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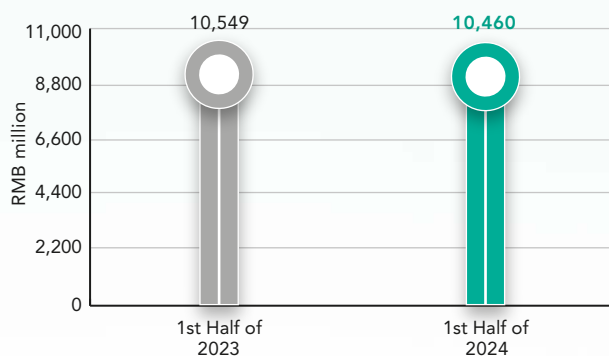
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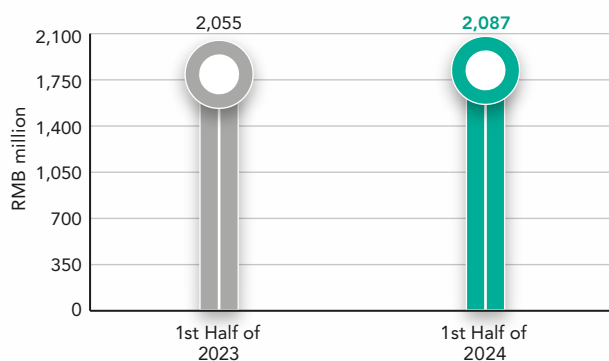


FINANCIAL HIGHLIGHTS

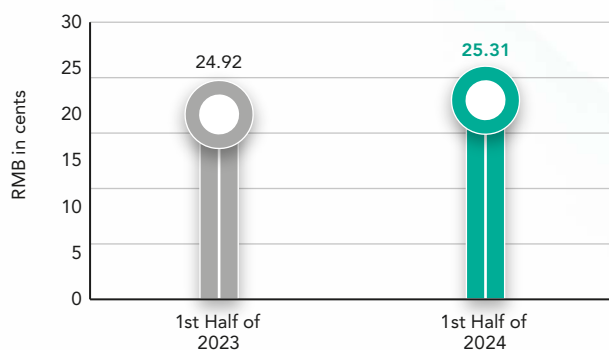
REVENUE



PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY



EARNINGS PER SHARE



REGISTERED NAME

Beijing Jingneng Clean Energy Co., Limited
(the “**Company**”, together with its subsidiaries
collectively referred to as the “**Group**”)

DIRECTORS

Executive Directors

Mr. CHEN Dayu (*Chairman*)
Mr. LI Minghui (*General Manager*)
Mr. ZHANG Wei

Non-executive Directors

Mr. ZHOU Jianyu
Mr. SONG Zhiyong
Ms. ZHANG Yi

Independent Non-executive Directors

Ms. ZHAO Jie
Mr. WANG Hongxin
Mr. QIN Haiyan
Ms. HU Zhiying

STRATEGY COMMITTEE

Mr. CHEN Dayu (*Chairman*)
Mr. LI Minghui
Mr. ZHANG Wei
Mr. QIN Haiyan

REMUNERATION AND NOMINATION COMMITTEE

Ms. ZHAO Jie (*Chairman*)
Ms. ZHANG Yi
Ms. HU Zhiying

AUDIT COMMITTEE

Ms. HU Zhiying (*Chairman*)
Mr. SONG Zhiyong
Ms. ZHAO Jie

LEGAL AND COMPLIANCE MANAGEMENT COMMITTEE

Mr. ZHOU Jianyu (*Chairman*)
Mr. LI Minghui
Mr. WANG Hongxin

SUPERVISORS

Mr. WANG Xiangneng
Mr. SUN Li
Ms. QIN Yi

COMPANY SECRETARY

Mr. ZHANG Wei
Mr. LEUNG Chi Kit

AUTHORIZED REPRESENTATIVES

Mr. CHEN Dayu
7/8/9 Floor, No. 6 Xibahe Road,
Chaoyang District, Beijing,
the People’s Republic of China (the “**PRC**”)

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REGISTERED OFFICE

Room 118, No. 1 Ziguang East Road,
Badaling Economic Development Zone,
Yanqing District, Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN THE PRC

7/8/9 Floor, No. 6 Xibahe Road,
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31/F., Tower Two,
Times Square,
1 Matheson Street,
Causeway Bay,
Hong Kong

I. REVIEW OF THE POWER INDUSTRY

In the first half of 2024, China had witnessed safe and reliable electricity supply, and recorded stable and relatively rapid growth in electricity consumption, achieving a supply-demand balance as a whole and continuous advancement in the green and low-carbon transition. In the first half of 2024, the national electricity consumption reached 4.66 trillion kWh, representing a period-on-period increase of 8.1%, up by 3.1 percentage points over the corresponding period of last year, providing strong security in electricity supply for the economic and social development.

In the first half of 2024, the electric power industry achieved great performance on green and low-carbon transition. According to the statistics from China Electricity Council and the National Energy Administration, etc., the national electricity installed capacity in total was 3.07 billion kW as at 30 June 2024, representing a period-on-period increase of 14.1%, among which, the installed capacity of non-fossil fuel was 1.71 billion kW, representing a period-on-period increase of 24.2% with its proportion to the total installed capacity being 55.7%, representing an increase of 4.5 percentage points over the corresponding period of last year. The installed capacity of wind power generation was 470 million kW, representing a period-on-period increase of 20%, and the installed capacity of photovoltaic power generation was 710 million kW, representing a period-on-period increase of 55.2%. The total installed capacity of wind power generation and photovoltaic power generation has exceeded the installed capacity of coal-fired generation, representing an increase of 2.4 percentage points over the beginning of the year with its proportion to the total installed capacity being 38.4%.

In the first half of 2024, the power generation of power plants above the national scale was 4.44 trillion kWh, representing a period-on-period increase of 5.2%. Among which, the wind power and photovoltaic power generation recorded a period-on-period increase of 6.9% and 27.1% respectively. The electricity trading centers across the country managed to organise electricity transactions of 2.85 trillion kWh in the market, representing a period-on-period increase of 7.4%, accounting for 61.1% of the national electricity consumption.

In the first half of 2024, the utilisation hour of power generation equipment of power plants with a capacity of 6,000 kW or above in China was 1,666 hours, representing a period-on-period decrease of 71 hours. Among which, the utilisation hour of on-grid wind power generation equipment was 1,134 hours, representing a period-on-period decrease of 103 hours; the utilisation hour of on-grid photovoltaic power generation equipment was 626 hours, representing a period-on-period decrease of 32 hours; the utilisation hour of hydropower generation equipment was 1,477 hours, representing a period-on-period increase of 238 hours; the utilisation hour of gas power generation equipment was 1,084 hours, representing a period-on-period decrease of 53 hours. The utilisation hour of other types of power generation equipment recorded a decrease except for those of hydropower generation equipment.

MANAGEMENT DISCUSSION AND ANALYSIS

II. BUSINESS REVIEW FOR THE FIRST HALF OF 2024

The year 2024 marked as a crucial year to fully implement the guiding principles of the 20th CPC National Congress. In the first half of the year, the Group faced up to various operation challenges and upheld its pursuit for high-quality development by making proactive response to changes while seeking changes and continuing to optimize its management measures. The Group maintained a stable development momentum, with its overall operation showing a distinctive feature of “remarkable startup, stable performance and great potential”.

1. The Group took multiple measures to achieve better-than-expected performance in the gas-fired power and heat energy generation segment

Amidst the negative impact from the electricity price downward adjustment in the gas-fired power and heat energy generation segment, the Group made careful production and operation plan of this segment, proactively communicated with heating network and explored direct heat energy users, pursued heating supply and power generation synergies by releasing heat supply potential during the heating season and increasing heating load during the non-heating season, and made full use of the residual heat from the gas turbines, in an effort to increase revenue from heat supply business. The Group proactively carried out communication with heating network to achieve heavy load operation and improve operation efficiency of the generator units. In addition, the Group implemented strict cost control by reducing comprehensive gas consumption for power supply and lowering production cost.

In the first half of 2024, the operating profit of gas-fired power and heat energy generation segment of the Group amounted to approximately RMB900 million, representing a period-on-period decrease of RMB130 million, which was better than expected; the capacity of power generation was 9.51 billion kWh, representing a period-on-period decrease of 1.2%; the average utilisation hour was 2,019 hours, 935 hours longer than the average industry level; and the heat generation was 16.18 million GJ, representing a period-on-period increase of 12.4%.

2. The Group stepped up marketing efforts to maintain a period-on-period growth in profit attributable to equity holders and power generation

In the first half of 2024, the gas-fired power plants operated by the Group in Beijing made electricity price downward adjustment of approximately RMB0.035/kWh, the average wind speed of the wind power projects recorded a period-on-period decrease of approximately 4.6%, the amount of radiation of the photovoltaic projects recorded a period-on-period decrease of approximately 5.7%, and the proportion of the renewable energy trading power increased by approximately 4.3 percentage points over the corresponding period of last year. Faced with the aforesaid challenges, the Group further stepped up efforts for electricity marketing, and developed the marketing strategies of “one region, one policy” and “one enterprise, one policy” in respect of the distinctive characteristics of various regions, maintaining steady growth in profit attributable to the equity holders and the capacity of power generation.

