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華潤電力控股有限公司

China Resources Power Holdings Company Limited

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 836)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2024

SUMMARY OF OPERATING RESULTS

The board of directors (the “**Board**”) of China Resources Power Holdings Company Limited (the “**Company**”) announces the unaudited financial results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024.

For the first half of 2024, the Group recorded a profit attributable to owners of the Company (the “**Net Profit**”) of HK\$9,363 million, representing an increase of HK\$2,623 million or 38.9% from the Net Profit of HK\$6,740 million for the first half of 2023. Basic earnings per share amounted to HK\$1.95. The Board has resolved to declare an interim dividend of HK\$0.455 per share for 2024.

In the first half of 2024, core profit contribution from renewable energy business amounted to HK\$5,556 million (in the first half of 2023: HK\$5,954 million), and core profit contribution from thermal power business amounted to HK\$2,715 million (in the first half of 2023: HK\$726 million).

	For the six months ended 30 June			
	2024		2023	
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
Turnover <i>(HK\$'000)</i>	51,119,684		51,483,669	
Profit attributable to owners of the Company <i>(HK\$'000)</i>	9,362,748		6,740,100	
Basic earnings per share <i>(HK\$)</i>	1.95		1.40	
Dividend per share <i>(HK\$)</i>	0.455		0.328	
	HK\$'000		RMB'000	
	For the six months ended 30 June		For the six months ended 30 June	
	2024		2024	
	2023		2023	
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
Profit attributable to owners of the Company	9,362,748	6,740,100	8,512,654	5,982,594
Non-cash exchange gains	(287,700)	(856,010)	(261,965)	(781,105)
Asset impairment losses	71,872	796,040	65,405	726,433
Bargain purchase gain in acquisition of a subsidiary	(876,408)	—	(798,564)	—
Core business profit attributable to owners of the Company	<u>8,270,512</u>	<u>6,680,130</u>	<u>7,517,530</u>	<u>5,927,922</u>
			As at 30 June 2024	As at 31 December 2023
			<i>(Unaudited)</i>	
			<i>(Audited)</i>	
Equity attributable to owners of the Company <i>(HK\$'000)</i>			90,467,770	84,973,689
Total assets <i>(HK\$'000)</i>			346,778,177	322,395,990
Cash and cash equivalents <i>(HK\$'000)</i>			9,958,336	4,082,972
Pledged and restricted bank deposits <i>(HK\$'000)</i>			448,407	418,538
Bank and other borrowings <i>(HK\$'000)</i>			183,187,731	164,531,805
Net debt to total equity (%)			156.2	153.1

BUSINESS REVIEW FOR THE FIRST HALF OF 2024

Installed capacity

As at 30 June 2024, the Group had an operational generation capacity of 80,314MW and a total attributable operational generation capacity of 62,758MW, of which the attributable operational generation capacity of thermal power plants amounted to 38,096MW or 60.7% of the total attributable operational generation capacity. The attributable operational generation capacity of wind, photovoltaic and hydro power projects amounted to 24,662MW or 39.3% of the total attributable operational generation capacity, representing an increase of 1.5% from the end of 2023.

As at the end of June 2024, the Group's attributable operational generation capacity of wind power amounted to 19,123MW, with 7,532MW of attributable generation capacity under construction; attributable operational generation capacity of photovoltaic power amounted to 5,002MW, with 8,011MW of attributable generation capacity under construction. During the first half of 2024, the attributable generation capacity of newly commissioned wind power and photovoltaic power projects amounted to 504MW and 1,560MW, respectively.

In the first half of 2024, the total new grid-connected generation capacity of wind and photovoltaic power projects of the Group amounted to approximately 930MW.

In the first half of 2024, the Group obtained renewable energy development and construction permits of 3,830MW, including 2,155MW for wind power projects and 1,675MW for photovoltaic power projects.

In the first half of 2024, the Group has no newly commissioned thermal power project.

Net generation volume

In the first half of 2024, the net generation volume of our Group's consolidated power plants amounted to 98,239,596 MWh, up by 6.2% from 92,501,982 MWh in the first half of 2023, of which the net generation volume of thermal power plants, wind farms and photovoltaic power plants increased by 3.4%, 6.9% and 204.9%, respectively, as compared to the first half of 2023.

In the first half of 2024, the average utilisation hours of the wind farms were 1,223 hours, decreased by 129 hours or 9.5% as compared to the first half of 2023, exceeding the national average utilisation hours for wind power generation units by 89 hours. The average utilisation hours of photovoltaic power stations were 705 hours, decreased by 27 hours or 3.7% as compared to the first half of 2023, exceeding the national average utilisation hours for photovoltaic power plants by 79 hours. On a same plant basis, the average utilization hours of our consolidated coal-fired power plants were 2,149 hours, decreased by 39 hours or 1.8% as compared to the first half of 2023, exceeding the national average utilisation hours of thermal power units by 50 hours.

In the first half of 2024, the net generation volume of our consolidated power plants that followed market-based pricing accounted for 85.3%, and the average market tariff was 9.7% higher than that of the benchmark on-grid tariff.

Fuel costs

In the first half of 2024, the average unit cost of standard coal of the consolidated coal-fired power plants was RMB934.6 per tonne, representing a decrease of 10.6% as compared to the same period last year; the average unit fuel cost was RMB276.5 per MWh, representing a decrease of 10.7% as compared to the same period last year; the average net generation standard coal consumption rate was 292.5g per kWh, representing a decrease of 2.7g or 0.9% as compared to the same period last year.

