CGN NEW ENERGY HOLDINGS CO., LTD.
中國廣核新能源控股有限公司
(incorporated in Bermuda with limited liability)
(Stock code: 1811)

Interim Results Announcement for the Six Months Ended 30 June 2023

HIGHLIGHTS OF THE UNAUDITED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

- Revenue for the six months ended 30 June 2023 amounted to US$1,223.8 million, representing an increase of 7.9% from US$1,133.7 million for the six months ended 30 June 2022.

- Profit attributable to equity shareholders of the Company for the six months ended 30 June 2023 amounted to US$197.8 million, representing an increase of 11.2% from US$177.9 million for the six months ended 30 June 2022.

- The increase in profit for the six months ended 30 June 2023 was mainly attributable to the combined impact of (1) increase in fuel margin of Korea projects; (2) contribution from newly commissioned wind projects; and (3) share of results of associates turned around from loss to profit.

- Earnings per share for the six months ended 30 June 2023 amounted to 4.61 US cents, representing an increase of 11.2% from 4.15 US cents for the six months ended 30 June 2022.

- The Board resolved not to declare an interim dividend for the six months ended 30 June 2023.

The Board announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2023 together with comparative figures for the corresponding period in 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023 – unaudited

	Six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
		(Restated)
Revenue	**1,223,805**	1,133,718
Operating expenses:		
Coal, oil, gas and wood pellet	**601,580**	538,179
Depreciation of property, plant and equipment	**171,578**	170,575
Repair and maintenance	**13,017**	15,526
Staff costs	**49,836**	54,324
Others	**43,214**	25,529
Total operating expenses	**879,225**	804,133
Operating profit	**344,580**	329,585
Other income	**8,372**	27,675
Other losses	**(1,140)**	(2,542)
Finance costs	**(110,943)**	(120,274)
Share of results of associates	**4,150**	(7,813)
Profit before taxation	**245,019**	226,631
Income tax	**(38,075)**	(33,258)
Profit for the period	**206,944**	193,373

	Six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
		(Restated)
Other comprehensive income		
Items that are/may be reclassified subsequently to profit or loss:		
Exchange difference arising on translation of foreign operations	**(59,251)**	(143,297)
Effective portion of changes in fair value of hedging instruments recognized during the period	**(1,078)**	3,281
Deferred tax credited/(charged) arising from fair value change in hedging instruments	**249**	(794)
Reclassification adjustments for amounts transferred to profit or loss		
– release of hedging reserve	**(55)**	(57)
– deferred tax credit arising on release of hedging reserve	**14**	14
Other comprehensive income for the period	**(60,121)**	(140,853)
Total comprehensive income for the period	**146,823**	52,520
Profit for the period attributable to:		
Equity shareholders of the Company	**197,828**	177,914
Non-controlling interests	**9,116**	15,459
	206,944	193,373
Total comprehensive income for the period attributable to:		
Equity shareholders of the Company	**143,181**	43,905
Non-controlling interests	**3,642**	8,615
	146,823	52,520
Earnings per Share		
– Basic *(US cents)*	**4.61**	4.15
– Diluted *(US cents)*	**4.61**	4.15

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023 – unaudited

	30 June 2023	31 December 2022
	US$'000	*US$'000*
		(Restated)
NON-CURRENT ASSETS		
Property, plant and equipment	**5,597,170**	5,812,394
Right-of-use assets	**105,509**	105,248
Goodwill	**150,315**	154,596
Interests in associates	**75,998**	74,268
Deferred tax assets	**18,852**	24,757
Financial assets designated at fair value through other comprehensive income	**3,316**	3,411
Net defined benefit retirement scheme assets	**665**	170
Other non-current assets	**311,446**	276,177
	6,263,271	6,451,021
CURRENT ASSETS		
Inventories	**56,082**	66,328
Trade receivables	**775,080**	739,314
Contract assets	**313,853**	354,219
Other receivables and prepayments	**131,780**	111,458
Amounts due from fellow subsidiaries	**11,395**	5,494
Tax recoverable	**322**	524
Derivative financial instruments	**6,770**	8,300
Pledged bank deposits	**206,848**	152,270
Short-term bank deposits	**16,750**	14,359
Cash and cash equivalents	**341,109**	440,646
	1,859,989	1,892,912

