fair value through other comprehensive income ("FVOCI")	(3,123)	(5,127)
Others	7,278	–
	11,533	2,060

6 FINANCE COSTS

	Six months ended 30 June	
	2023	2022
	RMB '000 (Unaudited)	RMB '000 (Unaudited)
Interest on loans and other financial liabilities	1,925,359	2,146,374
Interest on lease liabilities	5,028	11,654
Interest on convertible bonds	15,139	23,336
Other finance costs	10,247	42,584
Net foreign exchange loss (gain)	2,856	(1,388)
Less: interest capitalized	(105,469)	(153,924)
	1,853,160	2,068,636

The borrowing costs have been capitalised at an average rate of 3.42% (six months ended 30 June 2022: 3.83%) per annum for construction in progress.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

7 PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2023	2022
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Amortisation		
– Intangible assets	55,231	46,476
Depreciation		
– Property, plant and equipment	4,949,082	4,807,335
– Right-of-use assets	156,556	204,658
– Investment properties	1,020	972
Total amortisation and depreciation	5,161,889	5,059,441
Reversal of impairment loss recognised under expected credit loss model, net (included in administration expenses)		
– Trade debtors and bills receivables	(7,551)	(177)
– Deposits, other receivables and prepayments	(250)	(673)
Included in other revenue and net income:		
– Government grants	(259,122)	(392,663)
– Net gain on disposal of property, plant and equipment and right-of-use assets	(111,601)	(84,661)
– Net income from sale of materials	(287,390)	(482,613)

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

7 PROFIT BEFORE TAXATION (CONTINUED)

(b) Other operating expenses:

	Six months ended 30 June	
	2023	2022
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Heating	313,149	399,073
Power charges	137,833	131,295
Water charges	217,922	191,440
Safety production payment	109,117	–
Environmental restoration expense	10,728	–
Other expense relating to short-term leases	4,388	1,016
	793,137	722,824

8 INCOME TAX EXPENSE (CREDIT)

	Six months ended 30 June	
	2023	2022
	RMB'000 (Unaudited)	RMB'000 (Unaudited) (Restated)
Current tax – PRC Enterprise Income Tax		
Charge for the period	303,793	72,370
(Over) under-provision in respect of prior years	(8,043)	2,193
	295,750	74,563
Deferred tax		
Origination and reversal of temporary differences and tax losses	158,095	(227,497)
	453,845	(152,934)

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

8 INCOME TAX EXPENSE (CREDIT) (CONTINUED)

The charge for PRC Enterprise Income Tax is calculated at the statutory rate of 25% (six months ended 30 June 2022: 25%) on the estimated assessable profits of the Group for the six months ended 30 June 2023 determined in accordance with relevant enterprise income tax rules and regulations, except for certain subsidiaries of the Group which are taxed at preferential rate of 15% (six months ended 30 June 2022: taxed at preferential rates of 15%).

9 OTHER COMPREHENSIVE (EXPENSE) INCOME

	Six months ended 30 June	
	2023	2022
	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
Share of other comprehensive (expense) income of investees accounted for under the equity method	(13,225)	40
Share of other comprehensive income (non-recycling) of investees accounted for under the equity method	9,388	—
Other comprehensive (expense) income, net of income tax	(3,837)	40

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

10 EARNINGS PER SHARE

(a) Basic earnings per share

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

	Six months ended 30 June	
	2023	2022
	RMB'000 (Unaudited)	RMB'000 (Unaudited) (Restated)
Profit attributable to equity holders of the Company	2,876,840	1,590,477
Less: Profit attributable to holders perpetual capital securities (note 23)	(474,473)	(453,254)
Profit attributable to equity shareholders	2,402,367	1,137,223
Weighted average number of ordinary shares in issue	10,036,783,843	9,869,858,215
Basic earnings per share (RMB)	0.239	0.115

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

10 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number ordinary shares outstanding to assume exercise/conversion of all dilutive potential ordinary shares. During the six months ended 30 June 2022 and 2023, the Company has one category of dilutive potential ordinary shares which is the convertible bonds. They are assumed to have been converted into ordinary shares, and profits attributable to the equity shareholders of the Company is adjusted to eliminate the interest expenses of the convertible bonds.