Capital expenditure

In the first half of 2024, cash capital expenditure of the Group amounted to approximately HK\$20,833 million, of which approximately HK\$12,638 million was used in the construction of wind farms and photovoltaic power plants, approximately HK\$3,911 million was used in the construction of thermal power units, approximately HK\$535 million was used in the technological upgrades of operational power generation units, approximately HK\$352 million was used for the construction of coal mines, and approximately HK\$3,397 million was used in the construction of integrated energy and other projects.

FUTURE PROSPECTS

Development of renewable energy

The Group will continue to make every effort to accelerate the development and construction of wind power and photovoltaic power projects. In the 14th Five-year Plan period (i.e. from 2021 to 2025), the Group aims to increase its installed capacity of renewable energy by 40 GW. It is expected that the proportion of installed capacity of renewable energy will exceed 50% by the end of the 14th Five-year Plan period (i.e. the end of 2025). To this end, we have always maintained a forward-looking development perspective, and actively deployed and planned the construction of clean energy projects such as wind power and photovoltaic power projects.

The grid connection target for new wind power and photovoltaic power projects of the Group for 2024 will be 10,000MW, a large number of these projects will be grid-connected in the second half of current year.

Carbon emission reduction

The Group actively encounters the development of low-carbon technologies such as carbon capture, utilisation and storage (CCUS), promotes the construction of pilot zero-carbon parks, and optimises the carbon assets management model.

The Group actively improves the integrated energy services and focuses on enterprises, industrial parks and other energy-saving and carbon reduction application scenarios, combined with its own extensive experiences and advanced technologies, to provide systematic and customised integrated energy solutions based on customers' energy needs, helping enterprises and industrial parks to achieve zero carbon emission, and continuously enhancing integrated energy management.

We firmly adhere to the concept of innovation-driven, focus on new areas such as smart energy storage and virtual power plants, and continue to promote the transformation of innovation achievements.

To facilitate the achievement of the carbon emission reduction targets, the Group explicitly includes carbon emission reduction and renewable energy development in the performance contracts of the senior management, the key performance indicators include, among others, the proportion of attributable generation capacity of renewable energy, new grid-connected capacity of renewable energy and the concentration of carbon emissions in power supply, and appraisal of results performance will be conducted based on the actual completion status.

Capital expenditure

The cash capital expenditure in 2024 is expected to be approximately HK\$59,900 million, including approximately HK\$44,600 million for the construction of wind and photovoltaic power plants; approximately HK\$7,900 million for the construction of thermal power units, approximately HK\$1,500 million for the technological upgrades of operational power generation units, approximately HK\$700 million for the construction of coal mines, and approximately HK\$5,200 million for the construction of integrated energy and other projects.

In the second half of 2024, it is expected that thermal power generation units with attributable generation capacity of approximately 399MW will commence operation, including a power plant in Shenyang and a gas-fired distributed energy project.

OPERATING RESULTS

The operating results for the six months ended 30 June 2024, which have been reviewed by the auditor (in accordance with the Hong Kong Standard on Review Engagements 2410) and the Audit and Risk Committee of the Company, are set out as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Turnover	<u>51,119,684</u>	<u>51,483,669</u>
Operating expenses		
Fuels	(24,747,777)	(27,795,758)
Depreciation and amortisation	(8,053,070)	(7,286,299)
Employee benefit expenses	(3,376,293)	(3,157,588)
Repairs and maintenance	(1,035,254)	(1,410,338)
Consumables	(513,620)	(575,565)
Impairment charges	(72,998)	(799,550)
Tax and surcharges	(528,663)	(382,665)
Others	<u>(1,937,905)</u>	<u>(1,569,057)</u>
Total operating expenses	<u>(40,265,580)</u>	<u>(42,976,820)</u>
Other income	865,308	953,651
Other gains and losses	<u>1,547,025</u>	<u>1,034,810</u>
Operating profit	13,266,437	10,495,310
Finance costs	(2,070,242)	(2,102,700)
Share of results of associates	644,121	51,970
Share of results of joint ventures	<u>177,495</u>	<u>247,598</u>
Profit before income tax	12,017,811	8,692,178
Income tax expense	<u>(2,064,698)</u>	<u>(1,613,588)</u>
Profit for the period	<u><u>9,953,113</u></u>	<u><u>7,078,590</u></u>
Profit for the period attributable to:		
Owners of the Company	9,362,748	6,740,100
Non-controlling interests	<u>590,365</u>	<u>338,490</u>
	<u><u>9,953,113</u></u>	<u><u>7,078,590</u></u>
Basic earnings per share	<u><u>HK\$1.95</u></u>	<u><u>HK\$1.40</u></u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the period	<u>9,953,113</u>	<u>7,078,590</u>
Other comprehensive income (expense):		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	(1,160,943)	(4,833,681)
Share of other comprehensive (expense) income of investments accounted for using the equity method	(37,588)	5,671
Release to profit or loss in relation to disposal of subsidiaries	(44,574)	(13,230)
Release to profit or loss in relation to deemed disposal of a joint venture	78,151	–
<i>Item that will not be reclassified to profit or loss</i>		
Fair value changes on equity investments at fair value through other comprehensive income (“FVOCI”), net of tax	<u>40,077</u>	<u>107,275</u>
Other comprehensive expense for the period, net of tax	<u>(1,124,877)</u>	<u>(4,733,965)</u>
Total comprehensive income for the period, net of tax	<u><u>8,828,236</u></u>	<u><u>2,344,625</u></u>
Attributable to:		
Owners of the Company	8,290,132	2,240,902
Non-controlling interests	<u>538,104</u>	<u>103,723</u>
Total comprehensive income for the period, net of tax	<u><u>8,828,236</u></u>	<u><u>2,344,625</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2024 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>HK\$'000</i> <i>(Audited)</i>
ASSETS		
Non-current assets		
Property, plant and equipment	222,447,199	215,752,142
Right-of-use assets	10,597,515	9,357,173
Mining rights	3,728,814	3,764,928
Goodwill	1,148,646	1,158,587
Contractual rights	964,241	994,500
Deferred tax assets	1,158,095	1,083,928
Other receivables and prepayments	21,518,161	17,539,436
Interests in associates	17,532,760	16,671,370
Interests in joint ventures	4,112,320	5,456,247
Financial assets at FVOCI	1,037,006	986,479
Loans to a non-controlling shareholder of a subsidiary	13,696	13,794
	284,258,453	272,778,584
Current assets		
Inventories	6,178,688	4,016,944
Trade receivables, other receivables and prepayments	45,573,176	40,467,098
Loans to joint ventures	210,477	211,977
Amounts due from associates	77,334	332,324
Amounts due from joint ventures	55,210	61,146
Amounts due from other related companies	18,096	26,407
Pledged and restricted bank deposits	448,407	418,538
Cash and cash equivalents	9,958,336	4,082,972
	62,519,724	49,617,406
Total assets	346,778,177	322,395,990