	30 June 2023	31 December 2022
	US$'000	*US$'000*
		(Restated)
CURRENT LIABILITIES		
Trade payables	**129,282**	223,028
Contract liabilities	**3,378**	4,569
Other payables and accruals	**420,855**	483,420
Amounts due to fellow subsidiaries	**113,910**	110,743
Amounts due to non-controlling shareholders – due within one year	**2,223**	899
Loans from fellow subsidiaries – due within one year	**700,521**	651,952
Bank borrowings – due within one year	**459,817**	957,392
Lease liabilities – due within one year	**6,113**	4,864
Government grants	**188**	194
Tax payable	**20,754**	30,390
	1,857,041	2,467,451
NET CURRENT ASSETS/(LIABILITIES)	**2,948**	(574,539)
TOTAL ASSETS LESS CURRENT LIABILITIES	**6,266,219**	5,876,482
NON-CURRENT LIABILITIES		
Other payables and accruals – due after one year	**3,314**	3,409
Amount due to a non-controlling shareholder – due after one year	**1,122**	1,154
Loans from fellow subsidiaries – due after one year	**845,861**	876,591
Bank borrowings – due after one year	**3,710,033**	3,407,088
Lease liabilities – due after one year	**32,252**	32,378
Government grants	**7,001**	7,519
Deferred tax liabilities	**49,540**	48,787
	4,649,123	4,376,926
NET ASSETS	**1,617,096**	1,499,556

	30 June 2023	31 December 2022
	US$'000	*US$'000*
		(Restated)
CAPITAL AND RESERVES		
Share capital	**55**	55
Reserves	**1,469,759**	1,362,170
Total equity attributable to equity shareholders of the Company	**1,469,814**	1,362,225
Non-controlling interests	**147,282**	137,331
TOTAL EQUITY	**1,617,096**	1,499,556

Revenue and Segment Information

The Group has three reportable segments as follows:

(1) Power plants in the PRC – Generation and supply of electricity;

(2) Power plants in Korea – Generation and supply of electricity; and

(3) Management companies – Provision of management services to power plants operated by CGN and its subsidiaries.

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

Six months ended 30 June 2023

	Power plants in the PRC	**Power plants in Korea**	**Management companies**	**Total**
	US$'000	***US$'000***	***US$'000***	***US$'000***
Segment revenue – external	**535,626**	**677,704**	**10,475**	**1,223,805**
Segment results	**206,875**	**56,474**	**499**	**263,848**
Unallocated other income				**41**
Unallocated operating expenses				**(1,849)**
Unallocated finance costs				**(21,171)**
Share of results of associates				**4,150**
Profit before taxation				**245,019**

Six months ended 30 June 2022

	Power plants in the PRC	Power plants in Korea	Management companies	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
Segment revenue – external	532,434	591,380	9,904	1,133,718
Segment results	210,515	37,843	472	248,830
Unallocated other income				30
Unallocated operating expenses				(841)
Unallocated finance costs				(13,575)
Share of results of associates				(7,813)
Profit before taxation				226,631

NOTES

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its Shares are listed on the Main Board of the Stock Exchange in October 2014. The registered office of the Company is at Victoria Place, 31 Victoria Street, Hamilton HM 10, Bermuda. The principal place of business of the Company is at 15/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong. Its immediate holding company is CGN Energy International, a company incorporated in Hong Kong with limited liability and its ultimate holding company is CGN, a state-owned enterprise established in the PRC.

The financial information set out in this announcement does not constitute the unaudited interim financial report of the Group for the six months ended 30 June 2023 but is extracted from that unaudited interim financial report which has been prepared in accordance with the International Accounting Standard ("**IAS**") 34, *Interim Financial Reporting* issued by the International Accounting Standards Board ("**IASB**") as well as with the applicable disclosure provisions of the Listing Rules.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The financial information relating to the financial year ended 31 December 2022 set out in this announcement does not constitute the Group's statutory consolidated financial statements for the year ended 31 December 2022, but is derived from those financial statements.

The consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

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

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following new and amended International Financial Reporting Standards ("**IFRSs**") issued by the IASB to these interim consolidated financial statements for the current accounting period:

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform – Pillar Two model rule*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The standard and the amendments do not have a material impact on these interim consolidated financial statements except as described below:

Amendments to IAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group has applied the initial recognition exemption to lease transactions and did not recognize the related deferred tax in relation to the temporary difference arising from a right-of-use asset and the related lease liability arise from a single transaction. The Group has initially applied the amendments retrospectively as from 1 January 2023 and has therefore restated the comparative information. The following table gives a summary of restatement adjustments recognized for each line item in the consolidated statement of financial position and consolidated statement of profits or loss and other comprehensive income.

	As previously reported *US$'000*	Impact on application of amendments to IAS 12 *US$'000*	As restated *US$'000*
Consolidated statement of financial position at 31 December 2022			
Deferred tax liabilities	48,484	303	48,787
Total non-current liabilities	4,376,623	303	4,376,926
Net assets	1,499,859	(303)	1,499,556
Reserves	1,362,469	(299)	1,362,170
Total equity attributable to equity shareholders of the Company	1,362,524	(299)	1,362,225
Non-controlling interests	137,335	(4)	137,331
Total equity	1,499,859	(303)	1,499,556
Consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2022			
Income tax	33,259	(1)	33,258
Profit for the period	193,372	1	193,373
Total comprehensive income for the period	52,519	1	52,520
Profit for the period attributable to:			
Equity shareholders of the Company	177,911	3	177,914
Non-controlling interests	15,461	(2)	15,459
Total comprehensive income for the period attributable to:			
Equity shareholders of the Company	43,902	3	43,905
Non-controlling interests	8,617	(2)	8,615

MANAGEMENT DISCUSSION AND ANALYSIS

I. Operating Results and Analysis

In the first half of 2023, the revenue of the Group amounted to US$1,223.8 million, representing an increase of US$90.1 million or 7.9% compared with US$1,133.7 million for the first half of 2022. The profit attributable to equity shareholders of the Company amounted to US$197.8 million, representing an increase of US$19.9 million or 11.2% compared with US$177.9 million for the first half of 2022.

The profit for the period of the Group amounted to US$206.9 million, representing an increase of US$13.5 million or 7.0% compared with US$193.4 million for the first half of 2022.

Revenue

In the first half of 2023, the revenue of the Group amounted to US$1,223.8 million, representing an increase of 7.9% compared with US$1,133.7 million for the first half of 2022. The revenue derived from wind projects in the PRC amounted to US$385.2 million, representing an increase of 5.5% compared with US$365.0 million for the first half of 2022, which was mainly attributable to the newly commissioned wind projects. The revenue derived from Korea projects amounted to US$677.7 million, representing an increase of 14.6% compared with US$591.4 million for the first half of 2022, which was mainly attributable to the increase in tariff of Korea Gas-fired projects.

Operating Expenses

In the first half of 2023, the operating expenses of the Group amounted to US$879.2 million, representing an increase of 9.3% compared with US$804.1 million for the first half of 2022. The increase in operating expenses was mainly due to the increase in gas costs of Korea Gas-fired projects.

Operating Profit

In the first half of 2023, the operating profit of the Group, which is equal to revenue minus operating expenses, amounted to US$344.6 million, representing an increase of 4.5% compared with US$329.6 million for the first half of 2022. The increase in operating profit was mainly caused by the newly commissioned wind projects and the increase in fuel margin of Korea projects.

Other Income

Other income of the Group mainly represented income on sales of generating capacity, interest income and government grants. In the first half of 2023, other income of the Group amounted to US$8.4 million, representing a decrease of US$19.3 million compared with US$27.7 million for the first half of 2022. In the first half of 2022, the other income mainly represented sales of generating capacity of US$14.5 million.

Finance Costs

In the first half of 2023, the finance costs of the Group amounted to US$110.9 million, representing a decrease of 7.8% compared with US$120.3 million for the first half of 2022. The decrease in finance costs was mainly attributable to the decrease in weighted average balances of bank borrowings.

Share of Results of Associates

In the first half of 2023, the share of profits of associates amounted to US$4.2 million, representing an increase of US$12.0 million compared with the share of losses of associates of US$7.8 million in the first half of 2022. The increase in profits of the associates was mainly attributable to the decrease in market coal price during the period.

