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## **Beijing Jingneng Clean Energy Co., Limited**

### **北京京能清潔能源電力股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 00579)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023**

### **FINANCIAL HIGHLIGHTS**

- Revenue for the six months ended 30 June 2023 was RMB10,549 million, representing an increase of 4.82% as compared with the corresponding period of 2022.
- Profit before taxation for the six months ended 30 June 2023 was RMB2,593 million, representing an increase of 14.63% as compared with the corresponding period of 2022.
- Profit attributable to equity holders of the Company for the six months ended 30 June 2023 was RMB2,055 million, representing an increase of 14.87% as compared with the corresponding period of 2022.
- Basic and diluted earnings per share for the six months ended 30 June 2023 was RMB24.92 cents.

### **RESULTS HIGHLIGHTS**

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing Jingneng Clean Energy Co., Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**” or “**we**” or “**us**”) for the six months ended 30 June 2023 (the “**Reporting Period**”), prepared under International Financial Reporting Standards (the “**IFRSs**”).

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	For the six-month period ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited and restated)
Revenue	3	10,548,781	10,063,270
Other income	4	596,149	492,999
Gas consumption		(4,751,054)	(4,546,272)
Depreciation and amortization expenses		(1,914,175)	(1,795,077)
Personnel costs		(533,172)	(486,662)
Repairs and maintenance		(247,245)	(232,487)
Other expenses		(635,654)	(521,402)
Other gains and losses	5	<u>70,200</u>	<u>(78,992)</u>
Profit from operations		<b>3,133,830</b>	2,895,377
Interest income	6	40,451	23,394
Finance costs	6	(635,709)	(752,986)
Share of results of associates		59,612	101,437
Share of result of a joint venture		<u>(5,023)</u>	<u>(5,091)</u>
Profit before taxation		<b>2,593,161</b>	2,262,131
Income tax expense	7	<u>(432,041)</u>	<u>(381,694)</u>
Profit for the period	8	<u><b>2,161,120</b></u>	<u>1,880,437</u>
Profit for the period attributable to:			
– Equity holders of the Company		<b>2,054,907</b>	1,788,903
– Holders of perpetual notes		<b>51,064</b>	50,163
– Non-controlling interests		<u><b>55,149</b></u>	<u>41,371</u>
		<u><b>2,161,120</b></u>	<u>1,880,437</u>
Earnings per share			
Basic and diluted (RMB cents)	10	<u><b>24.92</b></u>	<u>21.70</u>

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

*For the six months ended 30 June 2023*

		<b>For the six-month period ended 30 June</b>	
	<i>Note</i>	<b>2023</b>	2022
		<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited and restated)</b>
Profit for the period	8	<u><b>2,161,120</b></u>	<u>1,880,437</u>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations		<b>116,799</b>	(33,000)
Cash flow hedges:			
(Loss)/gain for the period		<b>(9,528)</b>	49,235
Reclassification to reserves in relation with power purchase agreement		<b>4,707</b>	4,432
Income tax relating to items that may be reclassified subsequently to profit or loss		<u><b>1,446</b></u>	<u>(16,100)</u>
		<u><b>113,424</b></u>	<u>4,567</u>
Other comprehensive income for the period, net of income tax		<u><b>113,424</b></u>	<u>4,567</u>
Total comprehensive income for the period		<u><b>2,274,544</b></u>	<u>1,885,004</u>
Total comprehensive income attributable to:			
– Equity holders of the Company		<b>2,168,331</b>	1,793,470
– Holders of perpetual notes		<b>51,064</b>	50,163
– Non-controlling interests		<u><b>55,149</b></u>	<u>41,371</u>
		<u><b>2,274,544</b></u>	<u>1,885,004</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	<i>Note</i>	As at 30 June 2023 <i>RMB'000</i> (Unaudited)	As at 31 December 2022 <i>RMB'000</i> (Restated)
<b>Non-current Assets</b>			
Property, plant and equipment		57,492,856	55,938,722
Right-of-use assets		1,773,375	1,455,903
Intangible assets		4,715,710	4,657,861
Goodwill		114,134	114,134
Finance lease receivables		804,667	1,191,746
Investments in associates		1,538,404	1,569,542
Loans to associates		40,000	105,000
Investment in a joint venture		56,666	61,689
Loans to a joint venture		70,000	70,000
Loan receivables		22,927	45,852
Deferred tax assets		227,660	262,870
Equity instruments at fair value through other comprehensive income (FVTOCI)		92,637	92,637
Value-added tax recoverable		1,130,126	1,143,492
Deposit paid for acquisition of property, plant and equipment		2,316,405	1,731,928
Restricted bank deposits		87,515	89,878
Derivative financial assets		48,565	57,059
Other non-current assets		705,549	836,054
		<u>71,237,196</u>	<u>69,424,367</u>
<b>Current Assets</b>			
Inventories		123,428	97,280
Finance lease receivables		381,539	378,120
Loan receivables		45,853	45,853
Trade and bills receivable	<i>11</i>	13,465,879	11,027,087
Other receivables, deposits and prepayments		600,940	526,636
Current tax assets		4,101	9,308
Amounts due from related parties		172,632	153,687
Value-added tax recoverable		695,709	639,350
Financial assets at fair value through profit or loss (FVTPL)		243,048	231,742
Restricted bank deposits		30,692	419
Cash and cash equivalents		5,726,632	5,466,388
		<u>21,490,453</u>	<u>18,575,870</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	<i>Note</i>	As at <b>30 June</b> <b>2023</b> <i>RMB'000</i> <b>(Unaudited)</b>	As at 31 December 2022 <i>RMB'000</i> (Restated)
<b>Current Liabilities</b>			
Trade and other payables	12	6,663,074	6,974,153
Amounts due to related parties		874,920	205,669
Bank and other borrowings – due within one year		9,360,789	12,074,562
Short-term financing debentures		7,051,638	5,538,424
Medium-term notes		58,066	1,605,153
Corporate bond		13,837	421,169
Contract liabilities		49,378	139,148
Lease liabilities		84,401	60,831
Income tax payable		122,355	304,349
Deferred income		49,135	38,271
		<u>24,327,593</u>	<u>27,361,729</u>
<b>Net Current Liabilities</b>		<u>2,837,140</u>	<u>8,785,859</u>
<b>Total Assets less Current Liabilities</b>		<u>68,400,056</u>	<u>60,638,508</u>
<b>Non-current Liabilities</b>			
Derivative financial liabilities		79,810	105,836
Bank and other borrowings – due after one year		26,611,403	21,653,219
Medium-term notes		6,492,406	4,494,291
Corporate bond		599,785	599,785
Contract liabilities		40,788	5,777
Deferred tax liabilities		335,334	338,780
Deferred income		319,221	331,215
Lease liabilities		773,612	679,706
Other non-current liabilities		5,102	7,678
		<u>35,257,461</u>	<u>28,216,287</u>
<b>Net Assets</b>		<u><u>33,142,595</u></u>	<u><u>32,422,221</u></u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	As at <b>30 June 2023</b> <i>RMB'000</i> <b>(Unaudited)</b>	As at 31 December 2022 <i>RMB'000</i> (Restated)
<b>Capital and Reserves</b>		
Share capital	<b>8,244,508</b>	8,244,508
Reserves	<b>21,515,157</b>	20,345,423
Equity attributable to equity holders of the Company	<b>29,759,665</b>	28,589,931
Non-controlling interests	<b>850,516</b>	804,328
Perpetual notes	<b>2,532,414</b>	3,027,962
<b>Total Equity</b>	<b><u>33,142,595</u></b>	<b><u>32,422,221</u></b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023 (Unaudited)