In the first half of 2024, profit attributable to equity holders of the Group amounted to approximately RMB2.087 billion, representing a period-on-period increase of 1.55%, and the Group continued to keep profit growth despite of the electricity price downward adjustment in the gas-fired power and heat energy generation segment; the total power generation was approximately 20.101 billion kWh, representing a period-on-period increase of 4.09%. Among which, the power generation of the wind power generation segment was 7.14 billion kWh, representing a period-on-period increase of 8.67%, and the equipment utilisation hour was 1,137 hours, 3 hours longer than the average industry level; the power generation of the photovoltaic power generation segment was 2.87 billion kWh, representing a period-on-period increase of 10.44%, and the equipment utilisation hour was 683 hours, 57 hours longer than the average industry level.

3. The Group proactively facilitated project construction, with the installed capacity of non-fossil power generation exceeding 10 million kW

As of 30 June 2024, the total installed capacity of the Group reached 14.753 million kW, and the installed capacity of non-fossil power generation exceeded 10 million kW after netting off the installed capacity of 4.702 million kW of the gas-fired power and heat energy generation. Among which, the installed capacity of wind power generation was 5.566 million kW, the installed capacity of photovoltaic power generation was 3.939 million kW, the installed capacity of hydropower generation was 0.396 million kW, and the installed capacity of energy storage projects was 0.15 million kW.

In addition, the Group had projects under trial operation with an installed capacity of approximately 1.848 million kW, of which the wind power generation projects had a capacity of approximately 1.20 million kW, the photovoltaic power generation projects had a capacity of approximately 0.422 million kW, the gas-fired power and heat energy generation projects had a capacity of approximately 0.15 million kW, and the energy storage projects had a capacity of approximately 76,000 kW. The Group had in-progress projects with an installed capacity of approximately 1.258 million kW, of which the wind power generation projects had a capacity of approximately 0.08 million kW, and photovoltaic power generation projects had a capacity of approximately 1.178 million kW.

4. The Group made strenuous efforts in exploring new markets, with the registered capacity reaching nearly 6 million kW

As of 30 June 2024, the Group had a registered capacity of approximately 5.93 million kW. In the first half of the year, the Group completed newly-developed registered capacity of approximately 2.416 million kW. Among which, the newly-developed registered capacity of wind power generation was approximately 0.9 million kW, and the newly-developed registered capacity of photovoltaic power generation was approximately 1.516 million kW, continuing to make new progress in promoting green development.

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2024, the Group continued to develop its base projects with a capacity of million kW located in the surrounding areas of Beijing such as Chengde, Tianjin and Shijiazhuang by leveraging on the advantages of “Green-Power-to-Beijing”; took Yanqing Jiami project as an opportunity and made coordinated efforts to expand production capacity of the projects located in the northern part of Beijing; obtained project indicators for the 4.90 million kW integrated wind and photovoltaic power generation project for windproof and desertification control purpose in Xilingol League, of which the projects with a capacity of 1.50 million kW have completed site selection, preparation and review of feasibility research report, internal investment decision-making and other procedures, and were ready for commencement of construction; had the pumped storage project with a capacity of 1.20 million kW in Mentougou District been included into the plan of the National Energy Administration; completed the draft feasibility research report, draft report on selection of wind turbine types and draft demonstrative project development plan for the offshore wind power project with a capacity of 1 million kW in Shantou; obtained the construction indicator for the 0.5 million kW photovoltaic power project for desertification control purpose operated by the Xinjiang Production and Construction Corps; had the 0.2 million kW photovoltaic power project for the low-carbon transformation of Jingneng Industrial Park in Toksun county, Turpan city been included in the list of on-grid new energy projects of Xinjiang Uygur Autonomous Region; adhered to the “two-pronged drive” strategy and proactively carried out acquisitions and mergers of wind and photovoltaic power projects with an aggregate capacity of approximately 0.8 million kW.

5. The Group proactively promoted digital transformation and actively built new quality productive forces

In the first half of 2024, the Group continued to expand the digital and intelligent operation of the intelligent centralized control centers, extended the application of digital and intelligent technologies to the power plants via drones, robots, Internet of Things and edge computing application, and completed the implementation and commission of drone-based auto-inspection system, unsafe behavior visualisation system, intelligent wearable and intelligent lock assistant system. The Group also proactively explored the application of “energy + computing” to seek breakthrough in the emerging fields, with the R&D inputs reaching 2.10% of its top line, up by 0.9 percentage point as compared with the same period of last year, in an effort to build new quality productive forces of the Group.

6. The Group continued to improve its intrinsic safety performance and has been granted high-quality awards for its ESG performance for consecutive years

In the first half of 2024, the Group launched the “digital safety management platform”, promoted the integrated development of new technologies such as artificial intelligence and production safety, and continued to improve its intrinsic safety performance through refined management and technology innovation. At the same time, the Group proactively incorporated the ESG concept into its day-to-day management. The Group was rated AA in the Wind ESG rating. With its outstanding performance in environment, social and governance, the Group has been granted the Wind ESG AA rating for three consecutive years.

III. BUSINESS OUTLOOK FOR THE SECOND HALF OF 2024

MANAGEMENT DISCUSSION AND ANALYSIS

4. Deepening the implementation of the “five refined” management concept to further strengthen the bottom line for high-quality production safety

In the second half of 2024, the Group will deepen the implementation of the “five refined” management concept, and step up efforts in implementing the comprehensive budget management, so as to ensure refined and accurate management activities; continue to explore and practice low-cost operation model, further increase investments in technology innovation and management innovation, and constantly optimize production process, improve equipment utilisation efficiency, refine inventory management and other measures to reduce resource waste and consumption, in an effort to reduce production costs continuously while ensuring production safety.

In the second half of 2024, the Group will facilitate comprehensive implementation of various safety management requirements and protection measures, further build a sound safety management system, establish well-defined safety management accountability, enhance intelligent supervision by leveraging on the “digital safety management platform”, and make concrete efforts to implement the “three-year action plan” to address the root cause of workplace accidents and ensure production safety, so as to improve its intrinsic safety performance. The Group will step up flood control measures to effectively strengthen its contingency response capability against extreme weather conditions; carry out all-round production safety self-inspection to ensure thorough implementation of rectification measures introduced subsequent production safety inspection, with an aim to further strengthen the bottom line for high-quality production safety.

IV. OPERATING RESULTS AND ANALYSIS

1. Overview

In the first half of 2024, the Company recorded profit for the period of RMB2,187.0 million, representing an increase of 1.20% as compared with RMB2,161.1 million for the first half of 2023. Profit attributable to the equity holders amounted to RMB2,086.7 million, representing an increase of 1.55% as compared with RMB2,054.9 million for the first half of 2023.

2. Operating Income

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MANAGEMENT DISCUSSION AND ANALYSIS

Other Gains

Other gains increased from RMB70.3 million for the first half of 2023 to RMB340.4 million for the first half of 2024, due to the gains arising from changes in fair value of H shares of CGN Power Co., Ltd. held by the Group, the issue discounts as a result the issuance of asset-backed securities backed by accounts receivables and the receipt of demolition subsidy for the hydropower plants that have been closed down in the first half of 2024.

5. Operating Profit

As a result of the above, operating profit decreased by 0.36% from RMB3,133.8 million for the first half of 2023 to RMB3,122.6 million for the first half of 2024.

Wind Power Segment

The operating profit of wind power segment decreased by 8.43% from RMB1,512.1 million for the first half of 2023 to RMB1,384.7 million for the first half of 2024, due to the decrease in sales volume of electricity of the existing projects in this segment.

Gas-fired Power and Heat Energy Generation Segment

The operating profit of gas-fired power and heat energy generation segment decreased by 12.86% from RMB1,032.5 million for the first half of 2023 to RMB899.7 million for the first half of 2024, due to the electricity price downward adjustment of this segment.

Photovoltaic Power Segment

The operating profit of photovoltaic power segment decreased by 4.58% from RMB755.1 million for the first half of 2023 to RMB720.5 million for the first half of 2024, which was attributable to the decrease in the average electricity price of the existing projects of this segment.

Hydropower Segment

The operating profit of hydropower segment increased by 14.88 times from RMB17.2 million for the first half of 2023 to RMB273.2 million for the first half of 2024, due to the receipt of power plant demolition subsidy by this segment.

Other Segment

The losses recorded by other segment decreased by 15.07% from RMB183.1 million for the first half of 2023 to RMB155.5 million for the first half of 2024, due to the gains arising from changes in fair value of H shares of CGN Power Co., Ltd. held by the Group and the issue discounts as a result the issuance of asset-backed securities backed by accounts receivables recorded for the first half of 2024.

