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China Power International Development Limited

中國電力國際發展有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 2380)

Results Announcement for Year 2022

The board of directors (the “**Board**”) of China Power International Development Limited (the “**Company**”) announces the audited financial results of the Company and its subsidiaries (collectively, the “**Group**” or “**We**”) for the year ended 31 December 2022.

Financial Highlights

	Year ended 31 December		Change
	2022	2021 (Restated)	
	<i>RMB '000</i>	<i>RMB '000</i>	%
Revenue	43,689,129	35,476,703	23.15
Profit for the year	2,685,338	676,296	297.07
Profit/(loss) attributable to equity holders of the Company	2,648,051	(256,257)	N/A
Profit/(loss) attributable to ordinary shareholders of the Company	2,480,840	(390,507)	N/A
	<i>RMB</i>	<i>RMB</i>	%
Basic earnings/(loss) per share	0.22	(0.04)	N/A
Proposed final dividend	0.11	0.05	120.00
	<i>MWh</i>	<i>MWh</i>	%
Total power generation	112,942,437	104,926,234	7.64
Total electricity sold	108,170,802	100,612,928	7.51

- The significant increase in the profit attributable to the equity holders of the Company year-on-year was resulted from (i) a substantial increase in the revenue and operating profit generated from photovoltaic power generation, and (ii) the gains arising from the acquisition of new energy companies and the partial disposal of equity interests in coal-fired power enterprises.
- During the year, the Group’s consolidated installed capacity of wind power and photovoltaic power increased by 3,046.0MW and 1,984.3MW, respectively, while coal-fired power decreased by 2,760.0MW, representing a net increase in the proportion of clean energy to the total consolidated installed capacity by 12.78 percentage points as compared to the previous year. As at 31 December 2022, clean energy accounted for approximately 64.94% of the total consolidated installed capacity.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2022

	Notes	Year ended 31 December	
		2022	2021 (Restated)
		RMB'000	RMB'000
Revenue	2	43,689,129	35,476,703
Other income	3	747,050	513,772
Fuel costs		(22,725,546)	(18,053,876)
Depreciation		(7,661,040)	(6,099,637)
Staff costs		(3,840,191)	(3,350,628)
Repairs and maintenance		(964,658)	(868,295)
Subcontracting costs		(59,786)	(510,748)
Cost of sales of energy storage equipment		(694,165)	-
Consumables		(561,346)	(424,142)
Other gains and losses, net	4	2,515,645	954,072
Other operating expenses	5	(2,840,830)	(2,531,277)
Operating profit	6	7,604,262	5,105,944
Finance income	7	153,624	126,603
Finance costs	7	(4,260,961)	(3,861,500)
Share of results of associates		(155,233)	(213,524)
Share of results of joint ventures		2,375	(119,280)
Profit before taxation		3,344,067	1,038,243
Income tax expense	8	(658,729)	(361,947)
Profit for the year		<u>2,685,338</u>	<u>676,296</u>
Attributable to:			
Equity holders of the Company		2,648,051	(256,257)
Non-controlling interests		<u>37,287</u>	<u>932,553</u>
		<u>2,685,338</u>	<u>676,296</u>
Earnings/(loss) per share for profit/(loss) attributable to ordinary shareholders of the Company (expressed in RMB per share)			
- Basic	9	<u>0.22</u>	<u>(0.04)</u>
- Diluted	9	<u>0.22</u>	<u>(0.04)</u>
Dividends		<u>1,360,717</u>	<u>541,669</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Year ended 31 December	
	2022	2021
		(Restated)
	RMB'000	RMB'000
Profit for the year	<u>2,685,338</u>	<u>676,296</u>
Other comprehensive income:		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value (loss)/gain on equity instruments at fair value through other comprehensive income ("FVTOCI"), net of tax	(768,112)	1,608,081
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	(44)	44
Fair value (loss)/gain on debt instruments at FVTOCI, net of tax	(548)	6,149
Other comprehensive (expense)/income for the year, net of tax	<u>(768,704)</u>	<u>1,614,274</u>
Total comprehensive income for the year	<u>1,916,634</u>	<u>2,290,570</u>
Attributable to:		
Equity holders of the Company	1,886,684	1,331,601
Non-controlling interests	29,950	958,969
Total comprehensive income for the year	<u>1,916,634</u>	<u>2,290,570</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<i>Notes</i>	As at 31 December 2022	2021 (Restated)
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	142,306,292	129,187,137
Right-of-use assets		6,893,878	6,152,184
Prepayments for construction of power plants		4,951,116	2,488,827
Goodwill		832,388	1,083,293
Other intangible assets	11	8,286,390	934,800
Interests in associates		5,455,182	3,526,555
Interests in joint ventures		1,201,014	1,428,944
Equity instruments at FVTOCI		4,131,667	5,235,995
Deferred income tax assets		288,300	714,348
Restricted deposits		18,711	9,566
Other non-current assets		6,154,281	5,913,949
		<u>180,519,219</u>	<u>156,675,598</u>
Current assets			
Inventories		1,091,344	1,468,558
Accounts receivable	12	12,634,771	8,362,882
Prepayments, deposits and other receivables		6,594,392	4,108,766
Amounts due from related parties		6,098,185	2,535,159
Tax recoverable		70,738	103,931
Debt instruments at FVTOCI		108,972	213,660
Restricted deposits		59,244	10,802
Cash and cash equivalents		4,228,099	1,766,632
		<u>30,885,745</u>	<u>18,570,390</u>
Total assets		<u><u>211,404,964</u></u>	<u><u>175,245,988</u></u>

		As at 31 December	
	<i>Notes</i>	2022	2021
		<i>RMB'000</i>	(Restated) <i>RMB'000</i>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		24,508,986	20,418,001
Other equity instruments		8,639,281	2,997,600
Reserves		13,820,378	12,636,867
		<hr/>	<hr/>
		46,968,645	36,052,468
Non-controlling interests		21,621,460	16,324,215
		<hr/>	<hr/>
Total equity		68,590,105	52,376,683
		<hr/> <hr/>	<hr/> <hr/>
LIABILITIES			
Non-current liabilities			
Deferred income		35,625	33,386
Bank borrowings		62,212,186	54,930,413
Borrowings from related parties	13	10,415,324	8,557,660
Other borrowings	14	16,811,531	6,200,325
Lease liabilities		3,189,645	3,174,469
Deferred income tax liabilities		2,275,328	2,380,195
Provisions for other long-term liabilities	15	1,866,003	1,868,232
Other non-current liabilities		84,183	188,803
		<hr/>	<hr/>
		96,889,825	77,333,483
		<hr/> <hr/>	<hr/> <hr/>

		As at 31 December	
	<i>Notes</i>	2022	2021
		<i>RMB'000</i>	(Restated) <i>RMB'000</i>
Current liabilities			
Accounts and bills payables	16	2,566,171	1,836,022
Construction costs payable		11,990,216	6,815,277
Other payables and accrued charges		3,607,678	2,253,467
Amounts due to related parties		3,412,795	1,349,792
Bank borrowings		16,726,791	21,911,691
Borrowings from related parties	13	4,718,980	6,108,626
Other borrowings	14	2,015,000	4,620,000
Lease liabilities		517,007	417,917
Tax payable		370,396	223,030
		45,925,034	45,535,822
Total liabilities		142,814,859	122,869,305
Total equity and liabilities		211,404,964	175,245,988
Net current liabilities		15,039,289	26,965,432
Total assets less current liabilities		165,479,930	129,710,166

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Year ended 31 December	
	2022	2021
		(Restated)
	<i>RMB'000</i>	<i>RMB'000</i>
Cash flows from operating activities		
Net cash generated from operating activities	5,725,614	1,547,926
Cash flows from investing activities		
Payments for property, plant and equipment and prepayments for construction of power plants	(17,595,752)	(17,165,399)
Payments for right-of-use assets	(498,025)	(478,414)
Proceeds from disposal of property, plant and equipment and right-of-use assets	15,312	23,737
Net cash outflow on acquisitions of subsidiaries	(1,510,983)	(441,274)
Net cash inflow/(outflow) on disposals of subsidiaries	1,264,010	(23,999)
Net cash inflow on disposal of assets and liabilities associated with a disposal group classified as held for sale	-	9,659
Net cash inflow on transfer from assets and liabilities associated with a disposal group classified as held for sale to an associate	-	204,051
Investments in associates	(1,119,811)	(414,617)
Investments in joint ventures	(55,024)	(270,453)
Capital injections to associates, joint ventures and equity instruments at FVTOCI	(675,450)	(501,052)
Dividends received	26,832	272,550
Interests received	131,371	49,049
(Increase)/decrease in restricted deposits	(57,587)	15,025
Net cash used in investing activities	(20,075,107)	(18,721,137)

	Year ended 31 December	
	2022	2021
		(Restated)
	<i>RMB'000</i>	<i>RMB'000</i>
Cash flows from financing activities		
Drawdown of bank borrowings	45,458,779	63,393,033
Drawdown of borrowings from related parties	11,670,054	7,943,406
Drawdown of other borrowings	12,307,218	9,800,325
Capital injections from non-controlling shareholders of subsidiaries	3,837,954	479,747
Proceeds from disposal of equity interest in subsidiaries without loss of control	1,085,180	2,576,000
Acquisition of non-controlling interests	-	(3,264)
Issuance of perpetual debts	5,608,720	-
Net proceeds from issuance of ordinary shares	-	3,149,809
Repayment of bank borrowings	(45,086,454)	(53,123,829)
Repayment of borrowings from related parties	(10,288,043)	(8,696,090)
Repayment of other borrowings	(4,620,000)	(5,010,000)
Payments for lease liabilities	(1,985,982)	(1,058,158)
Dividend paid	(556,576)	(1,286,543)
Distributions to holders of other equity instruments	(134,250)	(134,250)
Dividends paid to non-controlling interests	(488,142)	(421,730)
	<hr/>	<hr/>
Net cash generated from financing activities	16,808,458	17,608,456
	<hr/>	<hr/>
Net increase in cash and cash equivalents	2,458,965	435,245
Cash and cash equivalents at 1 January	1,766,632	1,318,331
Exchange gain, net	2,502	13,056
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Cash and cash equivalents at 31 December	4,228,099	1,766,632
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General Information

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2022 as set out in this announcement have been agreed by the Group's auditor, Ernst & Young, a registered public entity auditor, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

The financial information relating to the years ended 31 December 2022 and 2021 included in this announcement of annual results 2022 do not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. The Company's auditor has reported on the financial statements of the Group for the years ended 31 December 2022 and 2021 respectively. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

Notes to the Consolidated Financial Statements

1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The consolidated financial statements have been prepared under the historical cost convention except for equity instruments and debt instruments, which are measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Adoption of revised HKFRSs

The Group has adopted the following revised HKFRSs for the first time for the current year's consolidated financial statements.

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to Hong Kong Accounting Standard ("HKAS") 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The above amendments had no material impact on these consolidated financial statements of the Group except for the nature and impact of the Amendments to HKAS 16 as described below.

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and

condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021.