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited) (Restated)
Profit attributable to equity shareholders (note 10(a))	2,402,367	1,137,223
Add: Interest expense on liability component of convertible bonds	15,139	23,336
Profit for the purpose of diluted earnings per share	2,417,506	1,160,559
Weighted average number of ordinary shares in issue	10,036,783,843	9,869,858,215
Effect of dilutive potential ordinary shares: Convertible bonds*	190,777,290	357,702,920
Weighted average number of ordinary share in issue for the purpose of diluted earnings per share	10,227,561,133	10,227,561,135
Diluted earnings per share (RMB)	0.236	0.113

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired items of property, plant and equipment with an aggregate cost of approximately RMB9,685 million (six months ended 30 June 2022: RMB18,345 million), including approximately RMB8,825 million (six months ended 30 June 2022: RMB1,558 million) through transfer from construction in progress.

During the six months ended 30 June 2023, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of approximately RMB98.4 million (six months ended 30 June 2022: RMB14.5 million) for cash proceeds of approximately RMB210 million (six months ended 30 June 2022: RMB64 million), resulting in a gain on disposal of approximately RMB111.6 million (six months ended 30 June 2022: RMB49.5 million).

As at 30 June 2023, the carrying value of property, generators and related machinery of property, plant and equipment held as collateral of the sales and leaseback agreement signed by the Group for financing purposes (note 18(a)) was approximately RMB1,133 million (31 December 2022: RMB1,120 million).

12 CONSTRUCTION IN PROGRESS

	Six months ended 30 June	
	2023	2022
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Additions	2,301,143	2,340,421
Transfer to property, plant and equipment	(8,824,672)	(1,558,126)

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

13 OTHER NON-CURRENT ASSETS

	At 30 June 2023	At 31 December 2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Financial assets		
– Other long-term receivables with fixed-rated and non-current feature (<i>Note</i>)	231,362	231,354
Deductible value added tax and other taxes	524,653	573,809
Others	43,155	18,773
	799,170	823,936

Note: Other long-term receivables are balances due from an associate (note 27(a)).

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

14 TRADE DEBTORS AND BILLS RECEIVABLES

	At 30 June 2023	At 31 December 2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Trade debtors and bills receivables for the sale of electricity	10,220,165	11,215,958
Trade debtors and bills receivables for the sale of heat	1,674,675	994,957
Trade debtors and bills receivables for the sale of coal	1,766,591	539,884
	13,661,431	12,750,799
Less: allowance for impairment	(353,781)	(361,332)
	13,307,650	12,389,467
Analysed into:		
– At amortised cost	13,019,667	12,002,063
– At FVOCI (Note)	641,764	748,736
	13,661,431	12,750,799

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

14 TRADE DEBTORS AND BILLS RECEIVABLES (CONTINUED)

Note:

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

As at 30 June 2023, bank acceptance bills discounted of approximately RMB1,095 million (31 December 2022: RMB1,090 million) were derecognised by the Group (the "**Derecognised Bills**"). In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "**Continuing Involvement**"). In the opinion of the directors, the Group has transferred substantially all risk and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant. Losses related to derecognition of the Derecognised Bills was RMB3 million (30 June 2022: RMB5 million) in total and charged to profit or loss.

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

	At 30 June 2023	At 31 December 2022
	RMB'000 (Unaudited)	RMB'000 (Audited)
Within 1 year	13,234,796	12,348,427
1 to 2 years	58,452	33,779
2 to 3 years	10,945	6,754
Over 3 years	3,457	507
	13,307,650	12,389,467

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

15 DEPOSITS, OTHER RECEIVABLES AND PREPAYMENTS

	At 30 June 2023	At 31 December 2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Financial assets		
– Dividends receivables	819,547	353,150
– Deposits	39,512	24,649
– Consideration receivables	–	134,437
– Machinery and equipment related receivables	243,475	327,583
– Other receivables	856,511	801,682
	1,959,045	1,641,501
Less: allowance for impairment (<i>Note</i>)	(482,179)	(482,429)
	1,476,866	1,159,072
Deductible Value Added Tax	1,319,567	1,537,089
Prepayments	3,591,803	3,728,564
Others	96,539	96,552
	6,484,775	6,521,277

Note:

Expected credit losses ("ECLs") are estimated by applying a loss rate approach with reference to the historical loss record of the Group. 12-months ECLs are applied as there has no significant increase in credit risk since initial recognition. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. As at 30 June 2023, 12-month ECLs of deposits and other receivables of the Group amounted to approximately RMB482 million (31 December 2022: RMB482 million).