## 1. GENERAL AND BASIS OF PRESENTATION

In preparing the condensed consolidated financial statements, the Directors of the Company (“**the Directors**”) have given careful consideration of the Group’s net current liabilities of RMB2,837,140,000 as at 30 June 2023. 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 16 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). 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. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“**IFRSs**”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2022.

### Application of amendments to IFRSs

In the current interim period, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board (the “**IASB**”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group’s condensed consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two model Rules

Except as described below, the application of the new and 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.

## 2. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Restatements

#### a) *Megering accounting*

##### *Acquisition of Shenzhen Jingneng Financial Leasing Co., Ltd. (“Shenzhen Jingneng Leasing”)*

The Group completed the acquisition of 84.68% equity interest in Shenzhen Jingneng Leasing from BEH in 2022. Prior to the acquisition, an unilateral capital injection of RMB1,309,078,000 was made by BEH to increase its equity interest in Shenzhen Jingneng Leasing from 69.47% to 84.68% in 2022. The consideration for the 84.68% equity interest in Shenzhen Jingneng Leasing acquired by the Group was settled by the Group’s 20% entire equity interest in Beijing Jingneng International Power Co., Ltd. (北京京能國際能源股份有限公司) (“**Jingneng International**”), an associate of the Group, based on a fair value of RMB1,728,160,000 together with cash consideration of RMB542,110,000.

The acquisition mentioned above was referred to as the “2022 Acquisition”.

The Group and Shenzhen Jingneng Leasing are both under the ultimate control of BEH before and after the 2022 Acquisition, and that control is not transitory and hence the 2022 Acquisition has been accounted for as combinations of entities under common control by applying the principles of merger accounting.

Accordingly, the unaudited condensed consolidated statement of profit or loss and consolidated statement of cash flows for the six months ended 30 June 2022 have been restated to include the results and the cash flows of Shenzhen Jingneng Leasing.

Respective notes to the condensed consolidated financial statements have also been restated. All significant intragroup transactions, balances, income and expenses are eliminated on combination.

#### b) *Impacts and changes in accounting policies on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

##### *Accounting policies*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

## 2. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Restatements (Continued)

#### *b) Impacts and changes in accounting policies on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Continued)*

##### *Accounting policies (Continued)*

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

##### *Transition and summary of effects*

As disclosed in the Group's annual financial statements for the year ended 31 December 2022, the Group previously applied the IAS 12 requirements to assets and liabilities arising from a single transaction separately and temporary differences on initial recognition on the relevant assets and liabilities were not recognised due to application of the initial recognition exemption. In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;
- (ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

Comparative figures have been restated.

### 3A. REVENUE

An analysis of revenue is as follows:

	For the six-month period ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited and restated)
Revenue from contracts with customers	10,478,337	9,991,583
Leases	70,444	71,687
	<u>10,548,781</u>	<u>10,063,270</u>

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

	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	<u>6,336,619</u>	<u>2,516,287</u>	<u>1,499,874</u>	<u>125,035</u>	<u>522</u>	<u>10,478,337</u>

For the six months ended 30 June 2022 (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	5,010,569	2,191,317	1,400,477	166,328	–	8,768,691
Sales of heat energy	1,219,044	–	–	–	–	1,219,044
Repairs and maintenance and other services	–	–	–	–	3,848	3,848
Timing of revenue recognition						
A point in time	6,229,613	2,191,317	1,400,477	166,328	–	9,987,735
Over time	–	–	–	–	3,848	3,848
Geographical market						
Mainland China	6,229,613	1,976,023	1,396,533	166,328	3,848	9,772,345
Overseas	–	215,294	3,944	–	–	219,238
Revenue from contracts with customers	<u>6,229,613</u>	<u>2,191,317</u>	<u>1,400,477</u>	<u>166,328</u>	<u>3,848</u>	<u>9,991,583</u>

**(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 recognised 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.

### 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 and sales of electricity generated to external customers.
- Hydropower: managing and operating hydropower plants and sales of electricity generated to external customers.