Loss on Disposal of a Subsidiary

In June 2022, the Group entered into an equity transfer agreement to dispose of the entire equity interest in CGN Hubei to CGN Wind Energy at a consideration of RMB200.5 million (equivalent to US$29.9 million). After the disposal was completed in June 2022, the Group disposed of its entire equity interest in CGN Hubei and recognized a loss on disposal of US$67,000 under other losses in the first half of 2022.

Income Tax

In the first half of 2023, the income tax expenses of the Group amounted to US$38.1 million, representing an increase of US$4.8 million compared with US$33.3 million for the first half of 2022, which was mainly due to the increase in profit before taxation.

Liquidity and Capital Resources

The Group's cash and cash equivalents decreased from US$440.6 million as at 31 December 2022 to US$341.1 million as at 30 June 2023, which was primarily due to the effect of the cash generated from operating activities being offset by the cash used in investing and financing activities.

Net Debt/Equity Ratio

The Group's net debt/equity ratio decreased from 3.64 as at 31 December 2022 to 3.32 as at 30 June 2023, which was mainly due to the decrease in bank borrowings.

Interim Dividend

The Board resolved not to declare an interim dividend for the six months ended 30 June 2023.

Earnings per Share

	Six months ended 30 June	
	2023	2022
	US cents	*US cents*
		(Restated)
Earnings per share, basic and diluted – calculated based on the number of ordinary shares for the period	**4.61**	4.15
	US$'000	*US$'000*
Earnings for the purposes of calculating basic and diluted earnings per share (profit for the period attributable to ordinary equity shareholders of the Company)	**197,828**	177,914
	'000	*'000*
Number of ordinary shares for the purposes of calculating basic and diluted earnings per share	**4,290,824**	4,290,824

Trade Receivables

	30 June 2023	31 December 2022
	US$'000	*US$'000*
Trade receivables – contracts with customers	**788,282**	751,352
Less: allowance for credit losses	**(13,202)**	(12,038)
	775,080	739,314

The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period, which approximated the revenue recognition dates.

	30 June 2023	31 December 2022
	US$'000	*US$'000*
0 – 60 days	**232,385**	340,956
61 – 90 days	**28,762**	16,301
91 – 180 days	**61,585**	47,574
Over 180 days	**452,348**	334,483
	775,080	739,314

As at 30 June 2023, the Group's trade receivables balances included receivables with aggregate carrying amount of US$150.2 million (31 December 2022: US$317.8 million) from the sales of electricity and other services, which are due within 30 to 90 days from the date of billing.

As at 30 June 2023, the Group's trade receivables balances included receivables with aggregate carrying amount of US$624.9 million (31 December 2022: US$421.5 million) from the tariff income receivables. These receivables are tariff income receivables from relevant government authorities pursuant to the Cai Jian [2020] No.5 Notice on the Measures for Administration of Subsidy Funds for Tariff of Renewable Energy (財建[2020]5號《可再生能源電價附加補助資金管理辦法》). The collection of tariff income receivables is subject to settlement by state grid companies upon finalization of the allocation of funds by relevant PRC government authorities to the state grid companies. As a result, the tariff income receivables are not considered as overdue or in default. The tariff income receivables have been approved by the relevant government authorities and are expected to be recovered within the Group's normal operating cycle but maybe beyond 12 months from the reporting date. Based on the historical settlement record and forward-looking information that was available without undue cost or effort as at 30 June 2023, the Directors consider that the receivables are not credit-impaired and not considered as in default.

The Group does not hold any collateral over the trade receivables balances.

Contract Assets

	30 June 2023 *US$'000*	31 December 2022 *US$'000*
Tariff income from sales of renewable energy	**322,186**	364,333
Less: allowance for credit losses	**(8,333)**	(10,114)
	313,853	354,219

The contract assets represented tariff income receivables from sales of renewable energy to the local state grid in the PRC, with such amounts pending approval for registration in the Renewable Energy Tariff Subsidy List (the "**List**") by the relevant government authorities. The contract assets are transferred to trade receivables when the relevant right becomes unconditional, upon the registration of the Group's respective operating power plants in the List.

Trade Payables

The following is an ageing analysis of trade payables reported based on the invoice date at the end of the reporting period.