16 RESTRICTED DEPOSITS

Restricted deposits mainly represent performance bonds and frozen deposits at banks and other financial institutions.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

17 CASH AND CASH EQUIVALENTS

	At 30 June 2023	At 31 December 2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Cash at banks and in hand	34,055	26,636
Cash at other financial institutions	6,488,567	5,880,979
	6,522,622	5,907,615

18 BORROWINGS

(a) Other loans

	At 30 June 2023	At 31 December 2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Due within 1 year:		
– short-term other loans	2,683,003	5,873,315
– current portion of long-term other loans	913,141	1,576,901
	3,596,144	7,450,216
Due after 1 year but within 2 years	1,974,649	1,791,047
Due after 2 years but within 5 years	2,719,821	2,358,583
Due after 5 years	2,147,172	1,597,951
	6,841,642	5,747,581
	10,437,786	13,197,797

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

18 BORROWINGS (CONTINUED)

(a) Other loans (Continued)

Other loans are mainly borrowed from China Huadian Finance Corporation Limited (“**China Huadian Finance**”), an associate of the Group, and fellow subsidiaries of the Company. Other loans bear interest rates ranging from 2.29% to 4.90% (31 December 2022: 1.20% to 5.00%) per annum as at 30 June 2023, with maturities from 2023 to 2038 (31 December 2022: 2023 to 2037).

During the period, the Group has entered 1 newly sales and leaseback agreements with an independent financial leasing company with contract terms of 1 year, in order to sell certain property, generator and related machinery and equipment (note 11) and in the meantime, leased back those assets. According to the agreements, the Group has an option to buy back the equipment at a nominal price (RMB100) when the lease term expires. The substance of the transaction was to obtain financing secured by relevant assets within the leasing period and repaid them in instalment. Meanwhile, the Group has signed a finance lease agreement with a fellow subsidiary of the Company (note 27). As at 30 June 2023, the loans mentioned above bear interest rate ranging from 3.10% to 4.90% (31 December 2022: ranging from 1.20% to 5.00%) per annum and will be due in 2023 to 2038 (31 December 2022: 2023 to 2037).

As at 30 June 2023, the other loans borrowed from China Huadian Finance and a fellow subsidiary totaling of approximately RMB350 million (31 December 2022: RMB485 million) are secured by the income stream in respect of the sale of electricity.

Apart from the aforementioned secured loans, all of the other loans are unsecured. All of the other loans are denominated in RMB.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

18 BORROWINGS (CONTINUED)

(b) Long-term debentures payable

	At 30 June 2023	At 31 December 2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
First tranche of medium-term notes for the year of 2019	3,029,939	3,091,058
Third tranche of medium-term notes for the year of 2020	–	2,032,233
First tranche of green mid-term notes for the year of 2021	2,357,799	2,322,468
Second tranche of medium-term notes for the year of 2021	2,565,162	2,526,636
Third tranche of medium-term notes for the year of 2021	2,048,321	2,017,004
Fourth tranche of medium-term notes for the year of 2021	1,846,387	1,814,185
Fifth tranche of medium-term notes for the year of 2021	2,555,377	2,513,752
First tranche of company debentures for the year of 2022 (Energy Supply Assurance Bond)	2,534,125	2,570,574
First tranche of medium-term notes for the year of 2022 (Revolutionary Base Area Bond)	2,025,050	2,053,915
Second tranche of medium-term notes for the year of 2022 (Type 1)	1,005,309	1,020,039
Second tranche of medium-term notes for the year of 2022 (Type 2)	1,005,611	1,022,559
Third tranche of medium-term notes for the year of 2022	1,500,808	1,521,014
Second tranche of company debentures for the year of 2022	1,529,128	1,509,622
	24,003,016	26,015,059
Less: Long-term debentures due within one year	(4,914,706)	(2,442,132)
	19,088,310	23,572,927

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

18 BORROWINGS (CONTINUED)

(b) Long-term debentures payable (Continued)

As at 30 June 2023, the effective interest rates of the long-term debentures are ranging from 2.63% to 4.08% (31 December 2022: 2.54% to 4.08%) per annum after considering the effect of issue costs.