Operating segments other than "Gas-fired power and heat energy generation", "Wind power", "Photovoltaic power" and "Hydropower" did not meet the quantitative thresholds for reportable segments in both current period and prior period. Accordingly, these are grouped and presented as "Others" in the segment information.

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

	Gas-fired power and heat energy generation <i>RMB'000</i>	Wind power <i>RMB'000</i>	Photovoltaic power <i>RMB'000</i>	Hydropower <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
For the six months ended 30 June 2022 (unaudited and restated)						
Reportable segment revenue from external customers/ consolidated revenue	<u>6,229,613</u>	<u>2,191,317</u>	<u>1,400,477</u>	<u>166,328</u>	<u>75,535</u>	<u>10,063,270</u>
Reportable segment results before depreciation and amortization	<u>1,453,666</u>	<u>2,091,571</u>	<u>1,255,511</u>	<u>114,908</u>	<u>(225,202)</u>	<u>4,690,454</u>
Depreciation	443,357	666,616	473,479	51,108	3,639	1,638,199
Amortization	<u>7,093</u>	<u>107,174</u>	<u>29,155</u>	<u>13,129</u>	<u>327</u>	<u>156,878</u>
Reportable segment results (Note)	<u><u>1,003,216</u></u>	<u><u>1,317,781</u></u>	<u><u>752,877</u></u>	<u><u>50,671</u></u>	<u><u>(229,168)</u></u>	<u><u>2,895,377</u></u>

*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 (excluding dividend from equity instruments at fair value through other comprehensive income).

#### 4. OTHER INCOME

	For the six-month period ended 30 June	
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)
Government grants and subsidies related to:		
– Clean energy production	352,697	301,822
– Construction of assets	9,997	9,997
Income from carbon credits (Note (a))	98,519	98,083
Value-added tax refunds or exemptions (Note (b))	86,521	63,727
Others	<u>48,415</u>	<u>19,370</u>
	<u><u>596,149</u></u>	<u><u>492,999</u></u>

Notes:

- (a) Income from carbon credits was mainly derived from the sales of carbon credits registered under relevant regulated exchange system in Australia and the PRC.
- (b) The Group is entitled to a 50% refund of value-added tax for its revenue from the sale of electricity generated from the wind farms and a full refund of value-added tax for its revenue from the sale of heat energy to residential customers. The income of the value-added tax refund or exemption is recognised when relevant value-added tax refund or exemption application is registered with the relevant PRC tax authorities.

**5. OTHER GAINS AND LOSSES**

	<b>For the six-month period ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Other gains and losses comprise:		
Loss on disposal of property, plant and equipment	(858)	(2,570)
Net exchange (loss) gains	(6,004)	43,364
Gains (loss) arising on change in fair value of financial asset at FVTPL	3,719	(54,298)
Others	<u>73,343</u>	<u>(65,488)</u>
	<u><b>70,200</b></u>	<u><b>(78,992)</b></u>

**6. INTEREST INCOME/FINANCE COSTS**

	<b>For the six-month period ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited and restated)</b>
Interest income	<u>40,451</u>	<u>23,394</u>
Interest expense	688,575	811,802
Less: Amounts capitalized:		
– property, plant and equipment	<u>(52,866)</u>	<u>(58,816)</u>
Total finance costs	<u><b>635,709</b></u>	<u><b>752,986</b></u>

## 7. INCOME TAX EXPENSE

	For the six-month period ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited and restated)
Current tax:		
PRC enterprise income tax	<u>405,150</u>	<u>358,496</u>
Deferred tax:		
Current period	<u>26,891</u>	<u>23,198</u>
Income tax expense	<u><u>432,041</u></u>	<u><u>381,694</u></u>

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 2023.

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 exempt 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	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Auditors' remuneration	724	1,296
Lease payments in respect of land and building	<u>24,795</u>	<u>29,202</u>
Depreciation and amortization:		
Depreciation of property, plant and equipment	1,719,275	1,602,201
Depreciation of right-of-use assets	36,802	35,998
Amortization of intangible assets	<u>158,098</u>	<u>156,878</u>
Total depreciation and amortization	<u><u>1,914,175</u></u>	<u><u>1,795,077</u></u>

## 9. DIVIDENDS

- (a) A final dividend of RMB12.02 cents per ordinary share (tax inclusive) in respect of the year ended 31 December 2022 amounting to RMB990,990,000 was approved in the Company's annual general meeting held on 29 June 2023.
- (b) The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: 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 2023 of RMB2,054,907,000 (six months ended 30 June 2022: RMB1,788,903,000 restated) and the number of shares in issue for the six months ended 30 June 2023 of 8,244,508,000 (six months ended 30 June 2022: 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. TRADE AND BILLS RECEIVABLES

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Trade receivables		
– goods and services	1,989,502	718,716
– clean energy power price premium	11,476,390	10,229,044
Bills receivable	<u>19,613</u>	<u>98,953</u>
	13,485,505	11,046,713
Less: allowance for credit losses	<u>(19,626)</u>	<u>(19,626)</u>
	<u><u>13,465,879</u></u>	<u><u>11,027,087</u></u>

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 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 60 days	2,154,834	1,813,793
61 to 365 days	3,221,516	3,193,129
1 to 2 years	3,380,455	2,809,173
2 to 3 years	2,691,826	2,038,408
Over 3 years	<u>2,017,248</u>	<u>1,172,584</u>
	<u><u>13,465,879</u></u>	<u><u>11,027,087</u></u>

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

## 12. TRADE AND OTHER PAYABLES

	As at 30 June 2023 <i>RMB'000</i> (Unaudited)	As at 31 December 2022 <i>RMB'000</i> (Audited)
Trade payables	2,487,496	2,721,711
Payables for acquisition of property, plant and equipment	2,672,804	3,041,853
Retention payables	441,806	380,316
Bills payable	86,000	86,000
Salary and staff welfare	102,225	111,154
Non-income tax payables	166,007	314,923
Others	706,736	318,196
	<u>6,663,074</u>	<u>6,974,153</u>