The following adjustments were made to the amounts recognized in the Group's consolidated statement of financial position at 1 January 2022. Line items that were affected by the changes of this accounting standard were shown below:

	As previously reported <i>RMB '000</i>	Effect of application of Amendments to HKAS 16 <i>RMB '000</i>	As restated <i>RMB '000</i>
Property, plant and equipment	128,695,251	491,886	129,187,137
Reserves	12,391,305	245,562	12,636,867
Non-controlling interests	16,077,891	246,324	16,324,215
	<u>28,469,196</u>	<u>491,886</u>	<u>28,961,082</u>

As a result of the application of Amendments to HKAS 16, the relevant line items in the Group's consolidated income statement and consolidated statement of comprehensive income and loss per share for the year ended 31 December 2021 have been restated. The following table shows the effect for each individual line item affected:

	As previously reported <i>RMB '000</i>	Effect of application of Amendments to HKAS 16 <i>RMB '000</i>	As restated <i>RMB '000</i>
Revenue	34,734,288	742,415	35,476,703
Fuel costs	(17,937,891)	(115,985)	(18,053,876)
Depreciation	(6,092,620)	(7,017)	(6,099,637)
Staff costs	(3,334,389)	(16,239)	(3,350,628)
Repairs and maintenance	(867,430)	(865)	(868,295)
Consumables	(423,064)	(1,078)	(424,142)
Other operating expenses	(2,435,123)	(96,154)	(2,531,277)
Operating profit	4,600,867	505,077	5,105,944
Profit before taxation	533,166	505,077	1,038,243
Profit for the year	171,219	505,077	676,296
Attributable to equity holders of the Company	(515,693)	259,436	(256,257)
Attributable to non-controlling interests	686,912	245,641	932,553
Total comprehensive income for the year	1,785,493	505,077	2,290,570
Attributable to equity holders of the Company	1,072,165	259,436	1,331,601
Attributable to non-controlling interests	713,328	245,641	958,969
Loss per share for loss attributable to ordinary shareholders of the Company (expressed in RMB per share)			
- Basic and diluted	(0.07)	0.03	(0.04)

As a result of the application of Amendments to HKAS 16, the relevant line items in the Group's consolidated income statement and comprehensive income for the year ended 31 December 2022 which have been affected are shown below:

	Before the application of Amendments to HKAS 16 <i>RMB '000</i>	Effect of application of Amendments to HKAS 16 <i>RMB '000</i>	After the application of Amendments to HKAS 16 <i>RMB '000</i>
Revenue	43,620,451	68,678	43,689,129
Depreciation	(7,635,956)	(25,084)	(7,661,040)
Other operating expenses	(2,836,273)	(4,557)	(2,840,830)
Operating profit	7,565,225	39,037	7,604,262
Profit before taxation	3,305,030	39,037	3,344,067
Profit for the year	2,646,301	39,037	2,685,338
Attributable to equity holders of the Company	2,601,480	46,571	2,648,051
Attributable to non-controlling interests	44,821	(7,534)	37,287
Total comprehensive income for the year	1,877,597	39,037	1,916,634
Attributable to equity holders of the Company	1,840,113	46,571	1,886,684
Attributable to non-controlling interests	37,484	(7,534)	29,950

As a result of the application of Amendments to HKAS 16, the relevant line items in the Group's consolidated statement of cash flows for the year ended 31 December 2021 have been restated. The following table shows the effect for each individual line item affected:

	As previously reported <i>RMB '000</i>	Effect of application of Amendments to HKAS 16 <i>RMB '000</i>	As restated <i>RMB '000</i>
Net cash generated from operating activities	1,342,374	205,552	1,547,926
Payments for property, plant and equipment and prepayments for construction of power plants	(16,959,847)	(205,552)	(17,165,399)
Net cash used in investing activities	(18,515,585)	(205,552)	(18,721,137)

As a result of the application of Amendments to HKAS 16, the relevant line items in the Group's consolidated statement of cash flows for the year ended 31 December 2022 which have been affected are shown below:

	Before the application of Amendments to HKAS 16 <i>RMB '000</i>	Effect of application of Amendments to HKAS 16 <i>RMB '000</i>	After the application of Amendments to HKAS 16 <i>RMB '000</i>
Net cash generated from operating activities	5,609,931	115,683	5,725,614
Payments for property, plant and equipment and prepayments for construction of power plants	(17,480,069)	(115,683)	(17,595,752)
Net cash used in investing activities	(19,959,424)	(115,683)	(20,075,107)

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective in these consolidated financial statements:

Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽³⁾
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ⁽²⁾
HKFRS 17 and Amendments to HKFRS 17	Insurance Contracts ⁽¹⁾
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the “2020 Amendments”) ⁽²⁾⁽⁴⁾
Amendments to HKAS 1	Non-current Liabilities with Covenants (the “2022 Amendments”) ⁽²⁾
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ⁽¹⁾
Amendments to HKAS 8	Definition of Accounting Estimates ⁽¹⁾
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ⁽¹⁾

- (1) Effective for annual periods beginning on or after 1 January 2023
- (2) Effective for annual periods beginning on or after 1 January 2024
- (3) No mandatory effective date yet determined but available for adoption
- (4) As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion

Based on the Group’s current financial position, the directors of the Company (the “**Directors**”) anticipate that the application of the above new and amendments to HKFRSs in issue but not yet effective will have no material impact on the Group’s financial position and performance except for certain presentation and disclosures in the consolidated financial statements of the Group.

2 Turnover, revenue and segment information

Revenue, representing turnover net of sales related taxes, recognized during the year is as follows:

	2022	2021
	<i>RMB'000</i>	(Restated) <i>RMB'000</i>
Types of goods or services:		
Sales of electricity to regional and provincial power grid companies (note (a))	42,582,596	34,745,238
Provision of power generation (note (b))	210,273	151,861
Energy storage revenue (note (c))	896,260	579,604
	<u>43,689,129</u>	<u>35,476,703</u>
Timing of revenue recognition:		
Goods – at a point in time	43,587,414	34,897,099
Services – over time	101,715	579,604
	<u>43,689,129</u>	<u>35,476,703</u>

Notes:

- (a) Pursuant to the power purchase agreements entered into between the Group and the respective regional and provincial power grid companies, the Group's sales of electricity were made to these power grid companies at the tariff rates agreed with the respective regional and provincial power grid companies as approved by the relevant government authorities in the People's Republic of China (the "PRC"), and some of these tariff rates followed the market-oriented price mechanism.
- (b) Provision of power generation represents income from the provision of power generation to other companies in the PRC which is calculated based on mutually agreed terms.
- (c) Energy storage revenue includes income from the project development and integration of energy storage power stations, sales of energy storage equipment, sales of stored electricity and leasing of electricity storage capacities.

Segment information

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

The CODM assesses the performance of the operating segments based on a measure of profit/loss before taxation, excluding dividends from equity instruments at FVTOCI. Other information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements.

Segment assets exclude equity instruments at FVTOCI, deferred income tax assets and corporate assets, which are managed on a central basis.

Segment liabilities exclude deferred income tax liabilities, tax payable and corporate liabilities, which are managed on a central basis.

	Year ended 31 December 2022						
	Thermal power electricity RMB'000	Hydropower electricity RMB'000	Wind power electricity RMB'000	Photovoltaic power electricity RMB'000	Energy storage RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue							
Sales of electricity	28,445,548	4,685,036	5,230,349	4,221,663	-	-	42,582,596
Provision of power generation	137,718	-	2,090	70,465	-	-	210,273
Energy storage revenue	-	-	-	-	896,260	-	896,260
	<u>28,583,266</u>	<u>4,685,036</u>	<u>5,232,439</u>	<u>4,292,128</u>	<u>896,260</u>	<u>-</u>	<u>43,689,129</u>
Segment results	730,885	1,117,060	2,665,410	2,131,527	43,219	-	6,688,101
Unallocated income	-	-	-	-	-	343,248	343,248
Unallocated gains	-	-	-	-	-	572,913	572,913
Operating profit	730,885	1,117,060	2,665,410	2,131,527	43,219	916,161	7,604,262
Finance income	7,714	14,474	8,010	39,173	855	83,398	153,624
Finance costs	(1,367,630)	(778,446)	(1,026,757)	(1,039,090)	(3,973)	(45,065)	(4,260,961)
Share of results of associates	(319,800)	4,606	59,770	30,333	-	69,858	(155,233)
Share of results of joint ventures	(119,377)	-	96,958	-	-	24,794	2,375
(Loss)/profit before taxation	(1,068,208)	357,694	1,803,391	1,161,943	40,101	1,049,146	3,344,067
Income tax (expense)/credit	(322,394)	(96,309)	(95,890)	(138,265)	(5,881)	10	(658,729)
(Loss)/profit for the year	<u>(1,390,602)</u>	<u>261,385</u>	<u>1,707,501</u>	<u>1,023,678</u>	<u>34,220</u>	<u>1,049,156</u>	<u>2,685,338</u>
Other segment information							
Amounts included in the measure of segment profit or loss or segment assets:							
Capital expenditure							
- Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	1,880,414	1,278,812	5,836,779	10,511,035	455,444	370,000	20,332,484
Depreciation of property, plant and equipment	2,388,746	1,667,443	1,879,957	1,281,748	13,317	53,739	7,284,950
Depreciation of right-of-use assets	64,987	29,483	66,660	177,789	2,298	34,873	376,090
Amortization of other intangible assets	40,205	-	35,561	61,897	-	-	137,663
Loss/(gain) on disposal of property, plant and equipment, net	233	-	(33)	(936)	-	85	(651)
Impairment of property, plant and equipment	14,142	-	-	-	-	-	14,142
Impairment of goodwill	67,712	183,193	-	-	-	-	250,905
Gain on disposal of subsidiaries (pre-tax)	(497,343)	-	-	(8,866)	-	(4,654)	(510,863)
Gain on remeasurement of remaining equity interests in associates after loss of control over subsidiaries	(154,337)	-	-	-	-	-	(154,337)
Gain on recognition of negative goodwill	-	-	-	-	-	(1,551,609)	(1,551,609)
(Reversal)/provision of impairment of amounts due from related parties and other receivables	(333)	(32,010)	2,220	246	-	2,097	(27,780)

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

	Year ended 31 December 2021 (Restated)						
	Thermal power electricity RMB '000	Hydropower electricity RMB '000	Wind power electricity RMB '000	Photovoltaic power electricity RMB '000	Energy storage RMB '000	Unallocated RMB '000	Total RMB '000
Segment revenue							
Sales of electricity	22,095,718	5,342,709	4,000,768	3,306,043	-	-	34,745,238
Provision of power generation	75,052	4,843	2,137	69,829	-	-	151,861
Energy storage revenue	-	-	-	-	579,604	-	579,604
	<u>22,170,770</u>	<u>5,347,552</u>	<u>4,002,905</u>	<u>3,375,872</u>	<u>579,604</u>	<u>-</u>	<u>35,476,703</u>
Segment results	(510,499)	1,982,626	2,519,319	1,611,922	63,413	-	5,666,781
Unallocated income	-	-	-	-	-	367,500	367,500
Unallocated expenses	-	-	-	-	-	(928,337)	(928,337)
Operating (loss)/profit	(510,499)	1,982,626	2,519,319	1,611,922	63,413	(560,837)	5,105,944
Finance income	2,235	12,402	9,250	82,888	126	19,702	126,603
Finance costs	(1,180,062)	(832,191)	(751,936)	(1,062,932)	(294)	(34,085)	(3,861,500)
Share of results of associates	(333,969)	11,283	19,084	30,003	-	60,075	(213,524)
Share of results of joint ventures	(171,377)	-	48,579	-	-	3,518	(119,280)
(Loss)/profit before taxation	(2,193,672)	1,174,120	1,844,296	661,881	63,245	(511,627)	1,038,243
Income tax credit/(expense)	92,243	(228,405)	(83,363)	(68,345)	(21,152)	(52,925)	(361,947)
(Loss)/profit for the year	<u>(2,101,429)</u>	<u>945,715</u>	<u>1,760,933</u>	<u>593,536</u>	<u>42,093</u>	<u>(564,552)</u>	<u>676,296</u>
Other segment information							
Amounts included in the measure of segment profit or loss or segment assets:							
Capital expenditure							
- Property, plant and equipment, right-of-use assets and prepayments for construction of power plants	2,447,551	732,314	9,166,302	5,261,850	296,525	319,430	18,223,972
Depreciation of property, plant and equipment	2,151,655	1,532,352	960,688	1,035,735	54	41,417	5,721,901
Depreciation of right-of-use assets	114,520	58,405	13,404	150,397	7	41,003	377,736
Amortization of other intangible assets	-	-	-	54,873	-	-	54,873
Loss/(gain) on disposal of property, plant and equipment, net	1,320	(5,865)	25	(1,295)	-	4,545	(1,270)
Impairment of property, plant and equipment	-	-	1,004	-	-	-	1,004
Loss/(gain) on disposal of subsidiaries (pre-tax)	12,256	(17,771)	204	-	-	118,540	113,229
Gain on disposal of assets and liabilities associated with a disposal group classified as held for sale	-	(80,109)	-	-	-	-	(80,109)
Gain on transfer from assets and liabilities associated with a disposal group classified as held for sale to an associate	(242,283)	-	-	-	-	-	(242,283)
Provision/(reversal) of impairment of other receivables	-	147	-	(1,843)	-	-	(1,696)