	30 June 2023	31 December 2022
	US$'000	*US$'000*
0 – 60 days	**115,695**	216,279
61 – 90 days	**87**	1,084
Over 90 days	**13,500**	5,665
Total	**129,282**	223,028

The average credit period on purchases of goods was 24 days (31 December 2022: 27 days) for the six months ended 30 June 2023. The Group has financial risk management policies in place to ensure all payables are settled within the credit period.

Financial Position

Non-current assets decreased from US$6,451.0 million as at 31 December 2022 to US$6,263.3 million as at 30 June 2023. The decrease was mainly due to the decrease in property, plant and equipment during the six months ended 30 June 2023.

Current assets decreased from US$1,892.9 million as at 31 December 2022 to US$1,860.0 million as at 30 June 2023. The decrease was mainly due to the decrease in cash and cash equivalents.

Current liabilities decreased from US$2,467.5 million as at 31 December 2022 to US$1,857.0 million as at 30 June 2023. The decrease was mainly due to the decrease in short-term bank borrowings and trade payables.

Non-current liabilities increased from US$4,376.9 million as at 31 December 2022 to US$4,649.1 million as at 30 June 2023. The increase was mainly due to the increase in long-term bank borrowings.

Bank Borrowings

The Group's total bank borrowings decreased from US$4,364.5 million as at 31 December 2022 to US$4,169.9 million as at 30 June 2023. Details of bank borrowings are as follows:

	30 June 2023 *US$'000*	31 December 2022 *US$'000*
Secured	**3,473,764**	2,864,220
Unsecured	**696,086**	1,500,260
	4,169,850	4,364,480

The maturity profile of bank borrowings is as follows:

Within 1 year	**459,817**	957,392
After 1 year but within 2 years	**1,104,079**	397,449
After 2 years but within 5 years	**1,037,061**	1,369,181
Over 5 years	**1,568,893**	1,640,458
	3,710,033	3,407,088
	4,169,850	4,364,480

As at 30 June 2023, the Group had unutilized banking facilities of US$1,566.0 million (31 December 2022: US$2,022.5 million).

Loans from Fellow Subsidiaries

As at 30 June 2023, the amounts represent:

	Notes	**30 June 2023** ***US$'000***	31 December 2022 *US$'000*
Loans from fellow subsidiaries – due within 1 year:			
CGN Finance	*i(a)*	**184,057**	106,335
CGN Wind Energy	*ii*	**516,464**	545,617
		700,521	651,952
Loans from fellow subsidiaries – due after 1 year:			
CGN Finance	*i(b)*	**145,861**	176,591
CGNPC Huasheng	*iii*	**250,000**	250,000
China Clean Energy Development Limited ("**China Clean Energy**")	*iv*	**450,000**	450,000
		845,861	876,591

Notes:

(i)(a) Loans from CGN Finance of RMB1,306.1 million (equivalent to US$182.3 million) (31 December 2022: RMB706.1 million (equivalent to US$101.4 million)) are unsecured, interest bearing ranged from 3.20% to 3.65% (31 December 2022: 3.45% to 4.21%) per annum and repayable within one year; and

Loans from CGN Finance of RMB12.5 million (equivalent to US$1.7 million) (31 December 2022: RMB34.4 million (equivalent to US$4.9 million)) are unsecured, interest bearing at RMB Loan Prime Rate announced by the PRC National Interbank Funding Center ("**RMB Loan Prime Rate**") minus 0.60% to 1.00% (31 December 2022: RMB Loan Prime Rate minus 0.60% to 1.00%) per annum and repayable within one year.

(i)(b) Loans from CGN Finance of RMB58.6 million (equivalent to US$8.2 million) (31 December 2022: RMB61.7 million (equivalent to US$8.9 million)) are unsecured, interest bearing ranged from 3.60% to 3.65% (31 December 2022: 3.60% to 4.21%) per annum and repayable in 2030 to 2035 (31 December 2022: 2030 to 2035); and

Loans from CGN Finance of RMB986.4 million (equivalent to US$137.7 million) (31 December 2022: RMB1,168.2 million (equivalent to US$167.7 million)) are unsecured, interest bearing at the RMB Loan Prime Rate minus 0.60% to 1.35% (31 December 2022: RMB Loan Prime Rate minus 0.60% to 1.35%) per annum and repayable in 2032 to 2040 (31 December 2022: 2031 to 2040).