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	22,316,710	22,316,710
Other reserves	8,638,333	9,361,021
Retained earnings	<u>59,512,727</u>	<u>53,295,958</u>
Equity attributable to owners of the Company	<u>90,467,770</u>	<u>84,973,689</u>
Perpetual capital securities holders	10,664,271	10,664,271
Other non-controlling interests	<u>9,484,467</u>	<u>8,909,181</u>
Total equity	<u><u>110,616,508</u></u>	<u><u>104,547,141</u></u>
LIABILITIES		
Non-current liabilities		
Borrowings	141,049,124	125,827,123
Contract liabilities	927,907	997,247
Lease liabilities	2,902,113	2,020,456
Deferred tax liabilities	448,731	431,461
Deferred income	762,664	785,953
Retirement and other long-term employee benefits obligations	722,742	779,045
Other long-term payables	<u>3,079,626</u>	<u>2,945,310</u>
	<u>149,892,907</u>	<u>133,786,595</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Current liabilities		
Trade payables, other payables and accruals	34,483,526	36,424,348
Contract liabilities	763,689	1,351,403
Lease liabilities	220,652	307,352
Amounts due to associates	1,199,322	91,664
Amounts due to joint ventures	667,642	646,811
Amounts due to other related companies	5,878,654	10,868,925
Tax liabilities	916,670	1,007,069
Borrowings	42,138,607	33,364,682
	<u>86,268,762</u>	<u>84,062,254</u>
Total liabilities	<u><u>236,161,669</u></u>	<u><u>217,848,849</u></u>
Total equity and liabilities	<u><u>346,778,177</u></u>	<u><u>322,395,990</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net cash inflows generated from operating activities	<u>10,372,544</u>	<u>8,425,849</u>
Cash flows from investing activities		
Dividends received from associates and joint ventures	272,175	503,201
Interest received	10,486	969
Proceeds from disposal of property, plant and equipment and right-of-use assets	21,682	75,291
Proceeds from disposal of subsidiaries	295,143	127,895
Payments for purchase of property, plant and equipment and right-of-use assets	(17,403,543)	(16,685,131)
Cash outflow on acquisition of interest in associates	(3,251,285)	(1,143,373)
Capital contributions into associates	(160,169)	(348,909)
Capital contributions into joint ventures	(14,404)	(186,411)
Capital contributions into a FVOCI investee company	(4,158)	–
Net cash inflow (outflow) on acquisition of interest in subsidiaries	81,370	(245,964)
Repurchase of Asset-Backed Notes	<u>–</u>	<u>(703,406)</u>
Net cash outflows generated from investing activities	<u>(20,152,703)</u>	<u>(18,605,838)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	For the six months ended 30 June	
	2024	2023
	<i>HK\$'000</i> <i>(Unaudited)</i>	<i>HK\$'000</i> <i>(Unaudited)</i>
Cash flows from financing activities		
Proceeds from borrowings	49,600,022	60,957,782
Repayment of borrowings	(25,578,175)	(39,221,903)
Capital contribution by non-controlling interests	442,605	266,065
Capital reduction by a non-controlling interest	–	(41,872)
Cash prepayments on acquisition of a non-controlling interest	–	(75,609)
Repayment of advances from an intermediate holding company	(5,231,512)	–
Advances from (repayment of advances from) associates	1,019,362	(11,656)
Advances from joint ventures	860,786	470,663
Repayment of advances from other related companies	(149,632)	(112,477)
(Repayment of advances from) advances from non-controlling interests of a subsidiary	(220)	5,289
Interest on borrowings and advances from related companies paid	(2,386,065)	(2,479,257)
Dividends paid to owners of the Company	(2,406,101)	(19)
Dividends paid to non-controlling interests of subsidiaries	(289,236)	(235,957)
Repayment of lease liabilities	(172,620)	(134,737)
	15,709,214	19,386,312
Net cash inflows generated from financing activities		
Net increase in cash and cash equivalents	5,929,055	9,206,323
Cash and cash equivalents at the beginning of the period	4,082,972	7,721,275
Effect of exchange rate changes	(53,691)	(512,347)
	9,958,336	16,415,251
Cash and cash equivalents at the end of the period	9,958,336	16,415,251

BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND PRINCIPAL ACCOUNTING POLICIES

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) 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.