	As at 31 December 2021 (Restated)						
	Thermal power electricity	Hydropower electricity	Wind power electricity	Photovoltaic power electricity	Energy storage	Unallocated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets							
Other segment assets	45,172,060	37,103,681	39,748,390	34,717,414	830,503	-	157,572,048
Goodwill	67,712	768,944	-	246,637	-	-	1,083,293
Interests in associates	1,901,966	20,259	481,585	196,381	-	926,364	3,526,555
Interests in joint ventures	248,414	-	827,708	-	-	352,822	1,428,944
	47,390,152	37,892,884	41,057,683	35,160,432	830,503	1,279,186	163,610,840
Equity instruments at FVTOCI							5,235,995
Deferred income tax assets							714,348
Other unallocated assets							5,684,805
Total assets per consolidated statement of financial position							175,245,988
Segment liabilities							
Other segment liabilities	(5,151,527)	(3,560,081)	(3,822,599)	(3,860,786)	(556,025)	-	(16,951,018)
Borrowings	(31,916,128)	(26,467,276)	(21,801,327)	(19,745,922)	-	(2,398,062)	(102,328,715)
	(37,067,655)	(30,027,357)	(25,623,926)	(23,606,708)	(556,025)	(2,398,062)	(119,279,733)
Deferred income tax liabilities							(2,380,195)
Tax payable							(223,030)
Other unallocated liabilities							(986,347)
Total liabilities per consolidated statement of financial position							(122,869,305)

All revenue from external customers is generated from the PRC. As at 31 December 2022, except for cash and bank balances equivalent to RMB126,379,000 (2021: RMB284,818,000) which were deposited with certain banks in Hong Kong, substantially all of the Group's assets, liabilities and capital expenditure were located or utilized in the PRC.

The Group's major customers are regional and provincial power grid companies. For the year ended 31 December 2022, the Group's external revenue amounting to RMB18,820,438,000 (2021: RMB18,843,414,000) was generated from three (2021: four) major customers, each of which accounted for 10% or more of the Group's external revenue.

For the year ended 31 December 2022, major customers who accounted for 10% or more of the Group's external revenue are as follows:

<u>Major Customers</u>	<u>Proportion in approximate</u>	<u>Segments</u>
Customer A	17%	Thermal power electricity
Customer B	14%	Thermal power electricity, Wind power electricity and Photovoltaic power electricity
Customer C	13%	Thermal power electricity, Wind power electricity and Photovoltaic power electricity

3 Other income

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Rental income	35,887	16,530
Hotel operations income	-	1,540
Income from provision of repairs and maintenance services	141,932	209,691
Dividend income	-	39,962
Income from provision of IT and other services	546,047	246,049
Others	23,184	-
	<u>747,050</u>	<u>513,772</u>

4 Other gains and losses, net

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Amortization of deferred income	21,359	34,092
Government subsidies	288,850	70,767
Gain on disposal of property, plant and equipment, net	651	1,270
Impairment of property, plant and equipment (Note 10)	(14,142)	(1,004)
Impairment of goodwill	(250,905)	-
Gain/(loss) on disposal of subsidiaries (pre-tax)	510,863	(113,229)
Gain on remeasurement of remaining equity interests in associates after loss of control over subsidiaries	154,337	-
Gain on disposal of assets and liabilities associated with a disposal group classified as held for sale	-	80,109
Gain on transfer from assets and liabilities associated with a disposal group classified as held for sale to an associate	-	242,283
Profits on sales of unused power production quota	1,648	209,555
Profits on sales of heat, trading of coal, coal by-products, spare parts and others	63,744	345,297
Profits on trading of electricity	56,302	17,905
Gain on recognition of negative goodwill (Note 17)	1,551,609	-
Others	131,329	67,027
	<u>2,515,645</u>	<u>954,072</u>

5 Other operating expenses

	2022	2021
	<i>RMB'000</i>	(Restated) <i>RMB'000</i>
Amortization of other intangible assets	137,663	54,873
Research and development expenses	228,469	209,991
Lease expenses	55,243	36,690
Reversal of impairment of amounts due from related parties and other receivables	(27,780)	(1,696)
Reservoir maintenance and usage fees	69,939	70,596
Power and heat generation costs	957,118	801,907
Cost of purchase of unused power production quota	2,227	10,944
Administrative and selling related expenses	521,054	530,460
Taxes and surcharges	374,084	330,379
Others	522,813	487,133
	<u>2,840,830</u>	<u>2,531,277</u>

6 Operating profit

Operating profit is stated after charging/(crediting) the following:

	2022	2021
	<i>RMB'000</i>	(Restated) <i>RMB'000</i>
Amortization of other intangible assets	137,663	54,873
Auditor's remuneration	7,358	6,943
Research and development expenses	228,469	209,991
Depreciation:		
- property, plant and equipment	7,284,950	5,721,901
- right-of-use assets	376,090	377,736
Lease expenses:		
- equipment	28,842	23,141
- leasehold land and buildings	26,401	13,549
Reversal of impairment of amounts due from related parties and other receivables	(27,780)	(1,696)
Reservoir maintenance and usage fees	69,939	70,596
Cost of purchase of unused power production quota	2,227	10,944
	<u>2,840,830</u>	<u>2,531,277</u>

7 Finance income and finance costs

	2022	2021
	RMB'000	RMB'000
Finance income		
Interest income from bank deposits	46,550	23,406
Interest income from related parties	84,075	26,861
Interest income from discounting effect on clean energy power price premium receivable (Note 12(b))	22,999	76,336
	<u>153,624</u>	<u>126,603</u>
Finance costs		
Interest expense on		
- bank borrowings	3,343,105	3,342,572
- borrowings from related parties	680,494	598,439
- other borrowings	368,947	250,114
- amounts due to related parties	4,836	16,948
- lease liabilities	104,100	172,266
- provisions for other long-term liabilities (Note 15)	104,082	104,054
	<u>4,605,564</u>	<u>4,484,393</u>
Less: amounts capitalized to property, plant and equipment	<u>(337,528)</u>	<u>(579,651)</u>
	4,268,036	3,904,742
Exchange gain, net	<u>(7,075)</u>	<u>(43,242)</u>
	<u>4,260,961</u>	<u>3,861,500</u>

The weighted average interest rate on capitalized borrowings is approximately 3.45% (2021: 3.82%) per annum.

8 Income tax expense

No Hong Kong profits tax has been provided for as the Group did not have any estimated assessable profits arising in Hong Kong for the year ended 31 December 2022 (2021: Nil).

The provision for PRC current income tax was calculated based on the statutory tax rate of 25% (2021: 25%) on the estimated assessable profits for the year except that certain subsidiaries were either exempted from PRC Enterprise Income Tax or entitled to the preferential tax rates of 7.5%, 12.5%, 15% or 20% (2021: 7.5%, 12.5% or 15%).

The amount of income tax recognized in the consolidated income statement represents:

	2022	2021
	RMB'000	RMB'000
PRC current income tax		
Charge for the year	707,591	271,245
Under provision in prior years	3,922	5,192
	711,513	276,437
Deferred income tax		
(Credit)/charge for the year	(52,784)	85,510
	658,729	361,947

Share of income taxation credit attributable to associates and joint ventures for the year ended 31 December 2022 of RMB80,922,000 (2021: RMB59,000,000) and RMB17,924,000 (2021: RMB28,231,000) respectively were included in the Group's share of results of associates and joint ventures respectively.

9 Earnings/(loss) per share

(a) Basic

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

	2022	2021
		(Restated)
Profit/(loss) for the year attributable to equity holders of the Company (RMB'000)	2,648,051	(256,257)
Profit for the year attributable to holders of other equity instruments (RMB'000)	(167,211)	(134,250)
Profit/(loss) for the year attributable to ordinary shareholders of the Company used in the basic earnings/(loss) per share calculation (RMB'000)	2,480,840	(390,507)
Weighted average number of shares in issue (shares in thousands)	11,147,639	9,871,570
Basic earnings/(loss) per share (RMB)	0.22	(0.04)

(b) Diluted

For the year ended 31 December 2022, the computation of diluted earnings per share did not assume the exercise of the Company's share options as the exercise price of these options was higher than the average market share price of the Company's shares during the year.

For the year ended 31 December 2021, the dilutive loss per share was same as basic loss per share as there was no dilutive potential ordinary shares outstanding during the year.

10 Property, plant and equipment

	2022	2021
	<i>RMB'000</i>	(Restated) <i>RMB'000</i>
At 1 January (as previously reported)	128,695,251	112,954,766
A change in accounting policy (HKAS 16)	491,886	(13,191)
Additions and transfer from prepayments	16,526,390	18,333,849
Acquired on acquisitions of subsidiaries	11,935,811	2,853,504
Reclassified from right-of-use assets	290,977	868,705
Disposal of subsidiaries	(8,456,445)	(136,040)
Disposals	(36,625)	(22,467)
Depreciation charged for the year	(7,284,950)	(5,721,901)
Impairment written off upon disposal	158,139	70,916
Impairment recognized for the year (Note 4)	(14,142)	(1,004)
	<u>142,306,292</u>	<u>129,187,137</u>
At 31 December	<u>142,306,292</u>	<u>129,187,137</u>

11 Other intangible assets

Other intangible assets represent the carrying amount of the favourable tariff contracts and franchise rights acquired on the acquisitions of certain clean energy companies. These intangible assets have finite useful lives and are amortized on a straight-line basis over the period of 5 to 27 years (2021: 17 to 20 years).

The Group acquired the favourable tariff contracts and franchise rights of RMB7,490,945,000 (2021: Nil) on acquisitions of certain subsidiaries during the year.

12 Accounts receivable

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Accounts receivable from regional and provincial power grid companies (notes (a) and (b))	14,228,449	8,753,405
Accounts receivable from other companies (note (a))	697,615	675,972
	<u>14,926,064</u>	<u>9,429,377</u>
Notes receivable (note (d))	110,870	158,355
	<u>15,036,934</u>	<u>9,587,732</u>

Analyzed for reporting purpose as:

- Non-current (included in other non-current assets) (note (b))	2,402,163	1,224,850
- Current	12,634,771	8,362,882
	15,036,934	9,587,732

Notes:

To measure the ECL of accounts receivable, accounts and notes receivables have been assessed individually upon the application of HKFRS 9. The loss allowance of the accounts receivable as at 31 December 2022 and 2021 was insignificant.

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

	2022	2021
	RMB'000	RMB'000
Unbilled	2,402,163	1,224,850
1 to 3 months	12,523,901	8,204,527
	14,926,064	9,429,377

The accounts receivable that were neither past due nor impaired had been assessed by reference to the historical information about counterparty default rates. The existing counterparties did not have significant default in the past.

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

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

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

In February 2020, the MOF, the NDRC and the NEA jointly issued new guidelines and notices, i.e., Caijian [2020] No. 4 Guidelines on the Stable Development of Non-Water Renewable Energy Generation (關於促進非水可再生能源發電健康發展的若干意見) and Caijian [2020] No. 5 Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法) (collectively referred to as the “**New Guidelines**”). Pursuant to the New Guidelines, the quota of new subsidies were decided based on the scale of subsidy funds, there would not be any new Subsidy Catalogue to be published for tariff premium and as an alternative, power grid companies would publish lists of renewable energy projects qualified for tariff premium (the “**Subsidy List**”) periodically after the renewable energy generators have gone through certain approval and information publicity process.