(ii) Loans from CGN Wind Energy of RMB3,700.0 million (equivalent to US$516.5 million) (31 December 2022: RMB3,800.0 million (equivalent to US$545.6 million)) are unsecured, interest bearing at 3.20% (31 December 2022: 3.50%) per annum and repayable within one year.

(iii) Loans from CGNPC Huasheng of US$250.0 million (31 December 2022: US$250.0 million) are unsecured, interest bearing at 3 months London Interbank Offered Rate plus 1.30% (31 December 2022: 3 months London Interbank Offered Rate plus 1.30%) per annum and repayable in August 2024.

(iv) Loans from China Clean Energy of US$450.0 million (31 December 2022: US$450.0 million) are unsecured, interest bearing at 4.50% (31 December 2022: 4.50%) per annum and repayable in 2025.

Capital Expenditures

The Group's capital expenditures decreased by US$61.0 million to US$184.0 million in the first half of 2023 from US$245.0 million in the first half of 2022, which was mainly due to the decrease in capital expenditures incurred by the wind and solar power projects.

Contingent Liabilities

As at 30 June 2023 and 31 December 2022, the Group had no material contingent liabilities.

Pledged Assets

The Group pledged certain property, plant and equipment, trade receivables, contract assets and bank deposits for credit facilities granted to the Group. As at 30 June 2023, the total carrying amount of the pledged assets of the Group amounted to US$1,900.2 million (31 December 2022: US$1,785.0 million).

Employees and Remuneration Policy

As at 30 June 2023, the Group had about 1,856 full-time employees, the majority of which were based in China. The Group provides its employees with salaries and bonuses, as well as employee benefits, including retirement schemes, medical and life insurance schemes.

Employees located in China are covered by the mandatory social security schemes required by local practice and regulations of the PRC, which are essentially defined contribution schemes. The Group is required by the PRC law to contribute a certain percentage of the average salaries of the employees to various schemes in accordance with the respective regulatory requirements of each city in China. The PRC government is directly responsible for the payment of the benefits to these employees.

In Hong Kong, the Group participates in a mandatory provident fund scheme established under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). Employees contribute 5.0% of their relevant income to the mandatory provident fund scheme and the Group contributes 10.0% of each employee's monthly base salary.

In Korea, the Group is required by law to contribute 4.5% of the employees' monthly average salaries for the national pension, 3.545% for national health insurance (12.81% of the national health insurance contribution for long term care insurance), 1.15% for unemployment insurance, 1.06% (Seoul Office)/0.804% (Yulchon)/0.804% (Daesan) for the industrial accident compensation insurance and 0.06% for a wage claim guarantee fund.

II. Industry Overview

China's Power Market:

According to the data published by the NEA, from January to June 2023, the electricity consumption of the society was 4,307.6 TWh, representing an increase of 5.0% from the same period of last year. As of the end of June 2023, the installed power generation capacity of the PRC amounted to 2,707.7 GW, representing an increase of 10.8% from the same period of last year. In particular, the accumulated installed wind power capacity reached 389.2 GW, representing an increase of 13.7% from the same period of last year, while the accumulated installed solar power capacity recorded 470.7 GW, representing an increase of 39.8% from the same period of last year.

In a white paper titled "China's Green Development in the New Era"(《新時代的中國綠色發展》) issued by the State Council Information Office in January 2023, China applies the principle of building the new before discarding the old in a well-planned way. With growing capacity to ensure energy supply, it has moved faster to build a new energy system. The proportion of clean energy sources has increased significantly. Success has been achieved in the green and low-carbon transformation of the country's energy mix. The white paper also emphasized that China will keep to the path of green development, continue to build an eco-civilization, and strive to realize development with a higher level of quality, efficiency, equity, sustainability and security.

In March 2023, Mr. Li Keqiang, the then Premier of the State Council, noted in the government work report that the main projected targets for development in 2023 are continued reductions in energy consumption per unit of GDP and in the discharge of major pollutants, with priority on controlling fossil fuel consumption; steady improvements in the quality of the eco-environment; to move faster to develop a new energy system; to improve the policies for green development; to develop the circular economy, and promote efficient and intensive use of resources; and to advance energy conservation and reduce carbon emissions and pollution in key areas.