19 TRADE CREDITORS AND BILLS PAYABLE

As at 30 June 2023, the ageing analysis of trade creditors and bills payable, presented based on the invoice date, is as follows:

	At 30 June 2023	At 31 December 2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Within 1 year	11,841,896	14,407,697
1 to 2 years	679,937	1,001,702
Over 2 years	1,123,724	1,196,809
	13,645,557	16,606,208

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

20 OTHER PAYABLES AND CONTRACT LIABILITIES

	At 30 June 2023	At 31 December 2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Financial liabilities		
– Construction deposits	1,228,104	1,172,282
– Consideration payables on acquisitions	306,400	330,400
– Wages payables	481,057	214,982
– Payables for installed capacity quota	200,000	200,000
– Dividend payables to non-controlling interest	11,812	109,638
– Dividend payables to ordinary shareholders	2,045,512	–
– Distribution payables to holders of perpetual capital securities	554,633	250,639
– Others (Note (i))	628,803	656,095
	5,456,321	2,934,036
Other tax payables	720,310	1,125,876
Contract liabilities	553,938	2,028,884
	6,730,569	6,088,796

Note:

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

21 CONVERTIBLE BONDS – LIABILITY COMPONENTS

During the six months ended 30 June 2023, the convertible bonds are fully converted into ordinary A shares of the Company. After the redemption, 357,702,918 A shares are issued at a price of RMB4.11 and share capital is increased by the same amount accordingly. All A shares and H shares rank pari passu in all material aspects.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

22 DEFERRED INCOME

Deferred income represents the unearned portion of upfront installation fees received from customers for connecting the customers' premises to the heat network of the Group. The amount is deferred and recognised in profit or loss on a straight-line basis over the expected useful life of the relevant assets installed, which approximates to the expected terms of service contracts for sale of heat.

The upfront installation fee recognised for the six months ended 30 June 2023 amounting to approximately RMB116 million (six months ended 30 June 2022: RMB145 million) is included in "Other revenue and net income" in the condensed consolidated statement of profit or loss and other comprehensive income.

23 PERPETUAL CAPITAL SECURITIES

During the six months ended 30 June 2023, the Company issued 6 tranches of public perpetual capital securities, which included (1) 1st tranche of renewable company debentures for the year of 2023; (2) 2nd tranche of renewable company debentures for the year of 2023; (3) 3rd tranche of renewable company debentures for the year of 2023; (4) 4th tranche of renewable company debentures for the year of 2023; (5) 5th tranche of renewable company debentures for the year of 2023 and (6) 6th tranche of renewable company debentures for the year of 2023 to third parties with total principal amount of RMB11.5 billion.

During the six months ended 30 June 2022, the Company issued 1 tranche of public perpetual capital security, which is the 1st tranche of renewable company debentures for the year of 2022 to third parties with a principal amount of RMB2.5 billion.

The perpetual capital securities are issued at par value with a range of initial distribution rate from 2.88% to 3.77% (2022: 3.14% to 5.2%). The interests of perpetual capital securities are recorded as distributions, which are payable annually after the approval of the directors of the Company and may be deferred at the discretion of the Company unless compulsory distribution payment events (distribution to ordinary shareholders of the Company or reduction of the registered capital of the Company) occurred.

The perpetual capital securities have no fixed maturity date and are redeemable at the Company's discretion in whole in accordance with their terms. The Company is entitled to redeem the perpetual capital securities at par value plus payable interest (including all deferred interest) on the 2, 3 or 5 years and each of the subsequent interest payment dates of the perpetual bonds.

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

23 PERPETUAL CAPITAL SECURITIES (CONTINUED)

The directors of the Company are of the opinion that the Group has no contractual obligation to repay the principal or to pay any distribution for the perpetual capital securities. Therefore, the perpetual capital securities are classified as equity instrument and recorded in equity in the condensed consolidated statements of financial position. During the six months ended 30 June 2023, the profit attributable to holders of perpetual capital securities, based on the applicable distribution rate, was approximately RMB474 million (six months ended 30 June 2022: RMB453 million).