6. Finance Costs

Finance costs decreased by 5.73% from RMB635.7 million for the first half of 2023 to RMB599.3 million for the first half of 2024, due to the decrease in finance costs, down by 0.2 percentage point in the average finance costs of the Group from 2.99% for the first half of 2023 to 2.79% for the first half of 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

7. Share of Results of Associates and a Joint Venture

Share of results of associates and a joint venture increased by 10.62% from RMB54.6 million for the first half of 2023 to RMB60.4 million for the first half of 2024, due to the improvement in the operating results of the associated companies, i.e. BEH Finance Co., Ltd. (京能集團財務有限公司) and Quanzhou Liupu Hydropower Co., Ltd. (全州柳鋪水電有限公司).

8. Profit before Taxation

As a result of the foregoing, profit before taxation increased by 0.85% from RMB2,593.2 million for the first half of 2023 to RMB2,615.2 million for the first half of 2024.

9. Income Tax Expense

Income tax expense decreased by 0.88% from RMB432.0 million for the first half of 2023 to RMB428.2 million for the first half of 2024.

10. Profit for the Period

As a result of the foregoing, profit for the period increased by 1.20% from RMB2,161.1 million for the first half of 2023 to RMB2,187.0 million for the first half of 2024.

11. Profit for the Period Attributable to Equity Holders of the Company

Profit for the period attributable to equity holders of the Company increased by 1.55% from RMB2,054.9 million for the first half of 2023 to RMB2,086.7 million for the first half of 2024.

V. FINANCIAL POSITION

1. Overview

As of 30 June 2024, total assets of the Group amounted to RMB95,090.7 million, total liabilities amounted to RMB59,668.4 million and total equity amounted to RMB35,422.3 million, among which equity attributable to the equity holders amounted to RMB31,528.7 million.

2. Particulars of Assets and Liabilities

Total assets increased by 1.60% from RMB93,594.4 million as at 31 December 2023 to RMB95,090.7 million as at 30 June 2024, due to an increase in investment in newly-built projects. Total liabilities increased by 1.01% from RMB59,073.8 million as at 31 December 2023 to RMB59,668.4 million as at 30 June 2024, due to increased debt as a result of capital demand for construction of projects. Total equity increased by 2.61% from RMB34,520.7 million as at 31 December 2023 to RMB35,422.3 million as at 30 June 2024. Equity attributable to equity holders of the Company increased by 2.77% from RMB30,678.0 million as at 31 December 2023 to RMB31,528.7 million as at 30 June 2024, due to the accretion from business results in the first half of 2024.

3. Liquidity

As of 30 June 2024, current assets amounted to RMB20,499.4 million, including cash and cash equivalents of RMB5,642.4 million, trade and bills receivables of RMB11,794.8 million (mainly comprising receivables from sales of electricity and sales of heat), finance lease receivables of RMB318.0 million, and prepayment and other current assets of RMB2,744.2 million (mainly comprising deductible value-added tax and other accounts receivables).

Current liabilities amounted to RMB22,266.3 million, including short-term borrowings of RMB8,194.8 million, short-term financing debentures of RMB4,554.3 million, medium-term notes due within one year of RMB1,022.6 million, corporate bonds of RMB613.6 million, and note payables and accounts payables of RMB6,443.2 million (mainly comprising payables for construction projects and purchase of equipment, etc.). Other current liabilities amounted to RMB1,437.8 million, mainly comprising income tax payable and amounts due to related parties, etc.

Net current liabilities decreased by 26.36% from RMB2,399.5 million as at 31 December 2023 to RMB1,766.9 million as at 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Net Gearing Ratio

Net gearing ratio, calculated by dividing net debts (total borrowings minus cash and cash equivalents) by the sum of net debts and total equity, increased by 0.02 percentage point from 55.65% as at 31 December 2023 to 55.67% as at 30 June 2024.

The Group's long-term and short-term borrowings increased by 0.40% from RMB49,920.8 million as at 31 December 2023 to RMB50,121.1 million as at 30 June 2024, including short-term borrowings of RMB8,194.8 million, long-term borrowings of RMB30,174.8 million, medium-term notes of RMB6,583.6 million, short-term financing debentures of RMB4,554.3 million and corporate bonds of RMB613.6 million.

Bank deposits and cash held by the Group decreased by 14.58% from RMB6,605.1 million as at 31 December 2023 to RMB5,642.4 million as at 30 June 2024.

In the first half of 2024, the Group repaid loans amounting to RMB6,868 million, with all due loans repaid on schedule or prepaid.

As at 30 June 2024, the Group held fixed interest rate loan balance of RMB11,989 million.

VI. HUMAN RESOURCES SEGMENT

The Company upholds the management philosophy of “people-oriented and pursuit of excellence”, strives to create a harmonious working environment, and strengthens efforts in building of talents team. While focusing on the development of the Company, it attaches importance to staff training and employees’ benefits. The overall human resources condition of the Company in the first half of 2024 is summarized as follows:

1. SUMMARY OF HUMAN RESOURCES

The Group had a total of 3,251 employees as at 30 June 2024. The age of staff tended to be young, with the proportion of employees under the age of 35 accounting for approximately 44.20%; employees are generally highly educated, with the proportion of holders of Bachelor’s degree or above degrees accounting for approximately 73.39% of the total staff. Please refer to the following tables for details of the age and degree structure of employees:

(1) Age Structure:

Age distribution	Number of employees	Percentage	Cumulative percentage
Under 35	1,437	44.20%	44.20%
36 to 45	951	29.25%	73.45%
46 to 55	720	22.15%	95.60%
Over 56	143	4.40%	100.00%
Total	3,251	100.00%	—

(2) Degree Structure:

Educational background	Number of employees	Percentage	Cumulative percentage
Doctorate degree	2	0.06%	0.06%
Master’s degree	195	6.00%	6.06%
Bachelor’s degree	2,189	67.33%	73.39%
College and below	865	26.61%	100.00%
Total	3,251	100.00%	—

MANAGEMENT DISCUSSION AND ANALYSIS

2. EMPLOYEES' INCENTIVES

With an aim to cope with its development, the Company, on the basis of position-oriented targets accountability system, has further established a performance appraisal system for all employees and a multi-level and medium-to-long term incentive mechanism. Through clearly defining position-oriented performance targets, the Company is able to assess and appraise employees' performance in an objective manner. By materializing reward and penalty in the performance-based portion of the employees' remuneration based on appraisal results, the Company is able to fully boost the potential and the morale of employees, thus achieving the coexistence of incentives and restraints.

3. EMPLOYEES' REMUNERATION

The Company continues to improve the measures on payroll management, so as to achieve closed-loop full-process management covering budget, execution, adjustment and settlement. The Company has implemented a linkage mechanism between wage and performance for various types of enterprises, and aligned the total payroll budget with core economic indicators, whereby corporate efficiency varies with the wage in the same direction. For the first half of 2024, the personnel cost of the Group was approximately RMB535.4 million.

4. EMPLOYEES' TRAINING

Upholding the core value of "people first and pursuit for excellence" and the talent philosophy of "nurturing everyone into a talent by unleashing their utmost potential", the Company makes it a priority to cultivate a high-quality teams, with an aim to enhance the core competitive strength of the Company. The Company adhered to the goal of "cultivating and building a well-structured teams with sufficient number of high-quality and innovative talents", so as to ensure a stable talent supply for the high-quality development of the Company.

Insisting on the development philosophy of "fostering an enterprise with strong talent base" and focusing on the goal of building "three teams" featured with clean energy characteristics, the Company developed and refined the Clean Energy Training Management Methods, and provided tailor-made training with content-rich and diversified courses by employing the "3+3+X" training mode to safeguard the employees' interests and rights to gain improvement both in professional skills and comprehensive quality, recording an attendance rate of 100% of the staff.

5. EMPLOYEES' BENEFITS

The Company has made contributions to the social insurance and housing fund for its employees in strict compliance with the Labor Law, Labor Contract Law and Social Insurance Law. Meanwhile, the Group has also formulated related systems such as the Management Standards for Social Insurance and Housing Fund, Management Standards for Supplementary Healthcare, Management Standards for Occupational Health, Management Standards for Labor Welfare and Management Standards for General Labor Protective Equipment to increase the benefits of the Company and enhance employees' sense of belonging and happiness.

VII. OTHER SIGNIFICANT EVENTS

1. Financing

On 16 April 2024, the Group completed the issuance of the first tranche RMB1,700 million 248-day ultra-short-term financing debentures of 2024 at an interest rate of 1.93%.

2. Capital Expenditure

In the first half of 2024, the Group's capital expenditure amounted to RMB1,939.1 million, including RMB144.6 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB410.3 million incurred for construction projects in the wind power segment, and RMB1,384.2 million incurred for construction projects in the photovoltaic power segment.