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 payable and bills payable by invoice date as at the end of each reporting period:

	As at 30 June 2023 <i>RMB'000</i> (Unaudited)	As at 31 December 2022 <i>RMB'000</i> (Audited)
Within 30 days	1,096,043	1,560,221
31 to 365 days	1,102,432	1,099,866
1 to 2 years	261,687	54,174
2 to 3 years	40,010	10,165
Over 3 years	73,324	83,285
	<u>2,573,496</u>	<u>2,807,711</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. Review of the Power Industry

In the first half of 2023, despite the intensified adverse economic impact of evolving international environment, China's overall economy showed sound momentum of recovery and gradually returned to normalised operation. Meanwhile, the economic recovery and rebound boosted the period-on-period increase in electricity consumption for the first half of 2023. The electricity consumption in China was 4.31 trillion kWh, representing a period-on-period increase of 5.0%.

As of 30 June 2023, according to the statistics from China Electricity Council, the national electricity installed capacity in total was 2.71 billion kW, with newly added installed capacity of 140 million kW, representing a period-on-period increase of 10.8%. Among which, the installed capacity of non-fossil fuel totaled 1.39 billion kW, representing a period-on-period increase of 18.6% and accounting for 51.5% of the total installed capacity, up by 3.4 percentage points as compared to the corresponding period of last year; the installed capacity of on-grid wind power generation was 390 million kW, representing a period-on-period increase of 13.7%; the installed capacity of on-grid solar power generation was 470 million kW, representing a period-on-period increase of 39.8%; the power industry continued to push forward the green and low carbon transition.

In the first half of 2023, the power generation of power plants above the national scale was 4,168 billion kWh, representing a period-on-period increase of 3.8%. The capacity of thermal power generation was 2,945.7 billion kWh, representing a period-on-period increase of 7.5%, and the average utilization hour of power generation equipment reached 2,142 hours, representing a period-on-period increase of 84 hours. Among which, the average utilization hour of gas-fired power generation equipment was 1,136 hours, representing a period-on-period increase of 47 hours; the capacity of wind power generation was 462.8 billion kWh, representing a period-on-period increase of 21.2%, and the average utilization hour of wind power generation equipment was 1,237 hours, representing a period-on-period increase of 83 hours; the capacity of solar power generation was 266.3 billion kWh, representing a period-on-period increase of approximately 30.0%, and the average utilization hour of solar power generation equipment was 658 hours, representing a period-on-period decrease of 32 hours; and the capacity of hydropower generation was 516.6 billion kWh, representing a period-on-period decrease of 22.9%, and the average utilization hour of hydropower generation equipment was 1,239 hours, representing a period-on-period decrease of 452 hours.

## II. Business Review for the First Half of 2023

In the first half of 2023, with the gradual recovery of China's economy, the Group closely focused on the major tone of "deepening reform, digital empowerment, benchmarking industry leaders, innovation and efficiency" to address key issues in high-quality development by ramping up efforts to explore the market, speed up the construction of key projects, ensure work safety in a strict and meticulous manner, and continuously intensify measures to improve quality and efficiency. By doing so, we made remarkable achievements in various production and operation indicators.

### 1. The Group maintained steady growth in revenue and profit with continuous improvement in asset quality.

In the first half of 2023, the Group recorded an operating income of RMB10.549 billion, representing a period-on-period increase of 4.82%; the profit attributable to equity holders of the Company reached RMB2.055 billion, representing a period-on-period increase of 14.87%; the return on net assets was 6.59%, representing a period-on-period increase of 0.78 percentage point.

As of 30 June 2023, the consolidated total power generation of the Group was 19.311 billion kWh, representing a period-on-period increase of 9.23%, of which the gas-fired power and heat energy generation business segment generated 9.619 billion kWh, representing a period-on-period increase of 4.39%, and the average utilization hour of equipment was 2,046 hours, representing a period-on-period increase of 86 hours and 910 hours longer than the national average level; the wind power segment generated 6.574 billion kWh, representing a period-on-period increase of 24.06% and 4.07 percentage points higher than the national increase level, and the average utilization hour of equipment was 1,237 hours, representing a period-on-period increase of 51 hours; the photovoltaic power segment generated 2.595 billion kWh, representing a period-on-period increase of 5.31%, and the average utilization hour of equipment was 691 hours, 33 hours longer than the national average level; the hydropower segment generated 523 million kWh, representing a period-on-period decrease of 25.42%, and the average utilization hour of equipment was 1,247 hours, 8 hours longer than the national average level. The power generated by the renewable energy segment accounted for over a half of the total power generation of the Group, and exceeded the power generation of the gas-fired power and heat energy generation segment.

### 2. The development of renewable energy projects have been accelerated, surpassing the semiannual targets

In the first half of 2023, the Group completed the filing of 2.59 million kW of capacity, including 2.21 million kW of self-developed project capacity and 380,000 kW of capacity acquired through project merger and acquisition, exceeding the project development target for the first half of 2023, with a period-on-period increase of 1.36 million kW and a growth rate of 110%. All filed projects were renewable energy projects, including 1.55 million kW of wind power projects and 1.04 million kW of photovoltaic power generation projects. As of 30 June 2023, the capacity of the Group's renewable energy reserve project reached 21.42 million kW.

In the first half of 2023, the offshore wind power project in Shantou had made a major breakthrough with the project application completed. The pumped storage project in Mentougou District has obtained the approval document for carrying out preliminary work from the Commission of Development and Reform of Mentougou District. The pumped storage project in Huilai County has been included in the list of key implementation projects in the “14th Five-Year Plan” of Hebei Province. The base project in Chengde City has completed the demonstration process of the transmission planning to Beijing. The integrated base for wind power, photovoltaic power, energy storage and hydrogen energy project in Lingshou County has obtained the construction indicators.