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

Movement of the perpetual capital securities is as follows:

	Principal	Distribution	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2022 (audited)	22,310,315	163,034	22,473,349
Issue of perpetual capital securities	2,497,700	–	2,497,700
Profit attributable to holders of perpetual capital securities (note 10(a))	–	453,254	453,254
Distributions payable to holders of perpetual capital securities	–	(616,288)	(616,288)
Redemption of perpetual capital securities	(1,500,000)	–	(1,500,000)
As at 30 June 2022 (unaudited)	<u>23,308,015</u>	<u>–</u>	<u>23,308,015</u>
As at 1 January 2023 (audited)	23,350,001	156,212	23,506,213
Issue of perpetual capital securities	11,500,000	–	11,500,000
Profit attributable to holders of perpetual capital securities (note 10(a))	–	474,473	474,473
Distributions payable to holders of perpetual capital securities	–	(629,344)	(629,344)
Redemption of perpetual capital securities	(4,000,001)	–	(4,000,001)
As at 30 June 2023 (unaudited)	<u>30,850,000</u>	<u>1,341</u>	<u>30,851,341</u>

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

24 DIVIDENDS

- (a) A final dividend of RMB0.20 per share in respect of the year ended 31 December 2022 (six months ended 30 June 2022: RMB0.25 per share in respect of the year ended 31 December 2021) was declared to the equity shareholders of the Company and approved on 31 May 2023. The aggregate amount of the final dividend declared amounted to approximately RMB2,046 million (six months ended 30 June 2022: RMB2,467 million).
- (b) The directors of the Company do not recommend the payment of interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

25 CAPITAL COMMITMENTS

	At 30 June 2023	At 31 December 2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Contracted for but not provided in the condensed consolidated financial statements		
– Development of power plants	6,008,499	5,583,830
– Improvement projects and others	427,557	407,503
	6,436,056	5,991,333

For commitment with related parties, please refer to note 27(e) for details.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

26 NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2023	2022
	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
Investing activities		
Payment for the purchase of property, plant and equipment, construction in progress, right-of-use assets and intangible assets	(4,358,533)	(4,095,632)
Proceeds from disposal of property, plant and equipment and right-of-use assets	209,924	63,972
Payment for the purchase of financial assets at fair value through profit or loss	–	(15,000)
Investment in associates	(73,693)	–
Interest received	38,578	44,991
Withdrawal of restricted deposits	118,278	29,415
Placement of restricted deposits	(25,806)	(165,014)
Dividends received	27,434	362,948
Cash inflow from disposal of subsidiaries, net	–	933,554
Other investing activities	22,740	29,150
Net cash used investing activities	(4,041,078)	(2,811,616)

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

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

	Six months ended 30 June	
	2023	2022
	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
Financing activities		
Debentures		
– Net proceeds from debentures	–	7,993,298
– Repayment of debentures	(2,000,000)	(5,867,597)
Loans		
– Proceeds from loans	48,523,624	36,043,028
– Repayment of loans	(49,681,817)	(38,984,713)
Lease liabilities		
– Payment for principal portion of lease liabilities	(91,062)	(118,873)
Bills financing		
– Proceeds from bank acceptance bills discounted	856,527	1,261,843
– Repayment of bank acceptance bills	(1,882,449)	(1,190,771)
Issued of perpetual capital securities	11,500,000	2,500,000
Redemption of perpetual capital securities	(4,000,001)	(1,500,000)
Capital injection from non-controlling interests	112,500	–
Dividends paid to non-controlling interest	(97,826)	(136,764)
Dividends on perpetual capital securities	(325,350)	(310,600)
Other financing activities	(8,797)	(57,287)
Net cash generated from (used in) financing activities	2,905,349	(368,436)

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

27 MATERIAL RELATED PARTY TRANSACTIONS

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

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

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

Name of related parties	Nature of relationship
China Huadian Finance Corporation Limited	An associate of the Group
Huadian Coal Industry Group Company Limited	An associate of the Group
CNNP CHD Hebei Nuclear Power Company Limited	An associate of the Group
Huadian New Energy Group Corporation Limited (" Huadian New Energy ") (formerly known as "Huadian New Energy Development Company Limited")	An associate of the Group
Beijing Huabin Investment Company Limited	A subsidiary of an associate of the Group
Beijing Huabin Property Management Company Limited	A subsidiary of an associate of the Group
Yankuang Energy Group Company Limited (" Yankuang Energy ") (Note (i))	A connected person of the Group
Shaanxi Coal Transportation and Marketing (Group) Company Limited (" Shaanxi Coal Transportation and Marketing ") (Note (ii))	A connected person of the Group