3. Acquisition and Establishment of Subsidiaries

In 2024, the Group established Beijing Yanqing Jingneng Clean Energy Co., Ltd. (北京延慶京能清潔能源有限公司), Luohe Jing New Clean Energy Co., Ltd. (漯河京新清潔能源有限公司), Taojiang Jingneng Clean Energy Co., Ltd. (桃江京能清潔能源有限公司), Jingneng (Xiaogan) 寧93號

MANAGEMENT DISCUSSION AND ANALYSIS

6. Significant Events after the Reporting Period

On 29 August 2024, the board of directors of the Company (the “**Board**”) approved to change the useful lives of the fixed assets with effect from 1 August 2024. According to the relevant requirements of the International Accounting Standard 16 – Property, Plant and Equipment, the Group conducted detailed assessment on the operation conditions of assets of its subordinate power plants during the year with reference to the depreciation policies implemented by listed companies in the same industry and based on the management requirements of the Group, and with an aim to more objectively and fairly reflect the useful lives and the actual utilisation of the fixed assets. As approved by the Board, the changes are made to the useful lives of the fixed assets by the Group with effect from 1 August 2024. The changes to the useful lives of the assets represent changes in accounting estimates, which shall be accounted prospectively without retrospective adjustments to the disclosed financial statements and will not have any impact on the financial position and operating results of the Company for previous years. For further details, please refer to the announcement of the Group dated 29 August 2024.

Save as disclosed above, the Group had no other significant events subsequent to the reporting period.

7. Share Option Scheme

As at 30 June 2024, the Company did not implement any share option scheme.

8. Foreign Exchange and Exchange Rate Risk

The businesses of the Group are mainly located in Mainland China, where most of its income and expenses are denominated in RMB. The Group has a small portion of overseas investments and loans in foreign currencies (including certain deposits denominated in Australia dollars, HK dollars, US dollars and Euro, as well as borrowings in HK dollars and Australia dollars). Changes in RMB exchange rates may cause exchange losses or gains to the Group’s foreign currency-denominated business.

The Group will continue to monitor exchange rates so as to cope with changes in the foreign exchange market and enhance the risk management on exchange rates through various management measures.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

As a company listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Company always strives to maintain a high level of corporate governance and has complied with all applicable code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the six months ended 30 June 2024.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions of the Company by the directors and supervisors of the Company. Upon making specific enquiries to all of the directors and supervisors of the Company, all directors and supervisors of the Company confirmed that during the six months ended 30 June 2024, each of the directors and supervisors of the Company had fully complied with the required standards set out in the Model Code.

PLEDGING OF SHARES BY THE CONTROLLING SHAREHOLDER

The controlling shareholder of the Company did not pledge any of its shares in the Company to secure the Company’s debts or to secure guarantees or other support of the Company’s obligations for the six months ended 30 June 2024.

LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE COMPANY

The Company did not provide any financial assistance nor guarantee to its affiliated companies for the six months ended 30 June 2024, which gives rise to a disclosure under Rule 13.16 of the Listing Rules. The Company did not enter into any loan agreement with covenants relating to specific performance of its controlling shareholder nor breach the terms of any loan agreements for the six months ended 30 June 2024.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has formulated terms of reference in written form in accordance with the requirements of the Listing Rules. It comprises three members, namely, Ms. HU Zhiying (independent non-executive director), Mr. SONG Zhiyong (non-executive director) and Ms. ZHAO Jie (independent non-executive director). Ms. HU Zhiying currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed the Group’s 2024 interim results, the interim report and the unaudited condensed consolidated financial statements for the six months ended 30 June 2024 prepared in accordance with the International Financial Reporting Standards.

CORPORATE GOVERNANCE AND OTHER INFORMATION

REGISTERED SHARE CAPITAL

As of 30 June 2024, the total registered share capital of the Company was RMB8,244,508,144, divided into 8,244,508,144 shares of RMB1.00 each, including 5,414,831,344 domestic shares and 2,829,676,800 H shares.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, no director, supervisor or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests or short position in accordance with such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2024, to the knowledge of the directors of the Company, the persons (other than a director, supervisor or chief executive of the Company) who have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to 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 were as follows:

CORPORATE GOVERNANCE AND OTHER INFORMATION

Note: (L) – Long position

Name of shareholders	Types of shares	Capacity	Number of shares/ underlying shares held (share)	Percentage of relevant class of share capital (%)	Percentage of total share capital (%)
Beijing Energy Holding Co., Ltd. <i>(Note 1 and Note 2)</i>	Domestic share	Beneficial interest and interest of a controlled corporation	5,190,483,053 (L)	95.86	62.96
	H share	Interest of a controlled corporation	471,612,800 (L)	16.67	5.72
Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) <i>(Note 1 and Note 2)</i>	Domestic share	Beneficial interest and interest of a controlled corporation	5,414,831,344 (L)	100.00	65.68
	H share	Interest of a controlled corporation	471,612,800 (L)	16.67	5.72
Beijing Energy Investment Holding (Hong Kong) Co., Limited <i>(Note 2)</i>	H share	Beneficial interest	471,612,800 (L)	16.67	5.72
Beijing Enterprises Holdings Limited <i>(Note 3)</i>	H share	Interest of a controlled corporation	196,964,000 (L)	6.96	2.39
Beijing Enterprises Energy Technology Investment Co., Limited <i>(Note 3)</i>	H share	Beneficial interest	196,964,000 (L)	6.96	2.39
Central Huijin Investment Ltd. <i>(Note 4)</i>	H share	Interest of a controlled corporation	656,036,000 (L)	23.18	7.96
China Reinsurance (Group) Corporation <i>(Note 4)</i>	H share	Beneficial interest and interest of a controlled corporation	656,036,000 (L)	23.18	7.96
China Property & Casualty Reinsurance Company Ltd. <i>(Note 4)</i>	H share	Beneficial interest	196,704,000 (L)	6.95	2.39

Notes:

1. Beijing District Heating (Group) Co., Ltd. directly held 16,035,322 domestic shares of the Company. As far as the Company is aware, Beijing District Heating (Group) Co., Ltd. was wholly-owned by Beijing Energy Holding Co., Ltd. ("BEH"). In accordance with the SFO, BEH was deemed to be interested in 16,035,322 domestic shares held by Beijing District Heating (Group) Co., Ltd.

BEH directly held 5,174,447,731 domestic shares of the Company. In accordance with the SFO, BEH had/was deemed to be interested in an aggregate of 5,190,483,053 domestic shares of the Company.

Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) directly held 224,348,291 domestic shares of the Company. As far as the Company is aware, BEH was wholly-owned by Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司). In accordance with the SFO, Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) had/was deemed to be interested in an aggregate of 5,414,831,344 domestic shares of the Company.

2. Beijing Energy Investment Holding (Hong Kong) Co., Limited (北京能源投資集團(香港)有限公司) ("Beijing Energy Investment") directly held 471,612,800 H shares of the Company. As far as the Company is aware, Beijing Energy Investment was wholly-owned by BEH, while BEH was wholly-owned by Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司). In accordance with the SFO, BEH and Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) were deemed to be interested in 471,612,800 H shares held by Beijing Energy Investment.
3. Beijing Enterprises Energy Technology Investment Co., Limited directly held 196,964,000 H shares of the Company. As far as the Company is aware, Beijing Enterprises Energy Technology Investment Co., Limited was wholly-owned by Beijing Enterprises Holdings Limited. In accordance with the SFO, Beijing Enterprises Holdings Limited was deemed to be interested in 196,964,000 H shares held by Beijing Enterprises Energy Technology Investment Co., Limited.
4. China Property & Casualty Reinsurance Company Ltd. directly held interests in 196,704,000 H shares of the Company. China Reinsurance (Group) Corporation held direct interests in 459,332,000 H shares of the Company. As far as the Company is aware, China Property & Casualty Reinsurance Company Ltd. was wholly-owned by China Reinsurance (Group) Corporation, while 71.56% interests of China Reinsurance (Group) Corporation was owned by Central Huijin Investment Ltd. In accordance with the SFO, China Reinsurance (Group) Corporation and Central Huijin Investment Ltd. were deemed to have interests in 656,036,000 H shares of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2024.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2024.

CHANGE IN DIRECTORS' INFORMATION

On 25 April 2024, due to work changes, Mr. ZHANG Fengyang resigned from his positions as an executive director of the Company, the chairman of the Board, the chairman of the strategy committee of the Board and the authorised representative of the Company under Rule 3.05 of the Listing Rules with immediate effect. Following the resignation of Mr. ZHANG Fengyang, Mr. CHEN Dayu, an executive director of the Company, has been appointed as the chairman of the Board with the tenure of office commencing from 25 April 2024 to the expiry of the term of the fifth session of the Board and as the Authorised Representative with effect from 25 April 2024.