**3. The installed capacity increased steadily with significant increase in existing projects under construction.**

As of 30 June 2023, the consolidated total installed capacity of the Group was 13.939 million kW, representing a period-on-period increase of 4.02%. Among them, the installed capacity of the wind power segment was 5.166 million kW, accounting for 37.06% of the total installed capacity, and the newly installed capacity was 100,000 kW in the first half of the year; the installed capacity of the photovoltaic power segment was 3.652 million kW, accounting for 26.20% of the total installed capacity, and the newly installed capacity was 120,000 kW in the first half of the year; the installed capacity of the gas-fired power and heat energy generation segment was 4.702 million kW, accounting for 33.73% of the total installed capacity; the installed capacity of the hydropower segment was 419,000 kW, accounting for 3.01% of the total installed capacity. The Group’s installed capacity of renewable energy projects accounted for 66.27%, representing a further increase of 1.36 percentage points as compared to the corresponding period of last year.

As of 30 June 2023, the installed capacity of the Group’s projects under construction was 3.22 million kW, of which the installed capacity of renewable energy projects under construction was 3.07 million kW. We completed the installation of wind turbines for the 300,000 kW wind power project in Abaga Banner, Xilingol League, Inner Mongolia, the 390,000 kW wind turbines for the 500,000 kW wind power project in Sunite Left Banner, and the 130,000 kW photovoltaic modules for the 200,000 kW photovoltaic project in Abaga Banner; completed the installation of the 80,000 kW wind turbines for the 400,000 kW wind power project in Urad Rear Banner, Bayan Nur City, Inner Mongolia; completed the first unit grid connection for the 100,000 kW photovoltaic project in Pengzhai Town, Guangzhou; completed the installation and commissioning of equipment related to reverse power transmission to booster stations for the Xiaoxita natural gas cogeneration project in Yichang.

**4. The continuously improving credit standing of the Group further reduced the comprehensive financing cost.**

In the first half of 2023, the Group completed the issuance of three tranches of ultra-short-term financing debentures with a total amount of RMB5 billion and interest rate in the range of 1.92%-2.36%; completed the issuance of two tranches of medium-term notes with a total amount of RMB3 billion and interest rate in the range of 3.20%-3.22%. The Group further reduced its comprehensive capital cost with its comprehensive financing cost at a rate of 2.99%, down by 0.57 percentage point from 3.56% for the corresponding period of last year.

**5. The Group actively explored the development and utilization of new energy sources and carbon assets to facilitate the green transition of energy mix in China.**

In the first half of 2023, the Group actively explored the development and utilization of new energy sources and made remarkable progress by now. The 500,000 kW demonstration project of wind power hydrogen production in Hinggan League and the 500,000 kW project of integrated wind power hydrogen storage base in Lingshou County, Shijiazhuang have all obtained project indicators; the demonstration project with integrated energy of wind, solar, fire and hydrogen storage in Chagan Nur was under construction; the shared energy storage project of Jingneng Clean Energy in Xing'an County, Guilin has completed filing and was ready for construction; the energy storage project in Xuanhe, Ningxia was officially put into operation; the 40,000 kW “flywheel + iron-zinc self-stratified liquid flow energy storage” project of Jingneng Yichang Thermal Power has obtained approval.

In the first half of 2023, the Group actively carried out carbon asset management, and actively explored the trading of green certificates. By keeping abreast of the development of the carbon market in China and analyzing the price movements, the Group sought appropriate opportunities to sell its excessive quotas, with an aim to maximize carbon-related revenue. The Group carried out the trading of international renewable energy certificates (I-REC) in the first half of 2023. The Group has received all green certificates for its hydropower, photovoltaic power and wind power businesses, and will subsequently continue to carry out the trading of such certificates, so as to improve the profitability of the renewable energy projects. The Group completed the investigation on Carbon Capture, Usage and Storage (CCUS) feasibility study project; continued to push forward the pilot improvement on the flexibility of gas-fired generation units and successfully implemented green energy transformation. The Group actively carried out green power trading, and participated in green power trading with a trading volume of 387 GWh.

### III. Operating Results and Analysis

#### 1. Overview

In the first half of 2023, the Company's profitability recorded continuous improvement. Profit for the period amounted to RMB2,161.1 million, representing an increase of 14.93% as compared with RMB1,880.4 million for the first half of 2022. Profit for the period attributable to the equity holders amounted to RMB2,054.9 million, representing an increase of 14.87% as compared with RMB1,788.9 million for the first half of 2022.

#### 2. Operating Income

The total operating income increased by 4.82% from RMB10,063.3 million for the first half of 2022 to RMB10,548.8 million for the first half of 2023, due to an increase in the installed capacity of wind power and photovoltaic power segments, resulting in an increase in revenue from sales of electricity and a corresponding increase in the government grants and subsidies related to clean energy production.

##### *Gas-fired Power and Heat Energy Generation Segment*

The revenue from the gas-fired power and heat energy generation segment increased by 1.72% from RMB6,229.6 million for the first half of 2022 to RMB6,336.6 million for the first half of 2023, of which, revenue from sales of electricity increased by 4.32% from RMB5,010.6 million for the first half of 2022 to RMB5,226.9 million for the first half of 2023, due to the increase in sales volume of electricity of this segment. Revenue from sales of heat energy decreased by 8.96% from RMB1,219.0 million for the first half of 2022 to RMB1,109.8 million for the first half of 2023, due to the extension of heating supply period for the same period of last year.

##### *Wind Power Segment*

The operating income from wind power segment increased by 14.83% from RMB2,191.3 million for the first half of 2022 to RMB2,516.3 million for the first half of 2023, due to the increase in sales volume of electricity as a result of an increase in the installed capacity which has been put into production in this segment.

### *Photovoltaic Power Segment*

The operating income from photovoltaic power segment increased by 7.10% from RMB1,400.5 million for the first half of 2022 to RMB1,499.9 million for the first half of 2023, due to an increase in sales volume of electricity as a result of an increase in the installed capacity which has been put into production in this segment.