Notes:

- (i) Yankuang Energy is a substantial minority shareholder of a non-wholly owned subsidiary of the Company.
- (ii) Shaanxi Coal Transportation and Marketing is a substantial minority shareholder of a non-wholly owned subsidiary of the Company.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

The Group had the following material transactions with shareholders, fellow subsidiaries, associates and other connected persons during the six months ended 30 June 2023 and 2022:

	Six months ended 30 June	
	2023	2022
	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
<i>Purchase of electricity from</i> A fellow subsidiary	57,239	36,622
<i>Sale of coal to</i> Fellow subsidiaries	5,783,519	980,508
<i>Purchase of coal from</i> China Huadian	3,058,110	–
Associates	628,661	3,261,117
Fellow subsidiaries	1,013,793	970,190
A connected person	1,428,656	1,578,265
<i>Purchase of natural gas from</i> A fellow subsidiary	2,327	164,919
<i>Sale of equipment to</i> An associate	2,715	33,041
A fellow subsidiary	–	204
<i>Other services income from</i> China Huadian	34,620	–
An associate	–	9,195
Fellow subsidiaries	22,231	13,164

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

The Group had the following material transactions with shareholders, fellow subsidiaries, associates and other connected persons during the six months ended 30 June 2023 and 2022: (Continued)

	Six months ended 30 June	
	2023	2022
	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
<i>Purchase of construction service and equipment from</i>		
Fellow subsidiaries	454,548	833,402
<i>Loans proceeds obtained from</i>		
China Huadian	1,349,310	416,460
Associates	14,144,880	8,794,500
A fellow subsidiary	1,149,137	72,100
<i>Loans repaid to</i>		
China Huadian	1,350,000	2,950,000
Associates	17,136,425	9,176,600
A fellow subsidiary	182,042	2,128,912
<i>Bills receivables discounted to</i>		
Associates	731,983	1,261,843
<i>Derecognised bills receivables collected by</i>		
Associates	1,228,524	1,190,771
<i>Lease payment to</i>		
A fellow subsidiary	–	229,783

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

The Group had the following material transactions with shareholders, fellow subsidiaries, associates and other connected persons during the six months ended 30 June 2023 and 2022: (Continued)

	Six months ended 30 June	
	2023	2022
	<i>RMB' 000</i> (Unaudited)	<i>RMB' 000</i> (Unaudited)
<i>Interest paid to</i>		
China Huadian	104,591	112,879
An associate	151,744	160,627
A fellow subsidiary	22,140	5,573
<i>Interest received from</i>		
An associate	36,359	40,789
<i>Rental and property management service expenses paid to</i>		
Associates	27,863	29,068
Fellow subsidiaries	4,993	2,978
<i>Other services expenses paid to</i>		
China Huadian	44,894	36,056
Associates	5,763	18,966
Fellow subsidiaries	54,612	65,342

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

	At 30 June 2023	At 31 December 2022
	RMB'000 (Unaudited)	RMB'000 (Audited)
<i>Construction in progress and related construction material prepayments</i>		
Fellow subsidiaries	115,255	163,525
<i>Trade debtors and bills receivables</i>		
China Huadian	—	59,381
Associates	4,089	251,377
Fellow subsidiaries	1,693,948	239,059
<i>Deposits, other receivables and prepayments</i>		
China Huadian	433,421	575,445
Associates	144,258	257,048
Fellow subsidiaries	492,220	117,848
A connected person	—	63,239
<i>Other long-term receivables</i>		
An associate	231,362	231,354
<i>Cash and cash equivalents and restricted deposits</i>		
An associate	6,748,059	6,245,772
<i>Loans from a shareholder</i>		
China Huadian	(5,554,743)	(5,753,620)