As at 30 June 2024, the Group had net current liabilities of HK\$23,749 million. The directors of the Board (“**Directors**”) are of the opinion that, taking into account the current operation of the Group as well as the banking facilities available to the Group, the Group has sufficient working capital to enable it to meet in full its financial obligations as and when they fall due in the coming twelve months from the date of the condensed consolidated statement of financial position. Therefore, such condensed consolidated interim financial information has been prepared on a going concern basis.

Changes in accounting policies and disclosures

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value.

Other than additional accounting policies resulting from the application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), 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 financial statements for the year ended 31 December 2023.

Application of amendments to HKFRSs

In the current period, the Group has applied the following amendments to HKFRSs issued by HKICPA, 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 HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current 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.

TURNOVER AND SEGMENT INFORMATION

Turnover represents revenue received and receivable arising from sales of electricity and heat, net of value-added tax, during the year.

	HK\$'000		RMB'000	
	For the six months ended 30 June		For the six months ended 30 June	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales of electricity	46,764,018	47,174,571	42,499,683	41,663,941
Including: Sales of power generated from thermal power plants	33,611,324	34,744,714	30,542,663	30,690,698
Sales of power generated from renewable energy	13,152,694	12,429,857	11,957,020	10,973,243
Heat supply	<u>4,355,666</u>	<u>4,309,098</u>	<u>3,957,683</u>	<u>3,782,947</u>
	<u>51,119,684</u>	<u>51,483,669</u>	<u>46,457,366</u>	<u>45,446,888</u>

The Group's turnover for the first half of 2024 was HK\$51,120 million, representing a decrease of HK\$364 million or 0.7% from HK\$51,484 million in the first half of 2023. In RMB terms, the Group's turnover for the first half of 2024 was RMB46,457 million, representing an increase of RMB1,010 million or 2.2% from RMB45,447 million in the first half of 2023. This was mainly attributable to (1) a year-on-year increase of 6.2% in net generation volume of consolidated power plants; and (2) a year-on-year increase of 7.8% in sales volume of heat generation of consolidated power plants; however, the increase was partially offset by (1) a year-on-year decrease of 3.0% in average on-grid tariff (tax exclusive) of consolidated coal-fired power plants; and (2) a year-on-year decrease of 1.9% in average on-grid tariff (tax exclusive) of consolidated wind power projects.

The Group is engaged in two business segments – thermal power (inclusive of coal-fired and gas-fired power) and renewable energy (inclusive of wind power, photovoltaic power and hydro power).

The following is an analysis of the Group's revenue and results by reportable segments:

For the six months ended 30 June 2024

	Thermal Power <i>HK\$'000</i>	Renewable Energy <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue			
External sales	<u>37,966,990</u>	<u>13,152,694</u>	<u>51,119,684</u>
Segment profit	<u>5,134,445</u>	<u>6,595,666</u>	11,730,111
Exchange gains, net			<u>287,700</u>
Profit before income tax			<u><u>12,017,811</u></u>
Profit attributable to owners of the Company (before non-cash exchange gains and losses)	3,580,094	5,494,954	9,075,048
Asset impairment losses	11,272	60,600	71,872
Bargain purchase gain in acquisition of a subsidiary	<u>(876,408)</u>	<u>–</u>	<u>(876,408)</u>
Core business profit attributable to owners of the Company	<u><u>2,714,958</u></u>	<u><u>5,555,554</u></u>	<u><u>8,270,512</u></u>

For the six months ended 30 June 2023

	Thermal Power <i>HK\$'000</i>	Renewable Energy <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue			
External sales	<u>39,053,812</u>	<u>12,429,857</u>	<u>51,483,669</u>
Segment profit	<u>1,550,177</u>	<u>6,285,991</u>	7,836,168
Exchange gains, net			<u>856,010</u>
Profit before income tax			<u><u>8,692,178</u></u>
Profit attributable to owners of the Company (before non-cash exchange gains and losses)	692,676	5,191,414	5,884,090
Asset impairment losses	<u>33,520</u>	<u>762,520</u>	<u>796,040</u>
Core business profit attributable to owners of the Company	<u><u>726,196</u></u>	<u><u>5,953,934</u></u>	<u><u>6,680,130</u></u>

Geographical information

Substantially all of the Group's non-current assets are located in China, and operations for the reporting period were substantially carried out in China.

Operating expenses

Operating expenses mainly comprise fuel costs, depreciation and amortisation, employee benefit expenses, repairs and maintenance, consumables, impairment charges, tax and surcharges, and other operating expenses. Other operating expenses include office rent, water charges, utility expenses, production safety expenses and other management fees. Total operating expenses for the first half of 2024 amounted to HK\$40,266 million, representing a decrease of HK\$2,711 million or 6.3% from HK\$42,977 million for the first half of 2023.

Fuel costs decreased from HK\$27,796 million for the first half of 2023 to HK\$24,748 million for the first half of 2024, representing a decrease of HK\$3,048 million or 11.0%, mainly due to (1) a year-on-year decrease of 10.6% in the unit price of standard coal of consolidated coal-fired power plants; (2) a year-on-year decrease of 0.9% in net generation standard coal consumption rate of consolidated coal-fired power plants; and (3) a year-on-year decrease in the amount presented in HKD arising from the depreciation of RMB against HKD; however the decrease was partially offset by a year-on-year increase of 3.4% in net generation volume of consolidated thermal power plants.