The composition of the strategy committee and the legal and compliance management committee of the Board will be changed with effect from 25 April 2024 as follows:

- (i) the strategy committee comprises of Mr. CHEN Dayu, Mr. LI Minghui, Mr. ZHANG Wei and Mr. QIN Haiyan with Mr. CHEN Dayu as the chairman; and
- (ii) the legal and compliance management committee comprises of Mr. ZHOU Jianyu, Mr. LI Minghui and Mr. WANG Hongxin with Mr. ZHOU Jianyu as the chairman.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	For the six-month period ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	3A	10,459,978	10,548,781
Other income	4	353,563	596,149
Gas consumption		(4,743,508)	(4,751,054)
Depreciation and amortization expenses		(2,034,760)	(1,914,175)
Personnel costs		(535,445)	(533,172)
Repairs and maintenance		(174,729)	(247,245)
Other expenses		(543,007)	(635,654)
Other gains and losses	5	340,550	70,200
Profit from operations		3,122,642	3,133,830
Interest income	6	31,452	40,451
Finance costs	6	(599,251)	(635,709)
Share of results of associates		62,536	59,612
Share of result of a joint venture		(2,143)	(5,023)
Profit before taxation		2,615,236	2,593,161
Income tax expense	7	(428,203)	(432,041)
Profit for the period	8	2,187,033	2,161,120
Profit for the period attributable to:			
– Equity holders of the Company		2,086,711	2,054,907
– Holders of perpetual notes		63,650	51,064
– Non-controlling interests		36,672	55,149
		2,187,033	2,161,120
Earnings per share			
Basic and diluted (RMB cents)	10	25.31	24.92

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Note	For the six-month period ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Profit for the period	8	2,187,033	2,161,120
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(76,144)	116,799
Cash flow hedges:			
Fair value loss for the period		(14,836)	(9,528)
Reclassification of reserves in relation with power purchase agreement		5,660	4,707
Income tax relating to items that may be reclassified subsequently to profit or loss		2,753	1,446
		(82,567)	113,424
Other comprehensive (expense)/income for the period, net of income tax		(82,567)	113,424
Total comprehensive income for the period		2,104,466	2,274,544
Total comprehensive income attributable to:			
– Equity holders of the Company		2,004,144	2,168,331
– Holders of perpetual notes		63,650	51,064
– Non-controlling interests		36,672	55,149
		2,104,466	2,274,544

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Notes</i>	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Non-current Assets			
Property, plant and equipment	11	61,735,119	60,399,920
Right-of-use assets		2,008,563	2,010,652
Intangible assets	12	4,607,525	4,581,135
Goodwill		65,855	65,855
Finance lease receivables		1,316,397	511,325
Investments in associates		1,548,315	1,551,361
Loans to associates		38,000	40,000
Investment in a joint venture		74,112	76,255
Loans to a joint venture		70,000	70,000
Deferred tax assets	13	228,373	254,107
Equity instruments at fair value through other comprehensive income (FVTOCI)		92,500	92,500
Value-added tax recoverable		1,417,674	1,567,739
Deposit paid for acquisition of property, plant and equipment		1,321,926	1,682,818
Restricted bank deposits		66,926	69,274
Derivative financial assets		–	15,836
Other non-current assets		–	793,855
		74,591,285	73,782,632
Current Assets			
Inventories		109,685	87,774
Finance lease receivables		318,039	434,920
Trade and bills receivables	14	11,794,837	10,921,894
Other receivables, deposits and prepayments		1,012,047	677,078
Current tax assets		22,114	8,424
Amounts due from related parties	23(a)	153,923	197,682
Value-added tax recoverable		985,335	606,726
Financial assets at fair value through profit or loss (FVTPL)		437,528	257,853
Derivative financial assets		11,379	10,591
Restricted bank deposits		12,046	3,781
Cash and cash equivalents	15	5,642,423	6,605,086
		20,499,356	19,811,809

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Current Liabilities			
Trade and other payables	16	6,443,191	6,691,856
Amounts due to related parties	23(b)	951,695	183,698
Bank and other borrowings – due within one year	17	8,194,819	9,743,969
Short-term financing debentures	18	4,554,306	4,828,929
Medium-term notes	19	1,022,608	93,162
Corporate bonds	19	613,622	13,762
Contract liabilities		71,404	114,182
Lease liabilities		33,952	35,304
Derivative financial liabilities		37,787	65,350
Income tax payable		264,692	335,182
Deferred income		78,226	105,817
		22,266,302	22,211,211
Net Current Liabilities		(1,766,946)	(2,399,402)
Total Assets less Current Liabilities		72,824,339	71,383,230
Non-current Liabilities			
Bank and other borrowings – due after one year	17	30,174,702	28,148,846
Medium-term notes	19	5,561,007	6,492,406
Corporate bonds	19	–	599,785
Deferred tax liabilities	13	389,979	388,905
Deferred income		277,499	279,645
Lease liabilities		850,079	792,106
Other non-current liabilities		148,783	160,859
		37,402,049	36,862,552
Net Assets		35,422,290	34,520,678
Capital and Reserves			
Share capital	21	8,244,508	8,244,508
Reserves		23,284,194	22,433,538
Equity attributable to equity holders of the Company		31,528,702	30,678,046
Non-controlling interests		838,483	819,177
Perpetual notes	20	3,055,105	3,023,455
Total Equity		35,422,290	34,520,678

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to equity holders of the Company											
	Share capital RMB'000 <i>(Note 21)</i>	Capital reserves RMB'000	Statutory surplus reserves RMB'000 <i>(Note (a))</i>	Other reserves RMB'000	Fair value through other comprehensive income reserve RMB'000	Cash flow hedging reserve RMB'000	Currency translation differences RMB'000	Retained profits RMB'000	Total RMB'000	Perpetual notes RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2024	8,244,508	3,566,303	3,195,643	52,915	18,356	3,768	(179,845)	15,776,398	30,678,046	3,023,455	819,177	34,520,678
Profit for the period	-	-	-	-	-	-	-	2,086,711	2,086,711	63,650	36,672	2,187,033
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	32,739	32,739
Interests on perpetual notes	-	-	-	-	-	-	-	-	-	(32,000)	-	(32,000)
Other comprehensive expense for the period	-	-	-	-	-	(6,423)	(76,144)	-	(82,567)	-	-	(82,567)
Appropriations and utilisations of specific reserve <i>(Note (b))</i>	-	-	-	78,149	-	-	-	(79,055)	(906)	-	906	-
Dividend declared <i>(Note 9)</i>	-	-	-	-	-	-	-	(1,152,582)	(1,152,582)	-	(51,011)	(1,203,593)
As at 30 June 2024 (Unaudited)	8,244,508	3,566,303	3,195,643	131,064	18,356	(2,655)	(255,989)	16,631,472	31,528,702	3,055,105	838,483	35,422,290

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to equity holders of the Company											
	Share capital RMB'000 (Note 21)	Capital reserves RMB'000	Statutory surplus reserves RMB'000 (Note (a))	Other reserves RMB'000	Fair value through other comprehensive income reserve RMB'000	Cash flow hedging reserve RMB'000	Currency translation differences RMB'000	Retained profits RMB'000	Total RMB'000	Perpetual notes RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2023	8,244,508	3,574,086	2,953,744	27,783	18,458	18,661	(224,407)	13,977,098	28,589,931	3,027,962	804,328	32,422,221
Profit for the period	-	-	-	-	-	-	-	2,054,907	2,054,907	51,064	55,149	2,161,120
Issuance of perpetual notes	-	-	-	-	-	-	-	-	-	1,000,000	-	1,000,000
Issuance costs of perpetual notes	-	-	-	-	-	-	-	-	-	(1,380)	-	(1,380)
Repayment of perpetual notes	-	(6,368)	-	-	-	-	-	-	(6,368)	(1,493,632)	-	(1,500,000)
Interests on perpetual notes	-	-	-	-	-	-	-	-	-	(51,600)	-	(51,600)
Other comprehensive (expense) income for the period	-	-	-	-	-	(3,375)	116,799	-	113,424	-	-	113,424
Acquisition of a subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	-	(10,200)	(10,200)
Appropriations and utilisations of specific reserve (Note (b))	-	-	-	91,989	-	-	-	(93,228)	(1,239)	-	1,239	-
Dividend declared (Note 9)	-	-	-	-	-	-	-	(990,990)	(990,990)	-	-	(990,990)
As at 30 June 2023 (Unaudited)	8,244,508	3,567,718	2,953,744									

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Note	For the six-month period ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Net cash generated from operating activities		2,513,021	1,614,059
Investing activities			
Interest received		31,452	39,513
Dividends received		87,082	90,749
Repayment of loans by an associate		2,000	105,000
Repayment of loans by a joint venture		70,000	70,000
Capital injection to an associate		(21,500)	–
Loan to an associate		–	(40,000)
Loan to a joint venture		(70,000)	(70,000)
Repayments of loans receivables by related parties		–	22,392
Purchases of:			
– Property, plant and equipment			

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

1. GENERAL AND BASIS OF PRESENTATION

In preparing the condensed consolidated financial statements, the Directors of the Company have given careful consideration of the Group's net current liabilities of RMB1,766,946,000 as at 30 June 2024. The Group met its day-to-day working capital requirements through cash flows from operating activities and available banking facilities. Based on assessment, the Directors are of the view that the Group will be able to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting issued by the International Accounting Standards Committee as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Such condensed consolidated financial statements have not been audited.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

2. 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/change in accounting policies resulting from application of amendments to IFRSs and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The Group has not early applied the new and amendments to IFRSs that have been issued but are not yet effective.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

3A. Revenue

An analysis of revenue is as follows:

For the six-month period ended 30 June	
2024	2023
<i>RMB'000</i>	<i>RMB'000</i>
(Unaudited)	(Unaudited)

R9084 -276)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

3A. Revenue (Continued)

(i) Disaggregation of revenue from contracts with customers: (Continued)

	For the six months ended 30 June 2023 (Unaudited)					
	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	Total RMB'000
Types of goods and services						
Sales of electricity	5,226,854	2,516,287	1,499,874	125,035	-	9,368,050
Sales of heat energy	1,109,765	-	-	-	-	1,109,765
Repairs and maintenance and other services	-	-	-	-	522	522
Timing of revenue recognition						
A point in time	6,336,619	2,516,287	1,499,874	125,035	-	10,477,815
Over time	-	-	-	-	522	522
Geographical market						
Mainland China	6,336,619	2,377,628	1,494,562	125,035	522	10,334,366
Overseas	-	138,659	5,312	-	-	143,971
Revenue from contracts with customers						
	6,336,619	2,516,287	1,499,874	125,035	522	10,478,337

(ii) Performance obligations for contracts with customers

Majority of the sales of electricity to provincial power grid companies are pursuant to the power purchase agreements entered into between the Group and the respective provincial power grid companies. The Group's sales of electricity are made to these power grid companies at the tariff rates agreed with the respective provincial power grid companies as approved by the relevant government authorities.