Based on the above New Guidelines and their past experience, the Directors estimated that there were no foreseeable obstacles that would lead to the application not being approved before entering into either the Subsidy Catalogue or the Subsidy List. It was expected that the Group’s wind and photovoltaic power projects would be listed as qualified projects for tariff premium after 31 December 2023 (2021: obtained after 31 December 2022) and the corresponding premium receivables were estimated to be recovered after twelve months from the reporting date. Therefore, the Directors considered the renewable energy electricity sales contract for projects before entering into the Subsidy Catalogue or the Subsidy List contains a significant financing component. For the year ended 31 December 2022, the respective clean energy power price premiums were adjusted for this financing component based on an effective interest rate of 3.81% (2021: 4.01%) per annum, and the Group’s revenue was adjusted by RMB109,328,000 (2021: RMB58,148,000) and interest income amounting to RMB22,999,000 (2021: RMB76,336,000) (Note 7) was recognized.

- (c) In December 2020, accounts receivable amounting to RMB950,000,000 were transferred to a single asset management plan set up by Shenwan Hongyuan Securities Co., Ltd. The Directors consider that the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the accounts receivable and retained control of the underlying assets, and therefore, as at 31 December 2022, the Group recognized the transferred assets to the extent of its continuing involvement amounting to RMB37,525,000 as other receivables and associated liabilities as other payables (2021: RMB75,050,000 as other non-current assets and the associated liabilities as other non-current liabilities).

In November 2021, accounts receivable amounting to RMB1,184,931,000 were transferred to State Power Investment Corporation Limited* (“**SPIC**”) for participating in its Asset Backed Notes Transaction (the “**ABN Transaction**”). In the subsidiaries acquired in 2022, accounts receivable amounting to RMB340,566,000 were also transferred to SPIC in November 2021 for participating in the same ABN Transaction. The Directors consider that the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the accounts receivable and retained control of the underlying assets, and therefore, as at 31 December 2022, the Group recognized the transferred assets to the extent of its continuing involvement amounting to RMB75,798,000 (2021: RMB113,753,000) as other non-current asset and the associated liabilities as other non-current liabilities.

- (d) As at 31 December 2022, notes receivable were bank acceptance notes issued by third parties and were normally with a maturity period of 360 days (2021: 360 days).
- (e) As at 31 December 2022, certain of bank borrowings and lease liabilities (2021: certain of bank borrowings, long-term borrowings from related parties and lease liabilities) were secured by the rights on certain accounts receivable. The accounts receivable pledged under these debts as at 31 December 2022 amounted to RMB3,467,887,000 (2021: RMB2,568,225,000).

13 Borrowings from related parties

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Non-current		
Long-term borrowings from SPIC (note (b))	9,646,099	8,653,020
Long-term borrowings from SPIC Financial Company Limited* (“SPIC Financial”) (note (c))	863,000	3,799,840
Long-term borrowings from China Power International Holding Limited (“CPI Holding”)	-	50,000
Long-term borrowings from other related parties (note (d))	790,463	379,800
	<u>11,299,562</u>	12,882,660
Less: Current portion of long-term borrowings from SPIC	(504,238)	(2,900,000)
Less: Current portion of long-term borrowings from SPIC Financial	(180,000)	(1,425,000)
Less: Current portion of long-term borrowings from other related party	(200,000)	-
	<u>10,415,324</u>	8,557,660
Current		
Short-term borrowings from SPIC (note (e))	1,500,000	-
Short-term borrowings from SPIC Financial (note (f))	1,150,000	1,130,000
Short-term borrowings from CPI Holding	-	200,000
Short-term borrowings from other related parties (note (g))	1,184,742	453,626
Current portion of long-term borrowings from SPIC (note (b))	504,238	2,900,000
Current portion of long-term borrowings from SPIC Financial (note (c))	180,000	1,425,000
Current portion of long-term borrowings from other related party (note (d))	200,000	-
	<u>4,718,980</u>	6,108,626
	<u>15,134,304</u>	14,666,286

Notes:

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
RMB	14,674,640	14,666,286
United States Dollars	459,664	-
	<u>15,134,304</u>	14,666,286

- (b) The long-term borrowings from SPIC were unsecured, interest bearing from 3.35% to 5.50% (2021: 3.29% to 4.75%) per annum.
- (c) The long-term borrowings from SPIC Financial were unsecured, interest bearing from 3.29% to 4.27% (2021: 3.25% to 5.07%) per annum. As at 31 December 2021, RMB50,000,000 was secured against the rights on accounts receivable of a subsidiary and interest bearing at 4.42% per annum.
- (d) As at 31 December 2022, the long-term borrowings from other related parties were unsecured, interest bearing from 3.79% to 4.55% (2021: 4.41% to 4.46%) per annum.
- (e) As at 31 December 2022, the short-term borrowings from SPIC were unsecured, interest bearing from 3.45% to 3.85% (2021: Nil) per annum.
- (f) As at 31 December 2022, the short-term borrowings from SPIC Financial were unsecured, interest bearing from 3.45% to 4.27% (2021: 3.45% to 4.34%) per annum.
- (g) The short-term borrowings from other related parties as at 31 December 2022 were unsecured, interest bearing from 2.85 % to 4.35% (2021: 3.47 % to 3.75%) per annum.

14 Other borrowings

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Non-current		
Medium-term notes issued by the Company (note (a))	13,000,000	7,000,000
Long-term other borrowings from third parties (note (b))	3,811,531	1,200,325
	16,811,531	8,200,325
Less: Current portion of medium-term notes issued by the Company	-	(2,000,000)
	16,811,531	6,200,325
Current		
Super & short-term commercial papers issued by a subsidiary	-	1,020,000
Super & short-term commercial papers issued by the Company (note (c))	2,000,000	1,500,000
Short-term other borrowing from a third party	15,000	100,000
Current portion of medium-term notes issued by the Company (note (a))	-	2,000,000
	2,015,000	4,620,000
	18,826,531	10,820,325

Notes:

- (a) The balance includes: (i) four unsecured RMB denominated medium-term notes issued by the Company in June, July and September 2022 respectively, each of RMB2,000,000,000 for a term of three years, which were interest bearing at 3.00%, 2.99%, 2.87% and 2.71% per annum respectively; (ii) two unsecured RMB denominated medium-term notes issued by the Company in April and October 2021 respectively, each of RMB2,000,000,000 for a term of three years, which were interest bearing at 3.54% and 3.47% per annum respectively; and (iii) an unsecured RMB denominated green note of RMB1,000,000,000 issued by the Company in October 2021 for a term of three years, which was interest bearing at 3.39% per annum.

As at 31 December 2022, the medium-term note issued in September 2019 has been repaid.

- (b) As at 31 December 2022, the balance was unsecured, interest bearing from 4.25% to 4.85% (2021: 4.05% to 5.30%) per annum.
- (c) The balance represented two unsecured RMB denominated super & short-term commercial papers of RMB1,000,000,000 each (2021: RMB500,000,000 and RMB1,000,000,000) issued by the Company in June and July 2022 (2021: August and November 2021) for a term of 270 days and 180 days (2021: 210 days and 269 days) respectively, interest bearing at 2.10% and 1.75% (2021: 2.63% and 2.88%) per annum respectively.

15 Provisions for other long-term liabilities

Provisions for other long-term liabilities represented provisions for inundation compensation caused by the construction of certain hydropower plants of the Group, namely the Baishi Power Plant, Tuokou Power Plant and Changzhou Hydropower Plant in accordance with the rules and regulations of inundation compensation.

The provisions were measured at the present value of the expenditures expected to be required to settle the compensations, based on the latest rules and regulations as set out by the relevant local government authorities in the PRC, compensation per unit of area, growth rate of compensation, and the expected useful lives of these hydropower plants, using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the compensations. The increase in the provisions due to the passage of time has been recognized as interest expense.

Analysis of the provisions for inundation compensation as at 31 December 2022 and 2021 is as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities	1,866,003	1,868,232
Current liabilities (included in other payables and accrued charges)	105,990	104,432
	<u>1,971,993</u>	<u>1,972,664</u>

The movements of the provisions for inundation compensation for the years ended 31 December 2022 and 2021 are as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January	1,972,664	1,971,834
Interest expense (Note 7)	104,082	104,054
Payment	(104,753)	(103,224)
At 31 December	<u>1,971,993</u>	<u>1,972,664</u>

16 Accounts and bills payables

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Accounts payable (note (a))	2,490,043	1,668,327
Bills payable (note (b))	76,128	167,695
	<u>2,566,171</u>	<u>1,836,022</u>

Notes:

- (a) The normal credit period for accounts payable generally ranges from 60 to 180 days. The ageing analysis of the accounts payable based on invoice date is as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
1 to 6 months	2,267,580	1,531,869
7 to 12 months	187,697	69,598
Over 1 year	34,766	66,860
	<u>2,490,043</u>	<u>1,668,327</u>

- (b) As at 31 December 2022, bills payable were bills of exchange with maturity period ranged from 3 to 12 months (2021: ranged from 3 to 12 months).

17 Acquisitions of subsidiaries

In 2022, the Group acquired certain equity interests in 24 entities (collectively referred to as “Acquired Entities”) from China Power (New Energy) Holdings Limited (“CPNE”), China Power International New Energy Holding Limited* (“CPINE”) and Guangxi SPIC Overseas Energy Investment Limited* (“Guangxi Overseas”) in form of cash consideration and issuance of consideration shares. Each of CPNE, CPINE and Guangxi Overseas is a non wholly-owned indirect subsidiary ultimately owned and controlled by SPIC. As such, these transactions were connected transactions. During the current year, the Group acquired certain equity interests in seven entities (“Other Acquired Entities”) from third parties, these Other Acquired Entities were all individually not material. These acquisitions have been accounted for using the acquisition method when being acquired. Except for the acquisitions of certain equity interests in 23 entities from CPNE and CPINE resulted in recognition of negative goodwill of RMB1,551,609,000 (Note 4) as other gain in the consolidated income statement of the Group during the current year, no goodwill was resulted from other acquisitions during the year.

18 Event after the reporting period

On 31 December 2022, the Company and Xinyuan Green Power (Beijing) Co., Ltd.* (“Xinyuan Green Power”), a wholly-owned subsidiary of the Company, entered into the capital injection agreements with CCB Financial Asset Investment Company Limited.* (“CCB Investment”), pursuant to which CCB Investment agreed to inject an aggregate amount of RMB2,000,000,000 into Xinyuan Green Power. Upon completion, Xinyuan Green Power will be held as to 54.56% by the Company and 45.44% by CCB Investment, and Xinyuan Green Power shall remain as a subsidiary of the Company.

BUSINESS REVIEW

In 2022, the Chinese economy adhered to the principle of stable growth and ensured that market prices remained stable amidst a high level of global inflation, thereby demonstrating the tenacity of the economy. Thanks to the effective implementation of policies to secure energy supply and stabilize energy prices, the steady progress of high-quality development of the industry, and coupled with the relaxation of stringent pandemic control measures late last year, the national economy showed signs of gradual recovery and growth.

In 2022, the national total electricity consumption in China rose by 3.6% year-on-year and the national power generation recorded a year-on-year increase of 2.2%, among which, hydropower, wind power, solar power and thermal power increased by 1.0%, 16.3%, 30.8% and 0.9%, respectively.

The Group has proactively invested in the development of clean energy, optimized our asset structure and accelerated our strategic transformation. During the year, not only have we acquired various clean energy projects, but we have also disposed of our equity interest in certain of our coal-fired power businesses, thereby promoting further increase in the proportion of the installed capacity of our clean energy and its profit contribution. Energy storage and environmental power businesses became the new profit driver of the Group. Our thermal power segment recorded a year-on-year decrease in losses as compared with the previous year. However, it remained in a loss-making position amid high level of coal prices, therefore dragging down the overall financial performance of the Group.