### *Hydropower Segment*

The operating income from hydropower segment decreased by 24.83% from RMB166.3 million for the first half of 2022 to RMB125.0 million for the first half of 2023, due to the decrease in sales volume of electricity in this segment.

### *Other Segment*

Other operating income principally comprises revenue from finance lease business and equipment repairs and maintenance. Other operating income decreased by 6.08% from RMB75.6 million for the first half of 2022 to RMB71.0 million for the first half of 2023, due to a decrease in revenue from external finance lease.

## **3. Other Income**

Other income increased by 20.91% from RMB493.0 million for the first half of 2022 to RMB596.1 million for the first half of 2023, due to the increase in sales volume of electricity from the gas-fired power and heat energy generation segment resulting in the corresponding increase in subsidy income and the increase in income from the immediate refund of value-added tax of the wind power segment.

## **4. Operating Expenses**

Operating expenses increased by 4.57% from RMB7,660.9 million for the first half of 2022 to RMB8,011.1 million for the first half of 2023, due to the increase in gas consumption and the cost expensed following the increase in the installed capacity which has been put into production in the wind power segment and the photovoltaic power segment.

### *Gas Consumption*

Gas consumption increased by 4.50% from RMB4,546.3 million for the first half of 2022 to RMB4,751.1 million for the first half of 2023, due to an increase in gas consumption as a result of the increase in electricity generation by the gas-fired power and heat energy generation segment.

### *Depreciation and Amortization Expense*

Depreciation and amortization expense increased by 6.63% from RMB1,795.1 million for the first half of 2022 to RMB1,914.2 million for the first half of 2023, due to an increase in installed capacity which has been put into production in the wind power segment and the photovoltaic power segment.

### *Personnel Cost*

Personnel cost increased by 9.55% from RMB486.7 million for the first half of 2022 to RMB533.2 million for the first half of 2023, due to the increase in the number of employees as a result of the business development of the Group and personnel costs expensed following the commencement of production of new projects.

### *Repairs and Maintenance*

Repairs and maintenance increased by 6.32% from RMB232.5 million for the first half of 2022 to RMB247.2 million for the first half of 2023.

### *Other Expenses*

Other expenses principally comprise (1) external purchase of power, water and materials etc.; (2) property management, greening and fire protection fees; (3) rental expenses; (4) underwriting fees, bank commissions; (5) intermediary service fees; (6) property insurance premium; and (7) other miscellaneous operating expenses.

Other expenses increased by 21.93% from RMB521.3 million for the first half of 2022 to RMB635.6 million for the first half of 2023, due to an increase in operating expenses as a result of the commencement of production of new projects of the wind power segment and the photovoltaic power segment.

### *Other Gains and Losses*

The Company recorded other gains of RMB70.2 million for the first half of 2023 as compared to other losses of RMB79.0 million for the first half of 2022. Such change was mainly attributable to the losses from changes in fair value of H shares of CGN Power Co., Ltd. (“CGN”) held by the Company in the first half of 2022 and issue discounts in connection with accounts receivables upon the issuance of the carbon-neutral asset-backed securities products by the Company in the first half of 2022 as compared to the gains from changes in fair value of H shares of CGN in the first half of 2023.

## 5. Operating Profit

As a result of the above, operating profit increased by 8.23% from RMB2,895.4 million for the first half of 2022 to RMB3,133.8 million for the first half of 2023.

### *Gas-fired Power and Heat Energy Generation Segment*

The operating profit of gas-fired power and heat energy generation segment increased by 2.92% from RMB1,003.2 million for the first half of 2022 to RMB1,032.5 million for the first half of 2023.

### *Wind Power Segment*

The operating profit of wind power segment increased by 14.74% from RMB1,317.8 million for the first half of 2022 to RMB1,512.1 million for the first half of 2023, due to an increase in the installed capacity which has been put into production in this segment, resulting in an increase in the sales volume of electricity.

### *Photovoltaic Power Segment*

The operating profit of photovoltaic power segment increased by 0.29% from RMB752.9 million for the first half of 2022 to RMB755.1 million for the first half of 2023.

### *Hydropower Segment*

The operating profit of hydropower segment decreased by 66.07% from RMB50.7 million for the first half of 2022 to RMB17.2 million for the first half of 2023, due to the decrease in electricity generation by this segment.

### *Other Segment*

Other segment recorded a loss of RMB229.2 million for the first half of 2022 and a loss of RMB183.1 million for the first half of 2023, due to the gains from changes in fair value of H shares of CGN held by the Group recorded for the first half of 2023 as compared to the losses recorded for the corresponding period of last year.

## 6. Finance Costs

Finance costs decreased by 15.58% from RMB753.0 million for the first half of 2022 to RMB635.7 million for the first half of 2023, due to the decrease in finance costs, down by 0.57 percentage point in the average finance costs of the Group from 3.56% for the first half of 2022 to 2.99% for the first half of 2023.

## **7. Share of Results of Associates and a Joint Venture**

Share of results of associates and a joint venture decreased from RMB96.3 million for the first half of 2022 to RMB54.6 million for the first half of 2023, mainly due to the recognition of gain from the investment in Jingneng International, an associate, of RMB41.2 million by the Group in the first half of 2022, while this long-term equity investment was disposed of in the second half of 2022.

## **8. Profit before Taxation**

As a result of the foregoing, profit before taxation increased by 14.64% from RMB2,262.1 million for the first half of 2022 to RMB2,593.2 million for the first half of 2023.

## **9. Income Tax Expense**

Income tax expense increased by 13.18% from RMB381.7 million for the first half of 2022 to RMB432.0 million for the first half of 2023.

## **10. Profit for the Period**

As a result of the foregoing, profit for the period increased by 14.93% from RMB1,880.4 million for the first half of 2022 to RMB2,161.1 million for the first half of 2023.