Depreciation and amortisation increased by HK\$767 million or 10.5% from HK\$7,286 million for the first half of 2023 to HK\$8,053 million for the first half of 2024. This was mainly due to the increase in depreciation cost arising from the commissioning of new projects and newly acquired projects, however the increase declined due to (1) the decrease in depreciation cost resulted from the expiration of depreciation of part of the thermal power units; and (2) a year-on-year decrease in the amount presented in HKD arising from the depreciation of RMB against HKD.

Employee benefit expenses for the first half of 2024 amounted to HK\$3,376 million, representing an increase of HK\$218 million or 6.9% from HK\$3,158 million for the first half of 2023, which was mainly due to the dual impact of the commissioning of new projects as well as a year-on-year decrease in the amount presented in HKD arising from the depreciation of RMB against HKD.

Repairs and maintenance expenses decreased by HK\$375 million or 26.6%, from HK\$1,410 million for the first half of 2023 to HK\$1,035 million for the first half of 2024, which was mainly due to (1) a year-on-year decrease in the workload of repairs and maintenance arrangements during the reporting period; and (2) a year-on-year decrease in the amount presented in HKD arising from the depreciation of RMB against HKD.

Consumables decreased by HK\$62 million or 10.8% from HK\$576 million in the first half of 2023 to HK\$514 million in the first half of 2024, which was mainly due to (1) a year-on-year decrease in material prices; and (2) a year-on-year decrease in the amount presented in HKD arising from the depreciation of RMB against HKD.

Impairment charges decreased by HK\$727 million from HK\$800 million in the first half of 2023 to HK\$73 million in the first half of 2024, mainly due to the impairment provision of new energy subsidies receivable and equipments dismantled for technological upgrades.

Tax and surcharges increased by HK\$146 million or 38.1% from HK\$383 million in the first half of 2023 to HK\$529 million in the first half of 2024, mainly due to (1) an increase in value-added tax, resulting in a corresponding increase in the urban maintenance and construction tax and education surcharge; and (2) a year-on-year increase in the environmental protection tax expenses.

Other operating expenses increased by HK\$369 million or 23.5% from HK\$1,569 million for the first half of 2023 to HK\$1,938 million for the first half of 2024. Other operating expenses mainly include (1) expenses related to production safety of HK\$311 million; (2) other production costs such as water charges, utility expenses and electricity transaction fees amounting to a total of HK\$1,191 million; and (3) other administrative expenses such as office rent, building management fees, professional fees and administrative charges amounting to a total of HK\$436 million.

Other income

Other income amounted to HK\$865 million, representing a decrease of HK\$89 million or 9.3% from HK\$954 million for the first half of 2023, which was mainly attributable to a decrease in income from the sales of by-products and government subsidies. Other income for the first half of 2024 mainly included income from government subsidies of HK\$317 million, income from trading of carbon emission rights and mining capacity of HK\$178 million, income from by-products of HK\$152 million and income from service fees of HK\$120 million, etc.

Other gains and losses

Other gains and losses amounted to gains of HK\$1,547 million, comprising bargain purchase gain of HK\$876 million on acquisition of the Guangxi Hezhou Thermal Power Project, exchange gains of HK\$288 million and gains on disposal of right-of-use assets and property, plant and equipment of HK\$78 million. Exchange gains mainly arise from the book gains of the RMB loan facilities of the Company on the financial statements denominated in HKD as a result of the depreciation of RMB against HKD.

Operating profit

Operating profit represents profit from subsidiaries before deduction of finance costs, income tax expense and non-controlling interests. Operating profit for the first half of 2024 amounted to HK\$13,266 million, representing an increase of HK\$2,771 million or 26.4% from HK\$10,495 million for the first half of 2023. The increase in operating profit was mainly due to (1) a year-on-year decrease in the unit cost of standard coal in consolidated coal-fired power plants; (2) profit contribution from newly invest projects; (3) bargain purchase gain on acquisition of the Guangxi Hezhou Thermal Power Project; and (4) a decrease in impairment loss; which had offset the effects of (1) a year-on-year decrease in the average on-grid tariff (tax exclusive) and utilization hours of consolidated coal-fired power plants; (2) a year-on-year decrease in the average on-grid tariff (tax exclusive) and utilization hours of consolidated wind power projects; (3) a decrease in exchange gains; and (4) a year-on-year decrease in the amount presented in HKD arising from the depreciation of RMB against HKD.

Finance costs

Finance costs amounted to HK\$2,070 million for the first half of 2024, representing a decrease of HK\$33 million or 1.6% from HK\$2,103 million for the first half of 2023, which was mainly attributable to (1) a decrease in the average interest rate of borrowings; and (2) a year-on-year decrease in the amount presented in HKD arising from the depreciation of RMB against HKD, which had offset the effects of (1) an increase in loan facilities; and (2) the increase in finance costs arising from the commissioning of new generation units.

	For the six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Interests on borrowings	2,340,919	2,314,303
Interests on corporate bonds	19,757	56,026
Interests on loans from related parties	103,290	134,554
Interests on lease liabilities	16,283	7,023
Others	38,666	44,273
	<u>2,518,915</u>	<u>2,556,179</u>
Less: Interest capitalised in construction in progress	(448,673)	(453,479)
	<u><u>2,070,242</u></u>	<u><u>2,102,700</u></u>

Share of results of associates

Share of results of associates for the first half of 2024 amounted to HK\$644 million, representing an increase of HK\$592 million or 1,138.5% from HK\$52 million for the first half of 2023, mainly due to an increase in the profit of coal-fired power associates resulting from a decrease in fuel costs.