In 2022, the Group stepped up the pace of implementing its strategies by swiftly increasing the proportion of clean energy asset in our power generation portfolio, and expanding the business scope of the Group. The Company acquired a total of 23 clean energy project companies from CPNE and CPINE, which are both indirect subsidiaries of SPIC, the ultimate controlling shareholder of the Company. All of the acquisitions have been completed during the year. Such companies have installed capacities of wind power, photovoltaic power and environmental power of 1,550.0MW, 408.4MW and 197.0MW, respectively. During the year under review, these companies contributed a net profit of RMB70,807,000 in aggregate after being consolidated into the financial statements of the Group.

For the year ended 31 December 2022, the profit attributable to equity holders of the Company amounted to RMB2,648,051,000 (2021 (restated): loss of RMB256,257,000). Profit attributable to ordinary shareholders of the Company amounted to RMB2,480,840,000 (2021 (restated): loss of RMB390,507,000). Basic earnings per share was approximately RMB0.22 (2021 (restated): loss of RMB0.04). As at 31 December 2022, net assets per share (excluding non-controlling interests and other equity instruments) was approximately RMB3.10.

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

Installed Capacity

As at 31 December 2022, the consolidated installed capacity of the Group's power plants was 31,599.2MW, representing a year-on-year increase of 2,667.3MW. Among which, the consolidated installed capacity of clean energy including hydropower, wind power, photovoltaic power, natural gas power and environmental power was 20,519.2MW in total, accounting for approximately 64.94% of the total consolidated installed capacity and representing an increase of 12.78 percentage points as compared with the previous year.

During the year under review, the Company successfully completed the acquisition of 23 clean energy project companies from CPNE and CPINE, among which an aggregate installed capacity of 2,155.4MW were in operation, which increased the proportion of clean energy of the Group significantly.

During the year, the Group also successfully implemented the coal-fired power joint venture project and disposed of its controlling interests in two coal-fired power subsidiaries, thereby reducing the consolidated installed capacity of coal-fired power by 4,760.0MW in total. We further adjusted the asset structure of our power generation portfolio, and hopefully overhauling the long-term loss-making situation of coal-fired power assets, significantly improving the Group's financial performance, and paving an important step for the gradual and orderly withdrawal from the less efficient coal-fired power generation business.

Technological Innovations

In light of the “New Industries, New Business Forms and New Business Models” (the “**Three New**”) of the energy sector, we highly emphasize technological innovation capabilities. In order to strengthen and enhance our first-mover advantages in the Three New segment, we have constantly enhanced our technological innovation capabilities, focused on innovation of key techniques, accumulation of intellectual property rights and introduction and nurturing of key personnel, whilst accelerating the incubation of new business forms and new business models, thereby initiating a new phase of strategic transformation and leapfrog development.

Energy Storage

During the year, the Company formed a strong alliance with Snowsky Salt Industry Group Co., Ltd.*, a leading company in the salt and chemical industry, and intended to introduce the pioneer team for salt-cavern compressed air energy storage technology from Tsinghua University to jointly develop the first compressed air energy storage project in Hunan Province. The project is expected to become the first 100MW-level salt-cavern compressed air energy storage project in the PRC, marking the Company's major breakthrough in the innovative application of new energy storage and its entry into the long-duration energy storage (LDES) sector officially. During the year under review, Xinyuan Smart Storage Energy Development (Beijing) Co., Ltd.* (“**Xinyuan Smart Storage**”), a subsidiary of the Company, was successfully selected as one of the “Science and Technology Reform Demonstration Enterprises (科改示范企业)” and “National High-tech Enterprises (国家高新技术企业)” by the State-owned Assets Supervision and Administration Commission of the State Council in recognition of its promotion of energy storage technology, including, among other things, research and development of energy management system, smart energy operation and management platform, integrated dispatching and trading platform, and power electronics platform.

Colored Photovoltaic

Xinyuan Jinwu (Beijing) Technology Co., Ltd.* (“**Xinyuan Jinwu**”), a subsidiary of the Company, is a high-tech company with photovoltaic color micro-coating technology and product development capability. During the year under review, Xinyuan Jinwu promoted the orderly development of its photovoltaic colorization business and reuse of decommissioned photovoltaic modules. It has also completed the process design of production lines and ordering of core equipment for the Beijing Tongzhou Demonstration Project. Xinyuan Jinwu owns a number of patents and has seized first-mover advantages in the industry.

Green Power Transportation

Shanghai Qiyuanxin Power Technology Co., Ltd.* (“**Qiyuanxin Power**”), an associate of the Company, continued its leading position in the green power transportation industry and won the Gold Award for Smart Transportation (智慧交通金獎) from the Energy Working Group of Asia-Pacific Economic Cooperation. During the year, Qiyuanxin Power jointly designed and developed the first 3,000-tonnes inland river pure-electric container vessel in the PRC with renowned academic institutions and enterprises. The successful launch of the vessel signified that the first inland river high-quality “Zero-Carbon Demonstration Route (零碳示範航線)” in the PRC has officially commenced operation. During the year under review, Qiyuanxin Power successfully completed Series A Financing of RMB1 billion and will continue to maintain strong momentum of development in the green power transportation sector going forward. It will further consolidate upstream and downstream resources in the industrial chain, and promote the battery-swap business ecosystem throughout the country while continuously spearheading the development of the industry.

Energy Solutions Technology

In line with the low-carbon development direction of the Company’s strategy, the Group is currently exploring ways to promote the expansion of presence in sectors such as Photovoltaic, Energy Storage, Direct Current and Flexibility (PEDF) (a novel building energy system solution that integrates photovoltaic power, energy storage and power distribution), intrinsic material safety of energy storage, urban redevelopment and integrated clean energy solutions.

Project Development

In light of the Dual Carbon Goals of the State, the transformation of the power industry towards clean energy in its entirety is an inevitable trend. Following the latest round of revolution, consolidation and development of technology and the industrial chain, new industries and modes of energy usage, such as big data, cloud computing, energy storage technology and smart energy have been emerging, and integration of areas such as smart energy and energy storage shall become the new driver of energy revolution.

Offshore Wind Power Projects

In 2022, the Development and Reform Commission of Guangxi Zhuang Autonomous Region issued the “Notice on Competitive Allocations to Investors of Offshore Wind Power Demonstration Projects in Guangxi” (《廣西海上風電示範項目投資主體競爭性配置公告》), which involved two offshore wind power demonstration projects with a total planned installed capacity of 2,700MW. Through the relentless efforts of the Group, the consortium led and controlled by SPIC Guangxi Power Limited*, a subsidiary of the Company, successfully emerged from the nine investment entities who participated in the competitive allocation and

won the bid for the Qinzhou 900MW Offshore Wind Power Project. The project accounted for one-third of the total capacity under competitive allocation in Guangxi Zhuang Autonomous Region. It was groundbreaking progress of the Group in the development of offshore wind power in Guangxi Zhuang Autonomous Region, and has laid a solid foundation for the Group's future development in this area.

“Photovoltaic+” Project

In 2022, Guyuan County Guangcheng Photovoltaic Power Generation Company Limited*, a subsidiary of the Company, launched the Guyuan County 400MW “Photovoltaic+” Demonstration Project as the Group's first project in Hebei Province, which achieved full capacity power grid connection. The project not only contributes to the profitability of the Group and lowers carbon emissions, but also provides reliable power supply for economic development in the local region, and promotes the development of local industries. Therefore, it has significant economic and social benefits. Furthermore, the project utilizes land beneath the photovoltaic modules for farming, thereby achieving effective utilization of land resources and improving ecological environment on the one hand, while protecting photovoltaic power generation equipment from sandstorm on the other hand.

Integrated Wind-photovoltaic Hybrid Project

In 2022, the 20MW Offshore Wind Farm and Deep-sea Floating 500kW Photovoltaic Demonstration Project of SPIC Shandong Energy Development Co., Ltd.* (“**Shandong Company**”), a subsidiary of the Company, successfully commenced power generation, which is the first deep-sea “wind-photovoltaic hybrid” floating photovoltaic demonstration project in the world. As the first integrated wind-photovoltaic hybrid project endorsed by Shandong Province as a key project, the project realized simultaneous wind and photovoltaic hybrid power generation, which lowered construction costs and operational and maintenance costs. Shandong Company will continue to proactively and steadily promote the development of floating offshore photovoltaic power in the local region, while incorporating offshore wind power planning and construction to create a new development mode for integrated wind-photovoltaic hybrid, gradually expanding the construction scale of floating offshore photovoltaic power generation projects, and pushing forward its development towards the deep-sea area.

Multi-energy Complementary New Energy Power Generation Project

Phase 1 of the Multi-energy Complementary 1,000,000kW New Energy Base Project (400MW) in Macheng City, Hubei Province, the PRC achieved full capacity power grid connection during the year, which accelerated the transformation of the Company into a world-class green and low-carbon energy provider. The Group will continue to leverage its advantages in the clean energy industry in Hubei Province to establish a new facet of green and low carbon development of the industry, push forward commencement of high-standard construction of phase II and phase III of the project and achieve the target of full capacity power grid connection of clean energy base projects as soon as possible, thereby facilitating rural revitalization by contributing more green and low-carbon clean energy to the transformation of old districts so as to accelerate achievement of the Dual Carbon Goals of the State.

Energy Storage Project

During the year under review, Xinyuan Smart Storage expanded its presence in various places and launched projects with a capacity of over 1,500MWh. Among them, the Shandong Jining Weishan 100MW/200MWh Peak-shaving Energy Storage Power Station Demonstration Project (“**Shandong Weishan Energy Storage Project**”) and Qinghai Golmud

100MW/200MWh Energy Storage Sharing Power Station Demonstration Project (“**Qinghai Golmud Energy Storage Project**”), both being constructed by Xinyuan Smart Storage, were successfully connected to the power grid. By integrating a broad range of advanced energy storage technologies in the PRC and abroad, the Shandong Weishan Energy Storage Project has achieved new breakthroughs in aspects such as energy management and battery system, which may effectively optimize the allocation of regional power resources and thus mitigate the pressure on peak-shaving of the regional power grid. On the other hand, the Qinghai Golmud Energy Storage Project has demonstrated the safety and reliability of the energy storage systems under harsh natural environment such as high altitude (3,200 meters) and extreme temperature differences (-30°C~35°C). The project adopted intelligent temperature control system and advanced system integration technology to ensure high degree of safety, long operating life and high performance of the energy storage power stations. Upon commencement of operation, the project will be able to realize dispatching and trading of new energy through integrated station hubs and power stations, thereby facilitating the establishment of a new power system in Golmud, Qinghai Province, the PRC.

Electricity Sales

The details of electricity sold by the Group are set out as follows:

	2022	2021	Changes
	<i>MWh</i>	(Restated) <i>MWh</i>	%
Total electricity sold	108,170,802	100,612,928	7.51
- Hydropower	18,154,028	20,860,520	-12.97
- Wind power	10,929,956	8,080,289	35.27
- Photovoltaic power	9,775,268	7,310,757	33.71
- Coal-fired power	67,862,570	63,288,213	7.23
- Natural gas power	1,135,822	1,073,149	5.84
- Environmental power	313,158	N/A	N/A

In 2022, the total electricity sold by the Group amounted to 108,170,802MWh, representing an increase of 7.51% as compared with the previous year. The changes in electricity sold by each power segment as compared with the previous year (restated) were as follows:

- Hydropower — A decrease of 12.97% in electricity sold due to a year-on-year decrease in average rainfall during the year in the river basins where the Group’s hydropower plants are located.
- Wind Power and Photovoltaic Power — During the year, the electricity sold of wind power and photovoltaic power recorded a year-on-year increase of 35.27% and 33.71%, respectively, due to the commencement of commercial operation of a large number of new wind power and photovoltaic power generating units of the Group.
- Coal-fired Power — Driven by the year-on-year increase in electricity demand during the year and the commencement of commercial operation of new coal-fired power generating units at the beginning of the year, the electricity sold increased by 7.23% year-on-year.
- Natural Gas Power — The electricity sold increased by 5.84% year-on-year due to the commencement of commercial operation of a new project with a capacity of 200MW during the year.