Sales of heat energy to customers are pursuant to the heat energy purchase agreements entered into between the Group and the customers. The Group's sales of heat energy are made to the customers at the tariff rates approved by the Beijing Municipal Commission of Development and Reform.

For sales of electricity and heat energy, revenue is recognized when control of electricity and heat has been transferred, being when electricity and heat is supplied to the power grid companies and the customers. The normal credit term is 60 days upon electricity and heat is supplied. There is no significant financing component among the payment terms of sales of electricity and heat.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

3B. SEGMENT INFORMATION

(a) Segment revenue and results

The Group manages its businesses by divisions, such as performing the monthly revenue analysis by segments which are organized by types of business. Information is reported internally to the Group's chief operating decision maker ("**CODM**"), including general manager, deputy general managers and chief accountant, for the purposes of resource allocation and performance assessment. The Group has presented the following operating and reportable segments.

- Gas-fired power and heat energy generation: constructing, managing and operating natural gas-fired power plants and generating electric power and heat energy for sale to external customers.
- Wind power: constructing, managing and operating wind power plants and generating electric power for sale to external customers.
- Photovoltaic power: constructing, managing and operating photovoltaic power plants

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

3B. SEGMENT INFORMATION (Continued)

(a) Segment revenue and results (Continued)

An analysis of the Group's reportable segment revenue and results for the six months ended 30 June 2024 by operating and reportable segment is as follows:

	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	Total RMB'000
For the six months ended 30 June 2024 (unaudited) Reportable segment revenue from external customers/consolidated revenue	6,317,817	2,457,115	1,513,994	141,213	29,839	10,459,978
Reportable segment results before depreciation and amortization	1,302,906	2,357,622	1,309,165	331,768	(144,059)	5,157,402
Depreciation	397,984	948,806	490,924	46,345	10,765	1,894,824
Amortization	5,223	24,153	97,784	12,256	520	139,936
Reportable segment results (Note)	899,699	1,384,663	720,457	273,167	(155,344)	3,122,642

An analysis of the Group's reportable segment revenue and results for the six months ended 30 June 2023 by operating and reportable segment is as follows:

	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	Total RMB'000
For the six months ended 30 June 2023 (unaudited) Reportable segment revenue from external customers/consolidated revenue	6,336,619	2,516,287	1,499,874	125,035	70,966	10,548,781
Reportable segment results before depreciation and amortization	1,426,314	2,407,975	1,306,127	78,526	(170,937)	5,048,005
Depreciation	385,823	868,832	440,884	49,072	11,466	1,756,077
Amortization	7,942	26,999	110,147	12,281	729	158,098
Reportable segment results (Note)	1,032,549	1,512,144	755,096	17,173	(183,132)	3,133,830

Note: The segment results are arrived at after the deduction from revenue of gas consumption, depreciation and amortization, personnel costs, repair and maintenance, other expenses, and including other gains and losses and other income.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

4. OTHER INCOME

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Government grants and subsidies related to:		
– Clean energy production	143,589	352,697
– Construction of assets	9,997	9,997
Income from carbon credits (Note (a))	72,864	98,519
Value-added tax refunds or exemptions (Note (b))	73,286	86,521
Others	53,827	48,415
	353,563	596,149

Notes:

- (a) Income from carbon credits was mainly derived from the sales of carbon credits registered under relevant regulated exchange in Australia and the PRC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

6. INTEREST INCOME/FINANCE COSTS

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest income	31,452	40,451
Interest expense	684,344	688,575
Less: Amounts capitalized in property, plant and equipment	(85,093)	(52,866)
Total finance costs	599,251	635,709

7. INCOME TAX EXPENSE

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current tax:		
PRC enterprise income tax	396,732	405,150
Deferred tax:		
Current period	31,471	26,891
Income tax expense	428,203	432,041

PRC enterprise income tax has been generally provided at the applicable enterprise income tax rate of 25% on the estimated assessable profits of the group companies established in the PRC for the six months ended 30 June 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

7. INCOME TAX EXPENSE (Continued)

Under the PRC Enterprise Income Tax law, the preferential tax treatment for encouraged enterprises located in the Western China and certain industry-oriented tax incentives remain available up to 31 December 2030 when the original preferential tax period expired. Under the enterprise income tax law, the enterprises in encouraged industries in Western China are eligible for a preferential enterprise income tax rate for the period from 1 January 2021 to 31 December 2030. A PRC enterprise which enjoys this tax treatment is entitled to a preferential tax rate of 15%, and is exempted from the enterprise income tax for the first to third year and is entitled to a preferential enterprise income tax rate of 50% on its taxable income for the fourth to sixth year. Certain of the Group's wind farm projects, photovoltaic projects and hydropower power projects were entitled to this tax concession.

No provision for Hong Kong Profit Tax has been made as the Group has no assessable profit derived in Hong Kong.

Australian income tax is calculated at 30% of the estimated assessable profit.

8. PROFIT FOR THE PERIOD

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Profit for the period has been arrived at after charging:		
Auditors' remuneration	2,003	724
Operating lease payments in respect of land and building	24,094	24,795
Depreciation and amortization:		
Depreciation of property, plant and equipment	1,853,972	1,719,275
Depreciation of right-of-use assets	40,852	36,802
Amortization of intangible assets	139,936	158,098
Total depreciation and amortization	2,034,760	1,914,175

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

9. DIVIDENDS

- (a) A final dividend of RMB13.98 cents per ordinary share (tax inclusive) in respect of the year ended 31 December 2023 amounting to RMB1,152,582,000 was approved in the Company's annual general meeting held on 26 June 2024.
- (b) The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of the Company for the six months ended 30 June 2024 of RMB2,086,711,000 (six months ended 30 June 2023: RMB2,054,907,000) and the number of shares in issue for the six months ended 30 June 2024 of 8,244,508,000 (six months ended 30 June 2023: 8,244,508,000).

Diluted earnings per share are presented as the same as the basic earnings per share as there were no potential diluted shares outstanding during the presented periods.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment of RMB3,246,580,000 (six months ended 30 June 2023: RMB3,224,208,000). Items of property, plant and equipment with a net book value of approximately RMB4,656,000 were disposed during the six months ended 30 June 2024 (six months ended 30 June 2023: RMB2,321,000), resulting in a loss on disposal of approximately RMB988,000 (six months ended 30 June 2023: loss on disposal of RMB858,000). Additionally, due to the impact of exchange rate, items of property, plant and equipment were decreased by RMB34,642,000 (six months ended 30 June 2023: increased by RMB51,522,000).

12. INTANGIBLE ASSETS

Intangible assets mainly represented concession right of RMB1,445,129,000 (as at 31 December 2023: RMB1,529,479,000), project operation right of RMB2,722,732,000 (as at 31 December 2023: RMB2,770,498,000), and software of RMB439,664,000 (as at 31 December 2023: RMB281,158,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

13. DEFERRED TAXATION

Set out below were the Group's major deferred tax assets (liabilities) recognized and movements thereon for the six months from 31 December 2023 to 30 June 2024 and the six months from 31 December 2022 to 30 June 2023:

	Impairment of financial assets RMB'000	Temporary differences on fair value adjustments in acquisition of subsidiaries RMB'000 (Note (a))	Fair value change of equity instruments at FVTOCI RMB'000	Trial run profit RMB'000	Deferred income related to clean energy production RMB'000 (Note (b))	Different depreciation rates RMB'000	Trial run loss RMB'000	Fair value change of financial assets at FVTPL RMB'000	Derivative financial instruments RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Others RMB'000	Total RMB'000	
As at 31 December 2023	13,894	(139,143)	(6,117)	100,461	23,106	(148,345)	(29,696)	15,428	21,127	(200,043)	185,858	28,672	(134,798)	
Credit (charge) to profit or loss (Note 7)	-	4,973	-	(9,102)	(5,068)	-	3,019	(29,267)	(6,332)	4,595	7,232	(1,521)	(31,471)	
Credit to other comprehensive income	-	-	-	-	-	-	-	-	2,753	-	-	-	2,753	
Exchange adjustments	-	-	-	-	-	2,316	-	(23)	(510)	1,269	(1,202)	60	1,910	
At 30 June 2024 (Unaudited)	13,894	(134,170)	(6,117)	91,359	18,038	(146,029)	(26,677)	(13,862)	17,038	(194,179)	191,888	27,211	(161,606)	
	Tax loss RMB'000	Impairment of financial assets RMB'000	Temporary differences on fair value adjustments in acquisition of subsidiaries RMB'000 (Note (a))	Fair value change of equity instruments at FVTOCI RMB'000	Trial run profit RMB'000	Deferred income related to clean energy production RMB'000 (Note (b))	Different depreciation rates RMB'000	Trial run loss RMB'000	Fair value change of financial assets at FVTPL RMB'000	Derivative financial instruments RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Others RMB'000	Total RMB'000
As at 31 December 2022	3,811	21,013	(121,530)	(6,151)	107,524	236	(114,920)	(34,379)	18,907	23,504	-	-	37,533	(64,452)
Restate	-	-	-	-	-	-	-	-	-	-	132,215	(137,930)	(5,743)	(11,458)
As at 1 January 2023	3,811	21,013	(121,530)	(6,151)	107,524	236	(114,920)	(34,379)	18,907	23,504	132,215	(137,930)	31,790	(75,910)
Credit (charge) to profit or loss (Note 7)	-	-	4,531	-	(12,798)	2,255	-	2,224	(614)	-	(5,642)	3,419	(20,266)	(26,891)
Credit to other comprehensive income	-	-	-	-	-	-	-	-	-	1,446	-	-	-	1,446
Exchange adjustments	-	-	-	-	-	-	(2,096)	-	586	(5,157)	694	(604)	258	(6,319)
At 30 June 2023 (Unaudited)	3,811	21,013	(116,999)	(6,151)	94,726	2,491	(117,016)	(32,155)	18,879	19,793	127,267	(135,115)	11,782	(107,674)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

13. DEFERRED TAXATION (Continued)

Notes:

- (a) The carrying amount of certain property, plant and equipment and intangible assets was different from their tax bases as a result of the fair value exceeding the book value in connection with the business combinations.
- (b) The subsidies from the government will be taxable immediately as taxable income upon the receipt. However, the income can only be released from deferred income in accounting when the actual volume of electricity generated from the related gas and wind power facilities by the Group. Accordingly, the deferred tax assets are recognized.

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purpose:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Deferred tax assets	228,373	254,107
Deferred tax liabilities		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

14. TRADE AND BILLS RECEIVABLES (Continued)

The Group allows a credit period of 60 days on average to its customers of electricity and heat from the end of the month in which the sales are made except for clean energy power price premium. The aged analysis of the Group's trade and bills receivables net of allowance for credit losses presented based on the invoice dates are as follows:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 60 days	1,858,729	1,196,757
61 to 365 days	2,839,744	2,989,674
1 to 2 years	2,765,493	2,667,131
2 to 3 years	2,154,022	1,972,028
Over 3 years	2,176,849	2,096,304
	11,794,837	10,921,894

The Group's major customers are the PRC state-owned power grid companies with good credit rating.

15. CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents comprise cash on hand, deposits with banks and a related non-bank financial institution with an original maturity of 3 months or less and short-term deposits depending on the immediate cash requirements of the Group. Deposits with banks and a related non-bank financial institution carry prevailing market interest rate.

The Group had deposits of approximately RMB5,134,777,000 (as at 31 December 2023: RMB5,692,263,000) placed with 京能集團財務有限公司 (BEH Finance Co., Ltd., English name for identification purpose) ("BEH Finance", a non-bank financial institution approved by China Banking and Insurance Regulatory Commission as at 30 June 2024. Such deposits are short-term and are subject to an insignificant risk of changes in value, accordingly, the balances as at 30 June 2024 and 31 December 2023 have been regarded as cash and cash equivalents.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

16. TRADE AND OTHER PAYABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade payables	2,420,627	2,643,206
Payables for acquisition of property, plant and equipment	2,293,700	2,703,750
Retention payables	779,575	290,049
Bills payable	50,000	40,000
Salary and staff welfare	104,478	110,339
Non-income tax payables	403,610	308,641
Others	391,201	595,871
	6,443,191	6,691,856

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The Group normally settles the trade payable related to gas purchase within 30 days, settles the payable related to equipment purchase and construction cost according to related contractual arrangements which normally require progress payments during the construction period and a final payment after construction cost verified by independent valuer.

The following is an ageing analysis of the Group's trade payables and bills payables by invoice date as at the end of each reporting period:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 30 days	1,176,918	1,487,310
31 to 365 days	733,972	989,698
1 to 2 years	395,339	106,638
2 to 3 years	107,382	37,116
Over 3 years	57,016	62,444
	2,470,627	2,683,206

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

17. BANK AND OTHER BORROWINGS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Bank loans	32,022,261	30,837,366
Other borrowings from		
– related non-bank financial institutions (Note (a))	5,536,100	5,923,850
– fellow subsidiaries (Note (b))	223,400	223,800
– other non-related entities	221,000	221,039
– BEH	366,760	686,760
	38,369,521	37,892,815
Represented by:		
– Unsecured borrowings	33,126,321	31,882,620
– Secured borrowings	5,243,200	6,010,195
	38,369,521	37,892,815
Bank and other borrowings repayable based on scheduled repayment dates:		
– Within one year	8,194,819	9,743,969
– More than one year but not exceeding two years	6,486,742	7,273,110
– More than two years but not exceeding five years	9,402,884	9,981,375
– More than five years	14,285,076	10,894,361
	38,369,521	37,892,815
Less: Amount due within one year shown under current liabilities	(8,194,819)	(9,743,969)
Amount due after one year	30,174,702	28,148,846

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

17. BANK AND OTHER BORROWINGS (Continued)

Notes:

- (a) Other borrowings from a related non-bank financial institution represented loans from BEH Finance.

As at 30 June 2024, the loans from BEH Finance amounting to RMB5,536,100,000 were unsecured, carried interest at rates which are the prevailing interest rates promulgated by the PBOC, with a maximum premium or discount of 10% and variable by reference to the interest rates promulgated by the PBOC. The interest expenses attributed to the above loans from BEH Finance were RMB48,461,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB57,088,000).

- (b) The amount represented the borrowings from 北京京能融資租賃有限公司 (Beijing Jingneng Financial Leasing Co., Ltd., English name for identification purpose) ("**Beijing Leasing**"). As at 30 June 2024, the borrowings from Beijing Leasing are secured by property, plant and equipment and repayable between 2022 and 2033, carrying a fixed interest rate at 4.10% per annum.

The interest expenses attributed to the above loans were RMB3,845,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB4,334,000).

During the six months ended 30 June 2024, the Group's borrowings increased by RMB7,344,833,000 (six months ended 30 June 2023: RMB11,125,750,000), and RMB6,868,127,000 (six months ended 30 June 2023: RMB9,516,551,000) of borrowings of the Group were repaid.

The borrowings bear interest at interest rates ranging from fixed interest rate of 1.20%/variable interest rate of 1.91% to fixed interest rate of 5.10%/variable interest rate of 4.75% (31 December 2023: fixed interest rate of 1.20%/variable interest rate of 1.91% to fixed interest rate of 10.00%/variable interest rate of 4.99%) per annum.

18. SHORT-TERM FINANCING DEBENTURES

On 9 October 2023, the Company issued ultra-short-term commercial paper of RMB1,700,000,000 at par value, bearing an interest rate of 2.40% and expiring on 5 July 2024.

On 7 November 2023, the Company issued ultra-short-term commercial paper of RMB1,100,000,000 at par value, bearing an interest rate of 2.51% and expiring on 2 August 2024.

On 15 April 2024, the Company issued ultra-short-term commercial paper of RMB1,700,000,000 at par value, bearing an interest rate of 1.93% and expiring on 20 December 2024.

These commercial papers are traded on the National Association of Financial Market Institutional Investors (銀行間市場交易商協會) ("**NAFMII**") in the PRC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

19. MEDIUM-TERM NOTES/CORPORATE BONDS

On 9 April 2020, the Company issued 5-year medium-term note with total value of RMB1,000,000,000. The coupon rate is 3.25% per annum. Total proceeds received, net of issuance costs, amounted to RMB998,585,000. The medium-term note will be fully repaid on 13 April 2025.

On 16 April 2020, the Company issued corporate bond with total value of RMB1,000,000,000. Of which, RMB600,000,000 was 5-year corporate bond, with coupon rate of 3.22% per annum; RMB400,000,000 was 3-year corporate bond, with coupon rate of 2.65% per annum. Total proceeds received, net of issuance costs, amounted to RMB999,642,000. The portion of RMB400,000,000 has been fully repaid on 16 April 2023 and the remaining balance of RMB600,000,000 will be fully repaid on 16 April 2025.

On 27 September 2022, the Company issued 5-year medium-term notes with total value of RMB2,000,000,000. The coupon rate is 2.92% per annum. Total proceeds received, net of issuance costs, amounted to RMB1,997,548,000. The medium-term notes will be fully repaid on 28 September 2027.