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

	At 30 June 2023	At 31 December 2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
<i>Other loans</i>		
An associate	(8,603,734)	(11,598,911)
A fellow subsidiary	1,392,979	(1,088,346)
<i>Trade creditors and bills payable</i>		
China Huadian	(380,108)	(7,487)
Associates	(94,544)	(499,294)
Fellow subsidiaries	(1,653,335)	(2,000,341)
A connected person	(132,683)	(165,663)
<i>Other payables</i>		
China Huadian	(7,559)	(3,892)
An associate	(366)	(431)
Fellow subsidiaries	(272,397)	(289,385)
<i>Contract liabilities</i>		
Fellow subsidiaries	(228,641)	(67,459)

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with key management personnel

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

	Six months ended 30 June	
	2023	2022
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Salaries and other emoluments	1,858	2,316
Retirement benefits	275	256
	2,133	2,572

(c) Contributions to defined contribution retirement plans

The Group participates in various defined contribution retirement plans organised by municipal and provincial governments and China Huadian for its staff. As at 30 June 2023 and 31 December 2022, there was no material outstanding contribution to the post-employment benefit plans.

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

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

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

- sale of electricity to the grid

The Group sells substantially all its electricity to local government-related power grid companies, and the tariff of electricity is regulated by relevant government. For the six months ended 30 June 2023, management estimates that the aggregate amount of the Group's sales transactions with other government-related entities are at least 99% (six months ended 30 June 2022: 99%) of its sale of electricity.

- depositing and borrowing

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

- other transactions

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

27 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Commitments with related parties

Commitments with related parties are as follows:

	At 30 June 2023	At 31 December 2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Capital commitments	453,659	732,192

28 CONTINGENT LIABILITIES

As at 30 June 2023, certain of the Group's subsidiaries were the defendant in certain lawsuits for events occurred. As at the date of the financial statements, the lawsuits were in progress of which the final outcomes cannot be determined at present. The management of the Company considered that the outcome of these outstanding lawsuits will not result in significant adverse effect on the financial position and operating results of the Group.

Apart from the above, the Group has no other material contingent liabilities as at 30 June 2023 (31 December 2022: nil).

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

29 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENT

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

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

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key inputs
	30 June 2023	31 December 2022		
	RMB'000	RMB'000		
Bills receivables measured at FVOCI (included in trade debtors and bills receivables) (note 14)	641,764	748,736	Level 2	Future cash flows are estimates based on discount rate observed in the available market.
Financial assets at fair value through profit and loss ("FVPL") – unlisted equity securities	370,055	370,055	Level 3	The financial assets at FVPL are unlisted equity securities. The fair value is measured by applying income approach and considered the expected distributable profits of the investments.

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023
(Expressed in Renminbi)

29 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENT (CONTINUED)

(b) Financial instruments carried at other than fair value

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

	30 June 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	RMB'000	RMB'000	RMB'000	RMB'000
Fixed-rate borrowings and debentures payable	36,827,976	36,980,134	40,054,605	39,578,638

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2023

(Expressed in Renminbi)

30 EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2023, the Group had the following non-adjusting events:

- (a) In July 2023, the Group issued the seventh tranche of medium-term notes (Type 1 and Type 2) for the year of 2023 in the PRC interbank debenture market. The medium-term note (Type 1) was issued at a total par value of RMB1,500 million with an initial maturity period of 2 years and bears interest at 2.92% per annum. The medium-term note (Type 2) was issued at a total par value of RMB1,000 million with an initial maturity period of 3 years and bears interest at 3.10% per annum. The tranche is unsecured.
- (b) In July 2023, the Group issued the eighth tranche of medium-term notes (Type 1 and Type 2) for the year of 2023 in the PRC interbank debenture market. The medium-term note (Type 1) was issued at a total par value of RMB1,000 million with an initial maturity period of 2 years and bears interest at 2.90% per annum. The medium-term note (Type 2) was issued at a total par value of RMB1,000 million with an initial maturity period of 3 years and bears interest at 3.10% per annum. The tranche is unsecured.
- (c) In July 2023, the Group issued the first tranche of super short-term debentures of 2023 in PRC interbank debenture market. The super short-term debenture was issued at a par value of RMB2,000 million with a maturity period of 60 days and bears interest at 2.00% per annum. The tranche is unsecured.

Details of above transactions are set out in the Company's announcements dated 26 July 2023, and 27 July 2023, respectively.