- Environmental Power — The Group acquired various environmental power generation companies during the year with an aggregate electricity sales of 313,158MWh.

The details of electricity sold by the Group's main associates and joint ventures are set out as follows:

	2022 <i>MWh</i>	2021 <i>MWh</i>	Changes %
Total electricity sold	27,908,088	23,450,162	19.01
Associates			
- Photovoltaic power	107,953	107,597	0.33
- Coal-fired power	23,455,722	18,440,493	27.20
Joint Ventures			
- Wind power	1,426,708	1,374,815	3.77
- Photovoltaic power	128	N/A	N/A
- Coal-fired power	2,917,577	3,527,257	-17.28

Heat Sales

In order to strongly support the existing environmental policies promulgated by the Chinese Government, the Group has carried out in-depth exploration of potential sites for heat supply in various regions, strengthened development of the heat market, promoted the construction of centralized heating pipe networks, and developed heat and electricity co-generation projects, thereby achieving satisfactory results in various areas such as enhanced energy efficiency upgrade and exploitation of the heat supply market. In 2022, the total heat sold by the Group was 16,851,046GJ, representing an increase of 4,281,621GJ or 34.06% as compared with the previous year. The Group's two associates and a joint venture recorded total heat sold of 14,304,152GJ, representing a decrease of 1,333,109GJ or 8.53% as compared with the previous year.

Direct Power Supply

The Group has actively participated in the market-oriented reform of the national power industry and enhanced research on electricity market policies, particularly trading of spot electricity, green certificate/green energy, carbon emission quotas and related market policies and regulations. Keeping abreast of the reform, the Group maximized electricity sold through the market and its market share through increased participation in direct power supply transactions (including competitive bidding for on-grid electricity sales). Subsidiaries in various provinces have also established their electricity sales centers to attract more target customers through the provision of quality services.

In 2022, for those coal-fired power plants and hydropower plants of the Group which participated in direct power supply market transactions, their electricity sold through direct power supply transactions amounted to 67,862,570MWh and 583,650MWh, respectively, together accounting for approximately 63.28% (2021 (restated): 45.73%) of the Group's total electricity sold. The proportion of coal-fired power and hydropower generated electricity sold through direct power supply transactions accounted for 100% and 3.21% (2021 (restated): 63.30% and 28.54%) of their respective segments, respectively. During the year under review, the on-grid tariffs of direct power supply by hydropower were much lower than the official benchmark on-grid tariffs that the government approved for hydropower, and thus the Group has reduced the proportion of hydropower generated electricity sold through direct power supply transactions significantly.

In October 2021, the National Development and Reform Commission (the “NDRC”) published Circular No. 1439 “Notice on Further Deepening the Market-oriented Reform of On-Grid Tariff for Coal-fired Power Generation (《關於進一步深化燃煤發電上網電價市場化改革的通知》)”, pursuant to which, all existing coal-fired power generated electricity would be traded via market transactions, and currently, since all the power production quota of large-scale coal-fired power generating units of the Group were obtained from the market, therefore the proportion of electricity sold through direct power supply transactions has reached 100%.

For those coal-fired power and hydropower plants of the Group which participated in direct power supply market transactions in 2022, their average on-grid tariffs were at a premium of approximately 20.11% and a discount of approximately 33.20% (2021: discounts of 0.70% and 6.53%), respectively, compared with their respective average on-grid tariffs officially approved by the Chinese Government.

As coal prices soared, coal-fired power enterprises of various provinces increased the market trading prices of electricity. Save for Guizhou Province, the market trading prices of electricity in the regions where the Group’s coal-fired power plants were located have all increased to approach, or reached, the price cap of 20% above the local benchmark on-grid tariffs for coal-fired power generated. Meanwhile, certain power plants have increased their on-grid tariffs to over 20% above the benchmark on-grid tariffs through peak-valley time-sharing transactions and cross-provincial and cross-regional transactions.

Average On-Grid Tariff

In 2022, the average on-grid tariffs of each power segment of the Group as compared with the previous year (restated) were as follows:

- Hydropower was RMB258.07/MWh, representing an increase of RMB1.72/MWh. It was mainly attributable to the decrease in the proportion of market-traded electricity sales with relatively lower on-grid tariffs, and thus resulted in a higher average on-grid tariff of hydropower.
- Wind power was RMB478.72/MWh, representing a decrease of RMB16.67/MWh. It was mainly attributable to the year-on-year increase in the proportion of market-traded electricity sales with lower on-grid tariffs, and thus resulted in a lower average on-grid tariff of wind power.
- Photovoltaic power was RMB439.08/MWh, representing a decrease of RMB22.69/MWh. It was mainly attributable to the commencement of operation of the Group’s grid parity and competitive-bidding photovoltaic power generation projects during the year, which resulted in a lower average on-grid tariff of photovoltaic power.
- Coal-fired power was RMB408.07/MWh, representing an increase of RMB67.26/MWh. It was mainly attributable to the increase in on-grid tariffs above the benchmark on-grid tariffs for coal-fired power generated.
- Natural gas power was RMB633.80/MWh, representing an increase of RMB73.13/MWh. It was mainly attributable to the benefits derived from the subsidy policy of Guangdong Development and Reform Commission for natural gas power.
- Environmental power was RMB544.13/MWh.

Average Utilization Hours of Power Generating Units

In 2022, the average utilization hours of power generating units of each power segment of the Group as compared with the previous year were as follows:

- The average utilization hours of hydropower generating units was 3,371 hours, representing a decrease of 495 hours. It was mainly attributable to the decrease in power generation as a result of the decrease in the average rainfall during the year in the river basins where the Group's hydropower plants are located.
- The average utilization hours of wind power generating units was 2,098 hours, representing a decrease of 257 hours. It was mainly attributable to insufficient wind resources in 2022 as compared with the previous year.
- The average utilization hours of photovoltaic power stations was 1,622 hours, representing an increase of 75 hours. It was mainly attributable to the results achieved from effective facility management and maintenance as the Group has strengthened the management and analysis of photovoltaic power generating units, established various reporting mechanisms, set up a special group to study the countermeasures for photovoltaic curtailment, comprehensively improved the reliability of equipment in the station, and improved the optical power prediction system and model optimization to achieve enhanced effectiveness of management and maintenance.
- The average utilization hours of coal-fired power generating units was 4,683 hours, representing an increase of 253 hours. It was mainly attributable to the recovery of power consumption driven by the year-on-year increase in electricity demand during the year.
- The average utilization hours of natural gas power generating units was 3,493 hours, representing a decrease of 502 hours. It was mainly attributable to the sharp increase in demand for heat supply in the industrial park where the Group's natural gas project is located in Hubei Province, and the project has maximized its profits by reducing power generation and increasing heat supply.
- The average utilization hours of environmental power generating units was 5,769 hours.

Energy Storage Business

For 2022, the net profit from the energy storage business amounted to RMB34,220,000, representing a decrease of RMB7,873,000 or 18.70% as compared with the previous year. The energy storage business mainly comprises the sales of energy storage equipment, the provision of subcontracting services for developing and assembling power stations integrated with energy storage and energy storage capacities leasing services, and charging services of energy storage power stations. Energy storage is an emerging industry, and the Group's energy storage business is still at the initial stage of development. During the year under review, the Group overcame unfavorable factors such as recurring pandemic and rising raw material prices, continued to optimize its business structure, diversified the development of its energy storage projects, deepened its intensive procurement model to reduce material costs, and hence successfully maintained its profitability. However, it is expected that with the continuous adjustment and optimization of the energy storage policies in the PRC, the prospect of commercial application of energy storage will become clearer, hence the growth rate of investment in energy storage will increase and contribute to a strong growth of the energy storage market. Against such back drop, the Group's energy storage business segment will continue to adapt to market changes, and the Group is optimistic that the energy storage business segment will continue to expand in the future.

OPERATING RESULTS OF 2022

In 2022, the net profit of the Group amounted to RMB2,685,338,000, representing an increase of RMB2,009,042,000 or 297.07% as compared with the previous year.

In 2022, the net profit (loss) of each operating segment was as follows:

Operating Segment	2022	2021	Changes
	RMB'000	(Restated) RMB'000	%
- Hydropower	261,385	945,715	-72.36
- Wind power	1,707,501	1,760,933	-3.03
- Photovoltaic power	1,023,678	593,536	72.47
- Thermal power	(1,390,602)	(2,101,429)	N/A
- Energy storage	34,220	42,093	-18.70
- Unallocated	1,049,156	(564,552)	N/A
Total	2,685,338	676,296	297.07

As compared with 2021, the changes in net profit were mainly due to the following factors:

Revenue

The revenue of the Group was mainly derived from the sales of electricity to regional and provincial power grid companies, and the provision of power generation and energy storage-related services. In 2022, the Group recorded a revenue of RMB43,689,129,000, representing an increase of 23.15% as compared with RMB35,476,703,000 (restated) of the previous year.

In 2022, the details of revenue of each operating segment are set out as follows:

- Revenue from hydropower decreased by RMB662,516,000, which was mainly attributable to the decrease in electricity sales of hydropower as a result of decreased average rainfall in the river basins during the year where most of the Group's hydropower plants are located.
- Revenue from wind power and photovoltaic power increased by RMB2,145,790,000 in aggregate due to the commencement of commercial operation of a large number of new power generating units of wind power generation companies and photovoltaic power generation companies of the Group.
- Revenue from thermal power increased by RMB6,412,496,000, which was mainly attributable to an increase in market trading prices as a result of the relaxation of the on-grid tariff price cap for coal-fired power generated, the year-on-year increase in electricity demand during the year, and the commencement of commercial operation and consolidation of various coal-fired, natural gas and environmental power generation projects.
- Revenue from energy storage increased by RMB316,656,000, which was mainly due to the substantial increase in the sales of energy storage equipment business during the year under review.

Operating Costs

Operating costs of the Group mainly consist of fuel costs, repairs and maintenance expenses for power generating units and facilities, depreciation and amortization, staff costs, subcontracting costs, cost of sales of energy storage equipment, consumables and other operating expenses. In 2022, the operating costs of the Group amounted to RMB39,347,562,000, representing an increase of 23.58% as compared with RMB31,838,603,000 (restated) of the previous year. The increase in operating costs was mainly due to the significant increase in fuel costs and depreciation, as further explained below.

Total Fuel Costs

The total fuel costs increased by RMB4,671,670,000, mainly due to the year-on-year surge in coal prices and the corresponding increase in fuel consumption in tandem with the increase in coal-fired power generated.

Unit Fuel Cost

The average unit fuel cost of the Group's coal-fired power business was RMB326.16/MWh, representing an increase of 17.41% as compared with RMB277.79/MWh (restated) of the previous year. Coal prices remained steadily high due to the continuous tight supply and demand of thermal coal. In response to this unfavourable situation, the Group adopted the principal strategy of "developing long-term contract and further enhancing mixed-combustion" to stabilize supply of thermal coal and has utilized over 80% of the long-term coal contracts. In addition, the Group formulated plans for accumulating coal reserve for consumption during peak seasons such as summer and winter periods, and actively placed accumulating coal reserve during low seasons into practice in an effort to curb the purchase prices of coal.

Depreciation and Staff Costs

Depreciation of property, plant and equipment and right-of-use assets and staff costs increased by RMB2,050,966,000, in aggregate, as a result of business expansion and the large number of new power generating units that commenced commercial operation during the year.

Cost of Energy Storage Equipment Sales and Subcontracting Costs

The Group's energy storage business segment is principally engaged in sales of energy storage equipment and the provision of subcontracting services for developing and assembling power station integrated with energy storage. In 2022, the cost of energy storage equipment sales and subcontracting cost, being the operating costs of this business segment, totalled RMB753,951,000, representing an increase of RMB243,203,000 as compared with the previous year, which was mainly attributable to the year-on-year increase in sales of energy storage equipment during the year.