## **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 14.87% from RMB1,788.9 million for the first half of 2022 to RMB2,054.9 million for the first half of 2023.

# **IV. Financial Position**

## **1. Overview**

As of 30 June 2023, total assets of the Group amounted to RMB92,727.7 million, total liabilities amounted to RMB59,585.1 million and total equity amounted to RMB33,142.6 million, among which equity attributable to the equity holders amounted to RMB29,759.7 million.

## **2. Particulars of Assets and Liabilities**

Total assets increased by 5.37% from RMB88,000.2 million as at 31 December 2022 to RMB92,727.7 million as at 30 June 2023, due to an increase in investment in newly built projects and acquisition and merger projects. Total liabilities increased by 7.21% from RMB55,578.0 million as at 31 December 2022 to RMB59,585.1 million as at 30 June 2023, due to increased debt as a result of capital demand for construction of projects. Total equity increased by 2.22% from RMB32,422.2 million as at 31 December 2022 to RMB33,142.6 million as at 30 June 2023. Equity attributable to equity holders of the Company increased by 4.09% from RMB28,589.9 million as at 31 December 2022 to RMB29,759.7 million as at 30 June 2023, due to the accretion from business results in the first half of 2023.

## **3. Liquidity**

As of 30 June 2023, current assets amounted to RMB21,490.5 million, including cash and cash equivalents of RMB5,726.6 million, trade and bills receivables of RMB13,465.9 million (mainly comprising receivables from sales of electricity and sales of heat), finance lease receivables of RMB381.5 million, loan receivables of RMB45.9 million, and prepayment and other current assets of RMB1,870.6 million (mainly comprising deductible value-added tax and other accounts receivables).

Current liabilities amounted to RMB24,327.6 million, including short-term borrowings of RMB9,360.8 million, short-term financing debentures of RMB7,051.6 million, medium-term notes due within one year of RMB58.1 million, corporate bonds of RMB13.8 million, trade and other payables of RMB6,663.1 million (mainly comprising payables for gas, payables for construction projects and purchase of equipment, etc.). Other current liabilities amounted to RMB1,180.2 million, mainly comprising income tax payable and amounts due to related parties, etc.

Net current liabilities decreased by 67.71% from RMB8,785.9 million as at 31 December 2022 to RMB2,837.1 million as at 30 June 2023.

## **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 1.5 percentage points from 55.79% as at 31 December 2022 to 57.29% as at 30 June 2023.

The Group's long-term and short-term borrowings increased by 8.19% from RMB46,386.6 million as at 31 December 2022 to RMB50,187.9 million as at 30 June 2023, including short-term borrowings of RMB9,360.8 million, long-term borrowings of RMB26,611.4 million, medium-term notes of RMB6,550.5 million, short-term financing debentures of RMB7,051.6 million and corporate bonds of RMB613.6 million.

Bank deposits and cash held by the Group increased by 4.76% from RMB5,466.4 million as at 31 December 2022 to RMB5,726.6 million as at 30 June 2023.

## V. Other Significant Events

### 1. Financing

On 13 February 2023, the Group completed the issuance of the first tranche RMB1,500 million 269-day ultra-short-term financing debentures of 2023 at an interest rate of 2.36%;

On 17 April 2023, the Group completed the issuance of the second tranche RMB2,000 million 178-day ultra-short-term financing debentures of 2023 at an interest rate of 2.29%;

On 14 June 2023, the Group completed the issuance of the third tranche RMB1,500 million 176-day ultra-short-term financing debentures of 2023 at an interest rate of 1.92%;

On 11 April 2023, the Group completed the issuance of the first tranche RMB1,000 million medium-term notes of 2023, with a period of 2+N years and at an interest rate of 3.20%;

On 4 May 2023, the Group completed the issuance of the second tranche RMB2,000 million medium-term notes of 2023, with a period of 5 years and at an interest rate of 3.22%.

### 2. Capital Expenditure

In the first half of 2023, the Group's capital expenditure amounted to RMB2,537.2 million, including RMB138.5 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB1,402.5 million incurred for construction projects in the wind power segment, RMB941.5 million incurred for construction projects in the photovoltaic power segment and RMB54.7 million incurred for the construction of energy storage projects.

### 3. Acquisition and Establishment of Subsidiaries

According to the development plan of the Group, in the first half of 2023, the Group acquired Xiamen Yangwanzhang Clean Energy Co., Ltd.(廈門陽萬丈清潔能源有限公司), Guangdong Ancheng New Energy Co., Ltd.(廣東安晟新能源有限公司), Jianli Haofeng Green Energy Technology Co., Ltd.(監利縣浩豐綠色能源科技有限公司) and Urumqi Xinhe Guangsheng Power Technology Co., Ltd.(烏魯木齊鑫禾光晟電力科技有限公司), which are engaged in the construction of photovoltaic power generation projects; acquired Ningxia Zehua New Energy Co., Ltd.(寧夏澤華新能源有限公司), which is engaged in the construction of wind power projects; acquired all equity interests held by Hengfeng County Jingneng Power Co., Ltd.(橫峰縣晶能電力有限公司) (a minority shareholder) in Shouyang Jingshou Photovoltaic Power Co., Ltd. (“**Shouyang**”), and all equity interests held by Hengfeng County Jingtai Power Co., Ltd.(橫峰縣晶泰電力有限公司) (a minority shareholder) in Haixing Jingxing New Energy Power Co., Ltd. (“**Haixing**”), turning Shouyang and Haixing into wholly-owned subsidiaries of the Group.