Share of results of joint ventures

Share of results of joint ventures for the first half of 2024 amounted to HK\$177 million, representing a decrease of HK\$71 million or 28.6% from HK\$248 million for the first half of 2023, mainly due to a decrease in the share of results of joint ventures resulting from the acquisition of Guangxi Hezhou Thermal Power Project and Finance Dongying Photovoltaic Project; which offset the effect of an increase in profit resulting from a decrease in the fuel costs of our coal-fired joint ventures.

Income tax expense

Income tax expense for the first half of 2024 amounted to HK\$2,065 million, representing an increase of HK\$451 million or 27.9% from HK\$1,614 million for the first half of 2023, mainly due to (1) an increase in the profit of consolidated coal-fired power plants, resulting in an increase in income tax expense; and (2) an increase in income tax expenses for some renewable energy projects after the end of the preferential taxation period.

The income tax expense for the six months ended 30 June 2024 as compared with the same period of last year are set out below:

	For the six months ended 30 June	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current income tax – PRC enterprise income tax	2,119,689	1,559,021
Deferred taxation (credit) expense	(54,991)	54,567
	<u>2,064,698</u>	<u>1,613,588</u>

No provision for Hong Kong Special Administrative Region (“**Hong Kong**”) of the People’s Republic of China (“**PRC**”) profits tax has been made as the Group had no taxable profit or incurred tax losses in Hong Kong for both periods.

The PRC enterprise income tax has been calculated based on the estimated assessable profits in accordance with the relevant tax rates applicable to the subsidiaries in the PRC under the Corporate Income Tax Law of the People’s Republic of China.

Profit for the period

	For the six months ended 30 June	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the period has been arrived at after charging:		
Depreciation and amortisation	8,053,070	7,286,299
Employee benefit expenses	3,376,293	3,157,588
Included in other income		
Sales of by-product	151,876	298,853
Government grant	317,363	427,230
Interest Income	54,153	82,626
Service Income	119,872	99,769
Carbon emissions rights and mining capacity trading income	178,486	250
Others	43,558	44,923
Included in other gains and losses		
Exchange gains, net	287,700	856,010
Gains on disposal of property, plant and equipment and right-of-use assets	78,383	136,985
Gains on disposal of subsidiaries	46,171	22,121
Bargain purchase gain on acquisition of a subsidiary	876,408	–
Others	258,363	19,694
	<u>2,064,698</u>	<u>1,613,588</u>

Profit for the period attributable to owners of the Company

As a result of the above, profit attributable to owners of the Company for the first half of 2024 amounted to approximately HK\$9,363 million, representing an increase of 38.9% as compared to HK\$6,740 million in the first half of 2023.

Earnings per share

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Profit attributable to owners of the Company	<u>9,362,748</u>	<u>6,740,100</u>
	For the six months ended 30 June	
	2024	2023
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>4,810,443,740</u>	<u>4,810,443,740</u>

Interim dividend and closure of register of members

The Board resolved to declare an interim dividend of HK\$0.455 per share for the six months ended 30 June 2024 (the “**2024 Interim Dividend**”) (2023: interim dividend of HK\$0.328 per share). Based on the number of shares in issue as at the date of this announcement, total amount of the 2024 Interim Dividend of approximately HK\$2,189 million will be distributed.

At the Board meeting held on 20 March 2024, the Board proposed a final dividend of HK\$0.587 per share for the year ended 31 December 2023. The proposal was subsequently approved by the shareholders of the Company (“**Shareholders**”) on 5 June 2024. The final dividend paid in July 2024 was approximately HK\$2,824 million (2023: HK\$1,809 million).

The 2024 Interim Dividend will be distributed to Shareholders whose names appear on the register of members of the Company at the close of business on 17 September 2024. The register of members of the Company will be closed from Thursday, 12 September 2024 to Tuesday, 17 September 2024 (both days inclusive), during such period no share transfer will be registered. To qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 11 September 2024.

The 2024 Interim Dividend will be payable to each Shareholder in cash in HKD unless an election is made by the Shareholder to receive the 2024 Interim Dividend in cash in RMB.

Shareholders will be given the option to elect to receive all (but not part, save in the case of HKSCC Nominees Limited, which may elect to receive part of its entitlement in RMB) of the 2024 Interim Dividend in RMB at the exchange rate of HK\$1.0 to RMB0.91471, being the average benchmark exchange rate of HKD to RMB as published by the People's Bank of China during the five business days immediately before 27 August 2024. If Shareholders elect to receive the 2024 Interim Dividend in RMB, such dividend will be paid to Shareholders at RMB0.416193 per share. To make such election, Shareholders should complete the dividend currency election form which is expected to be dispatched to Shareholders by the end of September 2024 as soon as practicable after the record date of 17 September 2024 to determine Shareholders' entitlement to the 2024 Interim Dividend, and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 16 October 2024.

Shareholders who intend to elect to receive all (but not part, save in the case of HKSCC Nominees Limited, which may elect to receive part of its entitlement in RMB) of their dividends in RMB by cheques or by transfer through the RMB bank account should note that (1) they should ensure that they have an appropriate bank account to which the RMB cheques for dividend can be presented for payment or transferred; and (2) there is no assurance that RMB cheques can be cleared or transferred without material handling charges or delay in Hong Kong or that RMB cheques will be honoured for payment upon presentation outside Hong Kong. The cheques are expected to be sent to the relevant Shareholders by ordinary post on 1 November 2024 at the Shareholders' own risk. The transfer is expected to be made to the RMB account designated by the Shareholders on 1 November 2024.