Other Operating Expenses

Other operating expenses increased by RMB309,553,000 year-on-year, mainly due to the increase in power and heat generation-related costs and the amortization of other intangible assets.

Other Gains and Losses, Net

The net gains from other gains and losses increased by RMB1,561,573,000 year-on-year, mainly due to the recognition of negative goodwill of approximately RMB1,551,609,000 generated from the acquisition of 23 companies from CPNE and CPINE during the year.

Operating Profit

In 2022, the Group's operating profit was RMB7,604,262,000, representing an increase of 48.93% as compared with the operating profit of RMB5,105,944,000 (restated) of the previous year.

Finance Costs

In 2022, the finance costs of the Group amounted to RMB4,260,961,000 (2021: RMB3,861,500,000), representing an increase of RMB399,461,000 or 10.34% as compared with the previous year. The increase in finance costs was mainly due to the increase in debt scale and the cessation of interest capitalization as certain power generating units commenced operation.

Share of Results of Associates

In 2022, the share of results of associates was a loss of RMB155,233,000, representing a decrease in loss of RMB58,291,000 as compared with the loss of RMB213,524,000 of the previous year. The decrease in losses was mainly due to the increase in return on investment in wind power projects, and the decrease in net losses of the associates engaging in coal-fired power-related business as a result of the year-on-year increase in the average on-grid tariff of coal-fired power.

Share of Results of Joint Ventures

In 2022, the share of results of joint ventures was a profit of RMB2,375,000, representing an increase in profit of RMB121,655,000 as compared with the loss of RMB119,280,000 of the previous year. The increase in profits was mainly due to the increase in return on investment in wind power projects, and the increase in net profits of the joint ventures engaging in coal-fired power-related business as a result of the year-on-year increase in the average on-grid tariff of coal-fired power.

Income Tax Expense

In 2022, income tax expense of the Group was RMB658,729,000, representing an increase of RMB296,782,000 as compared with RMB361,947,000 of the previous year. The increase was mainly due to the year-on-year decrease in losses of the thermal power segment.

Final Dividend

At the Board meeting held on 23 March 2023, the Board recommended the payment of a final dividend for the year ended 31 December 2022 of RMB0.11 (equivalent to HK\$0.1256 at the exchange rate announced by the People's Bank of China on 23 March 2023) per ordinary share (2021: RMB0.05 per ordinary share), totaling RMB1,360,717,000 (equivalent to HK\$1,553,691,000) (2021: RMB541,669,000), which is based on 12,370,150,983 shares in issue on 23 March 2023.

EQUITY INSTRUMENTS AT FVTOCI

As at 31 December 2022, the carrying amount of equity instruments at FVTOCI was RMB4,131,667,000, accounting for 1.95% of total assets, including listed equity securities of RMB3,636,555,000 and unlisted equity investments of RMB495,112,000.

Listed equity securities represent the equity interests in Shanghai Electric Power Co., Ltd.* (“**Shanghai Power**”) held by the Group. As at 31 December 2022, the Group held 12.90% (2021: 13.88%) of the issued share capital of Shanghai Power, the A shares of which are listed on the Shanghai Stock Exchange. It was categorized as level 1 financial assets of fair value measurements, and its fair value decreased by 21.92% as compared with RMB4,657,406,000 as at 31 December 2021.

Unlisted equity investments represent the Group's equity investment in certain unlisted companies principally engaged in financial services, coal production and electricity trading services, respectively. They were categorized as level 3 financial assets of fair value measurements. As at 31 December 2022, the aggregate fair value of unlisted equity investments owned by the Group was RMB495,112,000, representing a decrease of 14.43% from RMB578,589,000 as at 31 December 2021.

The valuation technique and key inputs used for measuring the fair value of the above level 3 financial assets were market approach, i.e. fair value of such equity instruments is estimated by calculating the appropriate value ratio based on market multiples derived from a set of comparable listed companies in the same or similar industries. Key inputs were (i) the market value of the said equity interests, (ii) price-to-book ratio (1.39) and price-earning ratio (3.44) of the comparable companies, and (iii) the marketability discount (12.83%-31.77%).

The fair value loss on equity instruments at FVTOCI for the year ended 31 December 2022 of RMB768,112,000 (net of tax) (2021: gain of RMB1,608,081,000) was recognized in the consolidated statement of comprehensive income.

MATERIAL ACQUISITIONS AND DISPOSALS

In June 2022, the Company and CPNE entered into a sale and purchase agreement, pursuant to which the Company conditionally agreed to acquire, and CPNE conditionally agreed to sell, equity interests in 16 target companies at an adjusted consideration of RMB5,790,593,419.82, of which RMB5,782,593,419.82 was settled by the issue of 1,536,764,662 consideration shares of the Company. On the same day, the Company and CPINE entered into another sale and purchase agreement, pursuant to which the Company conditionally agreed to acquire, and CPINE conditionally agreed to sell, equity interests in 10 target companies at a consideration of RMB1,670,098,862.61, which was settled by cash.

The aforementioned target companies are mainly engaged in clean energy power generation, including wind power, photovoltaic power and environmental power. The acquisitions will accelerate the strategic progress of the expedited development of clean energy business of the Company and expand its clean energy bases in new regions of China. For details, please refer to the announcements of the Company dated 30 June, 26 September and 26 October 2022, respectively, and the circular dated 28 July 2022.

In December 2022, the Company entered into an equity transfer agreement and a supplemental agreement with China Coal Power Co., Ltd.*, an independent third party, to sell 60% equity interest in Xinyuan Ronghe (Beijing) Power Co., Ltd.*, an investment holding company engaged in power generation, power transmission, power distribution, power generation technological services and emerging energy technology research and development, at a consideration of RMB1,264,735,140. For details, please refer to the announcement of the Company dated 28 December 2022.

In December 2022, Guangxi Nanning Lvdong New Energy Investment Co., Ltd.*, an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Guangxi SPIC Overseas Energy Investment Limited*, to acquire 79.67% equity interest in SPIC Guangxi Jinzishan Wind Power Limited*, a company engaged in wind power generation, at an adjusted consideration of RMB547,131,500. For details, please refer to the announcements of the Company dated 3 January and 5 January 2023.

Save as disclosed above, the Group did not have any other material acquisitions and disposals during the year under review.

EVENT AFTER THE REPORTING PERIOD

On 31 December 2022, the Company and Xinyuan Green Power (Beijing) Co., Ltd.* (“**Xinyuan Green Power**”), a wholly-owned subsidiary of the Company, entered into a capital injection agreement and a cooperation agreement with CCB Financial Asset Investment Company Limited* (“**CCB Investment**”), pursuant to which CCB Investment agreed to inject an aggregate amount of RMB2,000,000,000 into Xinyuan Green Power. Upon completion, Xinyuan Green Power will be held as to 54.56% by the Company and 45.44% by CCB Investment, and Xinyuan Green Power shall remain as a subsidiary of the Company. For details, please refer to the announcement of the Company dated 3 January 2023.

LIQUIDITY, CASH FLOWS AND FINANCIAL RESOURCES

As at 31 December 2022, cash and cash equivalents of the Group were RMB4,228,099,000 (31 December 2021: RMB1,766,632,000). Current assets amounted to RMB30,885,745,000 (31 December 2021: RMB18,570,390,000), current liabilities amounted to RMB45,925,034,000 (31 December 2021: RMB45,535,822,000) and current ratio was 0.67 (31 December 2021: 0.41).

During the year under review, the Group recorded a net increase in cash and cash equivalents of RMB2,458,965,000 (2021: a net increase of RMB435,245,000 (including cash and cash equivalents as part of the disposal groups classified as held for sale)). For the year ended 31 December 2022:

- net cash generated from operating activities amounted to RMB5,725,614,000 (2021 (restated): RMB1,547,926,000). Significant increase in cash inflow was mainly attributable to the year-on-year surge in operating profit.
- net cash used in investing activities amounted to RMB20,075,107,000 (2021 (restated): RMB18,721,137,000), which mainly represented the cash outflow of capital expenditure on the Group's payments for property, plant and equipment and prepayments for construction of power plants. The increase in cash used was mainly attributable to increased investment in new energy projects to expand our new energy assets portfolio.
- net cash generated from financing activities amounted to RMB16,808,458,000 (2021: RMB17,608,456,000). The decrease in net cash generated, as compared with the previous year, was mainly attributable to the year-on-year decrease in the amount of drawdown of bank borrowings.

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

DEBTS

As at 31 December 2022, total debts of the Group amounted to RMB116,606,464,000 (31 December 2021: RMB105,921,101,000). All debts of the Group are denominated in RMB, Japanese Yen (“JPY”) or United States Dollars (“USD”).

As at 31 December 2022, the Group's gearing ratio, calculated as net debt (being total debts less cash and cash equivalents) divided by total capital (being total equity plus net debt), was approximately 62% (31 December 2021: approximately 67%). The Group's gearing ratio remained stable.

As at 31 December 2022, the amount of borrowings granted by SPIC Financial was approximately RMB2.01 billion (31 December 2021: approximately RMB4.93 billion).

The details of the Group's debt as at 31 December 2022 and 2021 are set out as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Bank borrowings, secured	25,878,250	20,222,644
Bank borrowings, unsecured	53,060,727	56,619,460
Borrowings from related parties	15,134,304	14,666,286
Medium-term notes and super & short-term commercial papers issued by the Company	15,000,000	8,500,000
Super & short-term commercial papers issued by Wu Ling Power Corporation* (“ Wu Ling Power ”)	-	1,020,000
Lease liabilities	3,706,652	3,592,386
Other borrowings	3,826,531	1,300,325
	<u>116,606,464</u>	<u>105,921,101</u>

The above debts are repayable as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	23,977,778	33,258,234
Between one and two years	15,089,720	9,636,677
Between two and five years	34,461,220	23,644,202
Over five years	43,077,746	39,381,988
	<u>116,606,464</u>	<u>105,921,101</u>

Among the above debts, approximately RMB43,065,624,000 (31 December 2021: approximately RMB39,092,805,000) are subject to fixed interest rates, and the remaining debts denominated in RMB are subject to adjustment based on the relevant rules of the People's Bank of China and bearing interest rates ranged from 1.25% to 5.39% (2021: ranged from 1.30% to 5.30%) per annum.

ASSET IMPAIRMENT

When there is any indication of impairment, the Group will conduct an impairment test on assets such as property, plant and equipment and right-of-use assets to assess whether an impairment has occurred.

In 2022, the Group recognized impairment of RMB265,047,000 in total, which mainly included an impairment of goodwill of RMB250,905,000 recognized for two hydropower plants and a coal-fired power plant.

SIGNIFICANT FINANCING ACTIVITIES

Issue of commercial papers

In March 2022, Wu Ling Power issued the fifth tranche of super & short-term commercial papers in the PRC in a principal amount of RMB1 billion at the interest rate of 2.10% per annum and a maturity period of 180 days. The proceeds have been fully applied towards the repayment of existing bank borrowings. Such super & short-term commercial papers can be issued in tranches on a revolving basis with an aggregate principal amount of up to RMB2 billion within the effective term of two years commencing from July 2020.

Issue of debt financing instruments

In August 2021, the Company obtained approval for its application for issuing debt financing instruments (“DFI”) in the interbank bond market in the PRC with an effective registration period of two years commencing from August 2021. Within the effective registration period, the Company is permitted to issue multi-type of DFI, including but not limited to super & short-term commercial papers, short-term commercial papers, medium-term notes, perpetual notes, asset-backed notes and green debt financing instruments in one or multiple tranches.