In 2023, the Group established Jingneng Laiyuan Clean Energy Co., Ltd. (京能涞源清潔能源有限公司), Jingneng Luanping Clean Energy Co., Ltd.(京能灤平清潔能源有限公司), Zhangbei Jingneng Haolong Clean Energy Co., Ltd.(張北京能昊龍清潔能源有限公司), Nanning Jingneng Clean Energy Co., Ltd.(南寧京能清潔能源有限公司) and Huazhou Jingzhi New Energy Co., Ltd. (化州京智新能源有限公司), which are engaged in the construction of photovoltaic power generation projects, Shantou Jingneng Clean Energy Co., Ltd.(汕頭京能清潔能源有限公司), which is engaged in the construction of offshore wind power generation projects, and Beijing Jingneng Comprehensive Energy Co., Ltd.(北京京能綜合能源有限公司), which is engaged in the provision of first-class integrated energy service business.

#### **4. Contingent Liabilities**

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

#### **5. Mortgage of Assets**

As of 30 June 2023, the Group's bank borrowings were secured by bank deposits of RMB118.2 million, accounts receivables of RMB2,017.7 million and finance lease receivables of RMB293.9 million; fixed assets of RMB2,610.2 million; the entire equity in New Gullen Range Wind Farm Pty Ltd. and Gullen Solar Pty Ltd., which were pledged to National Australia Bank, and the entire equity in Ningxia Boyang New Energy Co., Ltd. and Ningxia Kaiyang New Energy Co., Ltd., which were pledged to National Development Bank in China.

#### **6. Significant Events after the Reporting Period**

The Group had no other significant events subsequent to the Reporting Period.

#### **7. Share Option Scheme**

As at 30 June 2023, 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 deposits denominated in AUD, HK dollars, US dollars, Euro, as well as borrowings in HK dollars and AUD). 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 by various management measures.

## **VI. Business Outlook for the Second Half of 2023**

The second half of 2023 is a critical period for the high-quality development of the Group's "14th Five-Year Plan". The Group will focus on the main line of work formulated at the beginning of the year, unswervingly adhere to innovation and development, and strive to build the Group into a world-class clean energy service provider with "new energy structure, new system formation, new industrial system, and new governance system" that meets the requirements of the new energy system.

### **1. Accelerate the project construction and strive to accomplish the grid-connected capacity target for the year.**

In the second half of 2023, the Group will actively promote the construction progress of the 1 million kW wind power project in Chagan Nur and the 600,000 kW wind power project in Bayan Nur City, and strive to achieve grid connection according to the scheduled time node; actively push forward the full capacity grid-connected power generation before the end of the year of projects including Phase II of wind power project in Daqing, the Sangshuping project in Hancheng, the agricultural and photovoltaic complementary project in Dongyuan, Phase I of the new energy demonstration base of 1 Million kW Photovoltaic Project in Qinzhou, and Phase I and Phase II of photovoltaic project in Pengzhai Town. The Group will proactively push forward the construction of Xiaoxita natural gas cogeneration project in Yichang, and make strenuous efforts to facilitate the commissioning of the sub-system of main units and the whole system, in an effort to complete all testings required for the grid connection.

### **2. Take solid steps to promote project expansion and strive to accomplish the development capacity target for the year.**

In the second half of 2023, the Group will continue to adhere to the two-pronged drive of "independent development and project mergers and acquisitions" and increase development efforts in key areas and projects. We will strive to make major breakthroughs for the offshore wind power project in Shantou; set target for the pumped storage project in Mentougou to be included in the national plan; strive to obtain approval this year for the pumped storage project in Huailai; further expand product types and technical process programs for off-grid hydrogen production project in Hinggan League; actively push forward the preliminary work of the outbound transmission lines for the "Green-Power-to-Beijing" base project in Chengde, and obtain the development right of renewable energy resources in Chengde; strive to have the gas project in Linyi, Shandong included into the 14th Five-Year Energy Development Plan of Shandong Province; actively carry out the preliminary work and strive to obtain indicators for the UHV outbound power transmission project in Chagan Nur.

### **3. Consolidate the bottom line of work safety and demonstrate commitment for energy supply guarantee**

In the second half of 2023, the Group will continue to consolidate the red-line awareness and worse-case scenarios thinking for work safety, focus on safety management with “responsibility as the key”, and carry out in-depth special investigation and rectification of potential safety hazards. We will unswervingly assume the responsibility for ensuring the energy supply security of the capital, and pay close attention to various supply guarantee measures to ensure the continuous and stable operation of the units for a long period of time, laying a solid foundation for supply security and further solidifying work safety, with an aim to support the “advancement” of the capital’s economic development with the “stability” of power supply.

## **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 2023.

## **INTERIM DIVIDEND**

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2023.

## **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 complied with all code provisions as set out in the Corporate Governance Code contained in Appendix 14 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 2023.

## **COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions of the Company by the Directors and supervisors of the Company (the “**Supervisors**”). Upon making specific enquiries to all of the Directors and Supervisors, all Directors and Supervisors confirmed that throughout the Reporting Period, each of the Directors and Supervisors had fully complied with the required standards set out in the Model Code.

## **AUDIT COMMITTEE**

The audit committee of the Company has reviewed the Group’s 2023 interim results and the unaudited financial statements for the six months ended 30 June 2023 prepared in accordance with the IFRSs.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This results announcement is published on the HKEXnews website of the Stock Exchange at <http://www.hkexnews.hk> and on the website of the Company at <http://www.jncec.com>. The 2023 interim report containing all the information required by the Listing Rules will be dispatched to the shareholders in due course and will be published on the websites of the Company and the Stock Exchange.

By order of the Board  
**Beijing Jingneng Clean Energy Co., Limited**  
**Zhang Fengyang**  
*Chairman*

Beijing, the PRC  
29 August 2023

*As at the date of this announcement, the executive Directors of the Company are Mr. Zhang Fengyang, Mr. Chen Dayu, Mr. Zhang Wei and Mr. Li Minghui; the non-executive Directors are Mr. Zhou Jianyu, Mr. Song Zhiyong and Ms. Zhang Yi; the independent non-executive Directors are Ms. Zhao Jie, Mr. Wang Hongxin, Mr. Qin Haiyan and Ms. Hu Zhiying.*