If no election is made by a Shareholder or no duly completed dividend currency election form in respect of that Shareholder is received by the Company's share registrar by 4:30 p.m. on 16 October 2024, such Shareholder will automatically receive the 2024 Interim Dividend in HKD. All dividend payments in HKD will be made on 1 November 2024.

Capital structure management

The Group and the Company manage its capital structure to ensure that entities in the Group will be able to continue as a going concern while maximising the return to Shareholders through optimising the debt and equity structures. The overall strategies of the Group and the Company remain unchanged as those adopted in the previous years.

The capital structure of the Group consists of net debts (including long-term and short-term bank borrowings, corporate bonds and loans from related parties), cash and cash equivalents, pledged and restricted bank deposits and total equity.

The Directors review the capital structure on a regular basis, including the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through payment of dividends and the issue of new debts or the repayment of existing debts.

Liquidity and financial resources, borrowings, and charge of assets

Cash and cash equivalents as at 30 June 2024 denominated in local currency and foreign currencies mainly included HK\$48 million, RMB9,041 million, Bangladeshi taka ("BDT") 0.7306 million, United States Dollars ("USD") 0.4691 million and a small amount of Great Britain Pound ("GBP").

The bank and other borrowings of the Group as at 30 June 2024 and 31 December 2023 were as follows:

	As at 30 June 2024 HK\$'000	As at 31 December 2023 HK\$'000
Secured bank loans	1,904,071	2,026,006
Unsecured bank loans	180,187,990	156,062,319
Corporate bonds	1,095,670	1,103,480
Loans from related parties	–	5,340,000
	<u>183,187,731</u>	<u>164,531,805</u>

The maturity profile of the above bank loans is as follows:

	As at 30 June 2024 HK\$'000	As at 31 December 2023 HK\$'000
Within 1 year	42,138,607	33,364,682
More than 1 year and within 2 years	35,558,178	22,622,584
More than 2 years and within 5 years	45,251,669	47,905,709
Over 5 years	59,143,607	54,195,350
	<u>182,092,061</u>	<u>158,088,325</u>

The maturity profile of the above corporate bonds is as follows:

	As at 30 June 2024 HK\$'000	As at 31 December 2023 HK\$'000
More than 1 year and within 2 years	1,095,670	–
More than 2 years and within 5 years	–	1,103,480
	<u>1,095,670</u>	<u>1,103,480</u>

The above secured bank and other borrowings are secured by:

Pledge of assets (<i>note</i>)	<u>2,438,910</u>	<u>2,319,159</u>
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Note: Certain bank loans were secured by the Group's buildings, power generating plants and equipment with carrying value of HK\$2,022,986,000 (2023: HK\$1,877,991,000) and HK\$415,924,000 (2023: HK\$441,168,000), respectively.

The bank and other borrowings as at 30 June 2024 denominated in local currency and foreign currencies amounted to HK\$4,967 million, RMB162,650 million and EUR1.17 million, respectively.

As at 30 June 2024, bank and other borrowings of HK\$4,967 million (2023: HK\$10,301 million) bore interest at a range from HIBOR plus 0.89% to 0.90% per annum, and the remaining bank and other borrowings carried interest rates at a range from 1.25% to 4.2% (2023: 1.5% to 4.45%) per annum.

As at 30 June 2024, the ratio of the Group's net debt to total equity was 156.2%. In the opinion of the Directors, the Group has a reasonable capital structure, which can support its future development plans and operations.

For the six months ended 30 June 2024, the Group's primary sources of funding included proceeds from borrowings, net cash inflows generated from operating activities, advances from associates and joint ventures, capital contribution by non-controlling interests, proceeds from disposal of subsidiaries and dividends received from associates and joint ventures, which amounted to HK\$49,600 million, HK\$10,373 million, HK\$1,880 million, HK\$443 million, HK\$295 million and HK\$272 million, respectively. The Group's funds were primarily used for the repayment of borrowings, payments for purchase of property, plant and equipment and right-of-use assets, repayment of advances from an intermediate holding company, cash outflow on acquisition of interest in associates, dividends paid as well as interest on borrowings and advances from related companies paid, which amounted to HK\$25,578 million, HK\$17,404 million, HK\$5,232 million, HK\$3,251 million, HK\$2,695 million and HK\$2,386 million, respectively.

Trade receivables

Trade receivables are generally due within 60 days from the date of billing, except for the portion of wind or photovoltaic power electricity tariff beyond the local thermal power benchmark on-grid tariff. The settlement of the portion of wind or photovoltaic power electricity tariff beyond the local thermal power benchmark on-grid tariff is subject to approval by the government and being included in the renewable energy tariff subsidy directory. Thereafter, funds to the local grid companies are disbursed by the government, resulting in a relatively longer time for settlement.