Under the DFI registration, the Company issued in June, July and September 2022, (i) the first tranche of medium-term notes in a principal amount of RMB2 billion at the interest rate of 3.00% per annum and a maturity period of three years; (ii) the first tranche of super & short-term commercial papers (rural revitalization) in a principal amount of RMB1 billion at the interest rate of 2.10% per annum and a maturity period of 270 days; (iii) the second tranche of medium-term notes in a principal amount of RMB2 billion at the interest rate of 2.99% per annum and a maturity period of three years; (iv) the third tranche of medium-term notes in a principal amount of RMB2 billion at the interest rate of 2.87% per annum and a maturity period of three years; (v) the second tranche of super & short-term commercial papers (old district revitalization) in a principal amount of RMB1 billion at the interest rate of 1.75% per annum and a maturity period of 180 days; and (vi) the fourth tranche of medium-term notes in a principal amount of RMB2 billion at the interest rate of 2.71% per annum and a maturity period of three years, respectively.

Perpetual Debt Investment Contracts

In August 2022, the Central Government adopted a series of follow-up policies for stabilizing the economy as part of its intensified efforts to strengthen the foundation for economic recovery and growth according to the decision made at the executive meeting of the State Council. Among them, it encouraged power generation enterprises to issue energy supply assurance special bonds to enhance the financial strength of these enterprises, promote their reform and transformation, improve their ability to ensure stable energy supply, and thus promote the overall economic recovery and development. Through SPIC, the ultimate controlling shareholder of the Company, the Group has been allocated up to an aggregate amount of approximately RMB11.268 billion of funding in the form of perpetual debt instruments. The perpetual trust funds under the perpetual debt investment contracts enables the Group to expand its financing channels, enhance its cash flow adequacy, and optimize its asset-liability structure and thus its financial position. In 2022, certain subsidiaries and an associate of the Group have received a total of approximately RMB6.06 billion by entering into the perpetual debt investment contracts.

The proceeds from all of the above debt instruments have been fully applied towards the repayment of the existing borrowings and/or replenishment of the working capital of the Group and/or rural and old district revitalization projects.

SHARE INCENTIVE SCHEME

The Company adopted a new share option incentive scheme which was approved by its shareholders at an extraordinary general meeting held on 15 June 2022 (the “**Share Incentive Scheme**”). Under the Share Incentive Scheme, the Company granted a total of 103,180,000 share options in two tranches in July 2022. All the aforesaid grantees are employees of the Company or its controlled subsidiaries. For details, please refer to the announcements of the Company dated 5 and 20 July 2022, respectively.

CAPITAL EXPENDITURE

In 2022, the capital expenditure of the Group was RMB20,332,484,000 (2021 (restated): RMB18,223,972,000). In particular, the capital expenditure for clean energy segments (hydropower, wind power, photovoltaic power and energy storage) was RMB18,082,070,000 (2021 (restated): RMB15,456,991,000), which was mainly applied for the project construction of new power plants and power stations, and the asset purchases related to the energy storage business; whereas the capital expenditure for thermal power segment was RMB1,880,414,000 (2021 (restated): RMB2,447,551,000), which was mainly applied for the project construction of new thermal power generating units and technological upgrade for the existing power generating units. These expenditures were mainly funded by project financing, funds generated from business operations and borrowings from related parties.

PLEDGE OF ASSETS

As at 31 December 2022, the Group pledged certain property, plant and equipment with a net book value of RMB1,849,800,000 (31 December 2021: RMB386,243,000) to certain banks to secure bank borrowings in the amount of RMB741,473,000 (31 December 2021: RMB114,620,000). In addition, certain bank borrowings, borrowings from related parties and lease liabilities totaling RMB26,120,745,000 (31 December 2021: RMB21,242,398,000) were secured by the rights on accounts receivable of the Group. The accounts receivable secured under these borrowings amounted to RMB3,467,887,000 (31 December 2021: RMB2,568,225,000).

CONTINGENT LIABILITIES

As at 31 December 2022, the Group had no material contingent liabilities.

FOREIGN EXCHANGE RISKS

The Group principally operates its businesses in Mainland China with most of its transactions settled in RMB. Apart from certain bank borrowings as well as cash and cash equivalents, the Group’s assets and liabilities are mainly denominated in RMB. The Group held borrowings denominated in JPY and USD during the year. Volatility of RMB exchange rate against JPY and USD may increase the exchange risks of the Group, thus affecting its financial position and operating results. As at 31 December 2022, the Group’s borrowings denominated in foreign currencies amounted to RMB702,940,000 (31 December 2021: RMB281,747,000).

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

FUNDING RISKS

With the Group's stepped-up efforts in developing various new power projects, funding adequacy will have an increasing impact on the Group's operations and development. The financing market is affected by a number of factors such as liquidity of the lending market and the economic environment, which in turn may also affect the effectiveness and costs of the Group's borrowings. The Group has been leveraging its ability to access markets at home and abroad to optimize the sources of fund, increase credit facilities and reduce financing costs.

As at 31 December 2022, the Group had sufficient available undrawn financing facilities amounting to RMB35,092,730,000, and will refinance and restructure existing loan terms when appropriate to safeguard against funding risks.

SOCIAL AND ENVIRONMENTAL GOVERNANCE

Operational Safety

In 2022, there had been no material accidents in relation to employees, facilities and environmental protection of the Group.

Human Resources

As at 31 December 2022, the Group had a total of 10,829 (2021: 10,724) full-time employees.

Energy Saving and Emissions Reduction

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

In 2022, the net coal consumption rate of the Group was 302.37g/kWh, representing an increase of 1.21g/kWh as compared with the previous year. As the generating units maintained high-load operation throughout the summer when energy consumption is higher, coupled with the increased use of coal for mixed combustion in an effort to control and reduce fuel costs, the net coal consumption indicators were affected to a certain extent. During the year under review, the Group was benefitted from the further optimization of the power generation structure after two power generating units of 2,000MW in total commenced commercial operation at Shentou Power Plant II. Meanwhile, the energy-saving and heat supply transformation projects of various power generating units have been completed, which helped maintain the net coal consumption at a lower level.

In 2022, the operational ratio of desulphurization facilities for the coal-fired power generating units of the Group was 100% (2021: 100%), and the efficiency ratio of desulphurization reached 99.39% (2021: 99.35%); while the operational ratio of denitration facilities was 100% (2021: 100%) and the efficiency ratio of denitration reached 89.52% (2021: 89.13%).

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

- the emission rate of sulphur dioxide (SO₂) at 0.070g/kWh, representing a decrease of 0.006g/kWh as compared with the previous year;
- the emission rate of nitrogen oxide (NO_x) at 0.131g/kWh, representing a decrease of 0.008g/kWh as compared with the previous year; and
- the emission rate of flue gas and dusts at 0.008g/kWh, which remained at the same level as that of the previous year.

OUTLOOK FOR 2023

The year 2023 is a crucial year for the “14th Five-Year” plan regarding the significance in its continuity, and a year of opportunities for further deepening the reform and transformation of the power industry. Against the backdrop of proactive and prudent drive to achieve “Carbon Emission Peak and Carbon Neutrality” and accelerated planning and development of a new energy system, the energy industry will enter an era of higher-quality development.

In 2023, pursuing its strategic positioning of “green and low-carbon, innovation-driven”, the Company will accelerate its clean transformation and expand its presence in emerging businesses, and make strenuous efforts in optimizing its asset structure, enhancing operation efficiency and implementing various reform and innovation initiatives, with a focus on the following tasks:

Remaining committed to improving asset quality and enhancing operation capability in the long run. The Company will step up its efforts in improving the quality and efficiency of existing assets, and carry out the professional integration of coal-fired power and natural gas power with low-efficiency innovatively. Further participating in the green power, green certificates and carbon trading market, the Company expects to boost revenue from equity interests with green attributes, further tap into the potential of efficiency improvement and profit growth in the new energy and hydropower segments, thereby maximizing operational efficiency.

Insisting on fixing a balance between principal and emerging businesses while expediting strategic transformation. Firstly, the Company will promote the rapid implementation of large-scale projects such as large-scale new energy base projects and the two “integrated” projects (i.e. integrated power source, grid, load and storage project and integrated multi-energy complementary project). Secondly, the Company will accelerate the development of emerging industries in a bid to achieve new breakthroughs in segments such as electrochemical energy storage, compressed air energy storage, green power transportation, colored photovoltaic and virtual power plants.

Persisting on innovation-driven approach to unleash new momentum for development.

The Company will enhance the research, development and application of advanced technologies, and improve its planning for technological innovation. Based on the advanced energy storage technology of Xinyuan Smart Storage and the comprehensive recycling technology of obsolete photovoltaic modules of Xinyuan Jinwu, the Company will actively apply for setting up provincial and ministerial key laboratories and engineering technology centers. Use of robots and artificial intelligence will be promoted to replace manual operation under “3H” (Height, High Pressure and High Temperature) environment. Furthermore, the Company will advance more rapidly the strategic cooperation with renowned universities and institutions and equipment manufacturers to develop an industry-academia-research alliance and an open, synergistic and efficient research and development system. It will also promote in-depth digital transformation and upgrade its digital infrastructure and data centers, so as to unlock the values of the data resources.

Strategic upgrade with new dimensions to promptly build up the new environmental, social and governance (ESG) brand image.

With highlighting the technology-oriented development, strengthening ESG concepts and brand building of the Group as the focus of its strategic upgrade and development, we will, under the guidance of the Board, seek ways to optimize our ESG governance structure and management system as a listed company in a scientific and effective manner. Meanwhile, we will further promote the integration of ESG into the Group’s production, operation and corporate culture to demonstrate the Company’s image of good governance.

The Group will continue to optimize its development path of transformation, stay committed to green, innovative and high-quality development and accelerate the pace to become a world-class green and low-carbon energy provider in full steam, and create substantial value for all shareholders and the society.

REVIEW OF FINANCIAL STATEMENTS BY AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”), which comprises three independent non-executive Directors, has discussed and reviewed with the management and the auditor of the Company, Ernst & Young, the annual results and the consolidated financial statements for the year ended 31 December 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

In September and October 2022, the Company issued 451,503,136 consideration shares and 1,085,261,526 consideration shares at the price of HK\$4.40 per consideration share under special mandate, respectively. For details, please refer to the announcements of the Company dated 26 September and 26 October 2022.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2022.

CORPORATE GOVERNANCE

The Company always strives to raise the standard of its corporate governance and regards corporate governance as part of value creation. This reflects the commitment of the Board and management on abiding by the standards of corporate governance, as well as our willingness to maintain transparency and accountability to maximize the value of our shareholders as a whole.

The Stock Exchange of Hong Kong Limited published the conclusions to Review of Corporate Governance Code and the associated Listing Rules in December 2021, and introduced the amended Corporate Governance Code as set out in Appendix 14 to the Listing Rule (the “**amended CG Code**”) with most amendments becoming effective for the financial year commencing on or after 1 January 2022. Throughout the year ended 31 December 2022, the Company has strictly complied with all the applicable code provisions of the amended CG Code.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a set of Code of Conduct for Securities Transactions by Directors (the “**Code of Conduct**”), the terms of which are no less than the requirement of Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific inquiries to all Directors, they confirmed that they have fully complied with the Code of Conduct throughout the year ended 31 December 2022.

PUBLICATION OF RESULTS ANNOUNCEMENT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY

This results announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and on the Company’s websites at www.chinapower.hk and www.irasia.com/listco/hk/chinapower/index.htm, respectively.

The 2022 annual report will be sent to those shareholders of the Company who have selected to receive the printed version of corporate communication only, and the soft copy of the 2022 annual report will also be made available for review on the above websites in due course.

** English or Chinese translation, as the case may be, is for identification purpose only.*

By Order of the Board
China Power International Development Limited
HE Xi
Chairman

Hong Kong, 23 March 2023

As at the date of this announcement, the directors of the Company are: executive directors HE Xi and GAO Ping, non-executive directors ZHOU Jie and XU Zuyong, and independent non-executive directors LI Fang, YAU Ka Chi and HUI Hon Chung, Stanley.