On 4 November 2022, the Company issued 5-year medium-term notes with total value of RMB1,500,000,000. The coupon rate is 2.99% per annum. Total proceeds received, net of issuance costs, amounted to RMB1,498,160,000. The medium-term notes will be fully repaid on 8 November 2027.

On 4 May 2023, the Company issued 5-year medium-term notes with total value of RMB2,000,000,000. The coupon rate is 3.22% per annum. Total proceeds received, net of issuance costs, amounted to RMB1,998,000,000. The medium-term notes will be fully repaid on 8 May 2028.

20. PERPETUAL NOTES

(a) Issued on 16 December 2021

The Company issued perpetual medium-term notes at par value on 16 December 2021, with a total principal amount of RMB1,000,000,000 ("**Perpetual Notes 1**"). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost are RMB995,500,000.

The coupon rate for the first three years up to 20 December 2024 is 3.30% per annum, which is paid annually in arrears on 20 December in each year ("**Coupon Payment Date 1**"). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) have occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

20. PERPETUAL NOTES (Continued)

(a) Issued on 16 December 2021 (Continued)

The Perpetual Notes have no fixed maturity and are callable at the Company's option, on 20 December 2024 or on any Coupon Payment Date afterwards, at their principal amounts together with any interest payable (including all deferred coupon interest payments).

After 20 December 2024, the coupon rate will be reset every three years to a percentage per annum equal to the sum of (i) the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base points. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends (except for handing in the state-owned capital proceeds required by relevant regulations of state-owned assets management) or reduce its registered capital.

(b) Issued on 11 April 2023

The Company issued perpetual medium-term notes at par value on 11 April 2023, with a total principal amount of RMB1,000,000,000 ("**Perpetual Notes 2**"). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost are RMB998,620,000.

The coupon rate for the first two years up to 13 April 2025 is 3.20% per annum, which is paid annually in arrears on 13 April in each year ("**Coupon Payment Date 2**"). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) have occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

The Perpetual Notes have no fixed maturity and are callable at the Company's option, on 13 April 2025 or on any Coupon Payment Date afterwards, at their principal amounts together with any interest payable (including all unpaid and deferred coupon interest payments).

After 13 April 2025, the coupon rate will be reset every two years to a percentage per annum equal to the sum (i) of the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base points. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends (except for handing in the state-owned capital proceeds required by relevant regulations of state-owned assets management) or reduce its registered capital.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

20. PERPETUAL NOTES (Continued)

(c) Issued on 10 July 2023

The Company issued perpetual medium-term notes at par value on 10 July 2023, with a total principal amount of RMB500,000,000 ("**Perpetual Notes 3**"). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost are RMB498,800,000.

The coupon rate for the first three years up to 12 July 2026 is 3.19% per annum, which is paid annually in arrears on 12 July in each year ("**Coupon Payment Date 3**"). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) have occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

The Perpetual Notes have no fixed maturity and are callable at the Company's option, on 12 July 2026 or on any Coupon Payment Date afterwards, at their principal amounts together with any interest payable (including all unpaid and deferred coupon interest payments).

After 12 July 2026, the coupon rate will be reset every three years to a percentage per annum equal to the sum (i) of the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base points. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends (except for handing in the state-owned capital proceeds required by relevant regulations of state-owned assets management) or reduce its registered capital.

(d) Issued on 21 December 2023

The Company issued perpetual medium-term notes at par value on 21 December 2023, with a total principal amount of RMB500,000,000 ("**Perpetual Notes 4**"). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost are RMB498,800,000.

The coupon rate for the first three years up to 25 December 2026 is 3.09% per annum, which is paid annually in arrears on 25 December in each year ("**Coupon Payment Date 4**"). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) have occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

The Perpetual Notes have no fixed maturity and are callable at the Company's option, on 25 December 2026 or on any Coupon Payment Date afterwards, at their principal amounts together with any interest payable (including all unpaid and deferred coupon interest payments).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

20. PERPETUAL NOTES (Continued)

(d) Issued on 21 December 2023 (Continued)

After 25 December 2026, the coupon rate will be reset every three years to a percentage per annum equal to the sum (i) of the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base points. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends (except for handing in the state-owned capital proceeds required by relevant regulations of state-owned assets management) or reduce its registered capital.

Pursuant to the terms of these Perpetual Notes, the Company has no contractual obligation to repay its principal or to pay any coupon and deferred interest unless compulsory coupon payment event has occurred. Accordingly, the Perpetual Notes are classified as equity and subsequent coupon payment will be recorded as equity distribution to the owners of the Company.

During the period ended 30 June 2024, the profit attributable to holders of the Perpetual Notes, based on the applicable coupon rate, was approximately RMB63,650,000 (for the period ended 30 June 2023: RMB51,064,000) and the coupon payment distributed to the holders of the perpetual notes was approximately RMB32,000,000 (for the period ended 30 June 2023: RMB51,600,000).

21. SHARE CAPITAL

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Issued and fully paid:		
Domestic ordinary shares with a nominal value of RMB1.00 each	5,414,831	5,414,831
H shares with a nominal value of RMB1.00 each	2,829,677	2,829,677
	8,244,508	8,244,508

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

22. CAPITAL COMMITMENTS

The Group had the following commitments:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Contracted but not provided for in respect of acquisition or construction of property, plant and equipment:	7,425,855	5,722,044

23. RELATED PARTY BALANCES AND TRANSACTIONS

- (a) As at 30 June 2024, other than loans to associates and the deposit in a related non-bank financial institution as set out in note 15, the Group has amounts receivable from the following related parties and the details are set out below:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Amounts due from:		
Associates	37	261
A joint venture	85	–
Fellow subsidiaries	153,801	197,421
	153,923	197,682
Represented by:		
Trade (Note)	153,801	197,421
Non-trade (Note)	122	261
	153,923	197,682

Note: The Group allow a credit period of 60 days for its trade receivables. The non-trade balances are repayable on demand. All balances are interest-free, unsecured and aged within one year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

23. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (b) As at 30 June 2024, except for the balances in borrowings from related non-bank financial institutions, fellow subsidiaries and BEH as set out in Note 17, the Group has amounts payable to the following related parties and the details are set out below:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Amounts due to:		
BEH	723,712	–
Fellow subsidiaries	224,488	174,530
Associates	3,495	9,168
	951,695	183,698
Represented by:		
Trade (Note)	135,998	151,401
Payables for acquisition of property, plant and equipment	20,317	22,706
Non-trade (Note)	795,380	9,591
	951,695	183,698

Note: The balances are interest-free, unsecured, repayable on demand and aged within one year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

23. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(c) Transactions with related parties:

During the six months ended 30 June 2024, the Group entered into the following significant transactions with its related parties:

(i) Equipment maintenance services from related parties

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Fellow subsidiaries	44,527	42,664

(ii) Administration service from related parties

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Fellow subsidiaries	40,556	13,436

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

23. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (c) Transactions with related parties: (Continued)
 (iii) Leasing service from related parties

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Fellow subsidiaries	24,242	23,602

- (iv) Interest income from a related non-bank financial institution

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
A fellow subsidiary	15,095	17,427

- (v) Property management fee charged by a related party

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Fellow subsidiaries	16,856	17,302

- (vi) Heat energy sold to a related party*

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
A fellow subsidiary	1,084,750	952,887

* The amount of the revenue from such related party excludes the value-added tax.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

23. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (c) Transactions with related parties: (Continued)
 (vii) Equipment purchase framework agreement

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Equipment purchase from fellow subsidiaries	933	2,383

- (viii) Generation rights purchased from a related party

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
A fellow subsidiary	–	312

- (ix) Revenue related to finance lease service from related parties

	For the six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Fellow subsidiaries	28,070	70,444

- (d) During the six months ended 30 June 2024, interest income from loans to associates of the Group amounted to RMB653,000 (six months ended 30 June 2023: RMB1,331,000), and interest income from loans to a joint venture amounted to RMB1,474,000 (six months ended 30 June 2023: RMB1,963,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (Unaudited)

24. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 29 August 2024, the Board of the Company approved to change the useful lives of the fixed assets with effect from 1 August 2024. According to the relevant requirements of the International Accounting Standard 16 – Property, Plant and Equipment, the Group conducted detailed assessment on the operation conditions of assets of its subordinate power plants during the year with reference to the depreciation policies implemented by listed companies in the same industry and based on the management requirements of the Group, and with an aim to more objectively and fairly reflect the useful lives and the actual utilisation of the fixed assets. As approved by the Board of the Company, the changes are made to the useful lives of the fixed assets by the Group with effect from 1 August 2024. The changes to the useful lives of the assets represent changes in accounting estimates, which shall be accounted prospectively without retrospective adjustments to the disclosed financial statements and will not have any impact on the financial position and operating results of the Company for previous years. For further details, please refer to the announcement of the Group dated 29 August 2024.

Save as disclosed above, the Group had no other significant events subsequent to the reporting period.

25. The financial statements were approved by the Board of the Company on 29 August 2024.