The following is an ageing analysis of trade receivables by invoice date at the end of the reporting period:

	As at 30 June 2024 HK\$'000	As at 31 December 2023 HK\$'000
0-30 days	10,224,357	10,808,248
31-60 days	932,869	3,747,475
Over 60 days	24,725,824	18,597,759
	<u>35,883,050</u>	<u>33,153,482</u>

Trade payables

The following is an ageing analysis of trade payables by invoice date at the end of the reporting period:

	As at 30 June 2024 <i>HK\$'000</i>	As at 31 December 2023 <i>HK\$'000</i>
0-30 days	2,949,500	4,042,101
31-90 days	759,382	1,024,761
Over 90 days	1,098,987	950,111
	<u>4,807,869</u>	<u>6,016,973</u>

Key financial ratios of the Group

	As at 30 June 2024	As at 31 December 2023
Current ratio (times)	0.72	0.59
Quick ratio (times)	0.65	0.54
Net debt to total equity (%)	156.2	153.1
EBITDA interest coverage (times) <i>(Note)</i>	8.6	7.3

Current ratio = balance of current assets at the end of the period/balance of current liabilities at the end of the period

Quick ratio = (balance of current assets at the end of the period – balance of inventories at the end of the period)/balance of current liabilities at the end of the period

Net debt to total equity = (balance of borrowings at the end of the period – cash and cash equivalents at the end of the period – balance of pledged bank balance at the end of the period)/total equity at the end of the period

EBITDA interest coverage = (profit before income tax + interest expenses + depreciation and amortisation)/interest expenses (including capitalised interests)

Note: Excluding non-cash income and expenses, being loss on disposal of assets, impairment losses and exchange gains and losses.

Foreign exchange risk

The Group collects substantially all of its revenue in RMB and most of its expenditures, including expenditures incurred in the operation of power plants as well as capital expenditures, are denominated in RMB. Dividends receivable from the Company's subsidiaries and associates may be collected in either RMB, HKD or GBP.

RMB is not a freely convertible currency. Future exchange rates of the RMB may vary significantly from the current or historical exchange rates. The exchange rates may also be affected by economic developments and political changes and supply and demand of the RMB. The appreciation or depreciation of the RMB against the HKD or the USD may have positive or negative impact on the results of operations of the Group.

The functional currency of major project companies of the Group is RMB, and their revenue and expenses are mainly denominated in RMB. Foreign exchange risk mainly arises from borrowings denominated in HKD. However, certain entities are located in Hong Kong and their functional currencies are HKD. Their foreign exchange risk mainly arises from balances denominated in RMB and borrowings denominated in RMB.

In addition, given that there are different functional currencies within the Group, even if the transactions and balances within the Group are offset, there will still be foreign exchange risk. Cash and cash equivalents as at 30 June 2024 denominated in local currency and foreign currencies mainly included HK\$48 million, BDT0.7306 million, USD0.4691 million and a small amount of GBP, and bank and other borrowings of HK\$4,967 million and EUR1.17 million. The remaining assets and liabilities of the Group were mainly denominated in RMB.

Events after the balance sheet date

The Group had no significant subsequent event since the end of the financial period.

Contingent liabilities

There were certain pending litigations and claims against the Group as at 30 June 2024. After consulting with legal counsels, the Directors are of the view that the likelihood of any material financial impact on the Group is remote, therefore, no provisions and disclosure have been made in light of such litigations and claims.

Employees

As at 30 June 2024, the Group had approximately 20,779 employees.

The Group has entered into employment contracts with all of its employees. The compensation of employees mainly includes salaries and performance-based bonuses.

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

The Company and its subsidiaries did not purchase, sell or redeem any of their listed securities during the six months ended 30 June 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the period, the Company has complied with the code provisions (the “**Code Provision(s)**”) set out in Part 2 of 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**”) except for the deviations set out as follows:

- Since the re-designation of Mr. SHI Baofeng (“**Mr. SHI**”) from the position of the president (the “**President**”) of the Company to the chairman of the Board with effect from 24 April 2023, the position of the President has become vacant. Mr. SHI, the chairman of the Board, assumes the interim duties and responsibilities of the President and therefore, the Company did not comply with Code Provision C.2.1. The Company is endeavouring to identify suitable candidate(s) with appropriate professional qualifications or relevant expertise to be appointed as the President as soon as practicable. The Company will make further announcement(s) in relation to the above matters as and when appropriate.
- Code Provision F.2.2 provides that the chairman of the Board shall attend the annual general meeting. Mr. SHI, the chairman of the Board, was unable to attend the annual general meeting of the Company held on 5 June 2024 due to other business arrangements. Mr. ZHANG Junzheng, an executive Director, was elected by the Directors present at the meeting to preside over the meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, the Company confirmed that all Directors have complied with the required standards set out in the Model Code.

AUDITOR AND AUDIT AND RISK COMMITTEE

The interim results for the six months ended 30 June 2024 have been reviewed by the Audit and Risk Committee under the Board of the Company and the auditor, Messrs. Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the HKICPA.

A full set of unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 which has been prepared in accordance with HKAS 34 “Interim Financial Reporting” as well as with the applicable disclosure requirements of Appendix D2 to the Listing Rules will be published as soon as practicable.

The financial information relating to the year ended 31 December 2023 that is included in the condensed consolidated interim financial information for the six months ended 30 June 2024 as comparative information does not constitute part of the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622 of the laws of Hong Kong) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified, did not make reference to any matters on which the auditors would like to draw attention by way of emphasis without qualifying its reports, and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

By order of the Board
CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED
SHI Baofeng
Chairman

Hong Kong, 27 August 2024

As at the date of this announcement, the Board of the Company comprises three executive Directors, namely Mr. SHI Baofeng (Chairman), Mr. ZHANG Junzheng and Mr. SONG Kui; three non-executive Directors, namely Mr. ZHOU Bo, Mr. ZHANG Yingzhong and Mr. CHEN Guoyong; and four independent non-executive Directors, namely Ms. LEUNG Oi-sie, Elsie, Dr. CH' IEN Kuo Fung, Raymond, Mr. SO Chak Kwong, Jack and Mr. YANG Yuchuan.