The "Guiding Opinions on Energy Work in 2023" (《2023年能源工作指導意見》) issued by the NEA in April 2023 clarified that: (1) the annual installed power generation capacity reached about 2,790 GW, installed capacity of wind and solar power increased by approximately 160 GW, and the share of installed power generation capacity of non-fossil energy increased to approximately 51.9%; (2) connection of the first batch of large-scale wind and solar power base projects focusing on deserts, gobi and barren lands to the grid and the official operation of which, and construction of the second and third batch of projects were encouraged. Other goals include the active promotion of large-scale development of solar and thermal power generation, progress in the establishment of offshore wind power bases, and commencement of the construction of offshore solar farms; vigorous promotion of the construction of distributed onshore wind power and distributed photovoltaic power generation projects; promotion of the full coverage of green certificate issuance and seamless integration with carbon trading, and improvement of the renewable energy consumption guarantee mechanism based on green certificates; (3) the goal to strengthen energy construction to help rural revitalization, the implementation of wind and solar power across villages and households in rural areas; to carry out pilot projects of energy revolution in rural areas to expedite migration to clean energy and low-carbon development; (4) the goal to accelerate the construction of ultra-high voltage projects, promote preliminary work of cross-provincial transmission channels, and enhance the ability of cross-provincial and regional power mutual assistance.

"The Blue Book on the Development of New Power Systems" (《新型電力系統發展藍皮書》) issued by the NEA in June 2023 took 2030, 2045 and 2060 as important time nodes for the construction of new power systems, and formulated a "three-step" development approach for new power systems, with key tasks including the coordination of hydropower development and ecological protection, active development of nuclear power in a safe and orderly manner, vigorous promotion of the development and construction of new energy sources, rational distribution of clean and efficient thermal power, and the development of biomass power generation in accordance with local conditions; promotion of multi-energy complementarity of new energy and regulatory power supply, the integrated development of power generation, grid, load and storage, and promotion of the construction of system-friendly "new energy + energy storage" power stations.

Ever since the dual carbon goals were proposed, the total installed capacity of renewable energy in China has increased significantly. In order to ensure the sustainability of high-quality development of the new energy industry, in the middle of the "14th Five-Year Plan", the state and local governments have intensively introduced policies to steer the development of the industry.

Regulation over the Lands for Wind and Solar Power Projects:

As China enters a new era of socialism, it is inevitable to take the road of high-quality development, and strictly monitor and observe important ecological thresholds so as to develop new energy while safeguarding permanent basic farmland and various types of special land. In light of the above, the state has promulgated a series of policy in connection with the regulation over lands for wind and solar power projects, including the "Rules for Judging the Legality of Land Satellite Film Law Enforcement Patterns" (《土地衛片執法圖斑合法性判定規則》) issued and revised by the General Office of the Ministry of Natural Resources in March 2023; the "Notice on Supporting the Development of Photovoltaic Power Generation Industry Regulated Land Management Related Work" (《關於支持光伏發電產業發展規範用地管理有關工作的通知》) jointly issued by the Ministry of Natural Resources, the National Forestry and Grassland Administration, and the NEA in March 2023; the "Notice on Deepening the Reform of Consolidated Examination and Certificates for Land-use Planning" (《關於深化規劃用地「多審合一、多證合一」改革的通知》) issued by the Ministry of Natural Resources in May 2023.

Rational Allocation and Use of Resources:

With the rapid development of the renewable energy industry in recent years, while most wind and solar power projects are now grid-connected, the grid system is now subject to the volatility and periodicity of new energy. Therefore, the state has issued policies to further encourage pumped storage and new energy storage power stations to regulate the allocation of resources, so as to achieve synchronous development and step forward with new energy. In May 2023, the NEA issued the "Notice on Matters related to the Further Planning and Construction of Pumped Storage" (《關於進一步做好抽水蓄能規劃建設工作有關事項的通知》); in May 2023, the NDRC issued the "Notice on the Capacity Tariff of Pumped Storage Power Stations and Related Matters" (《關於抽水蓄能電站容量電價及有關事項的通知》); and in June 2023, the NEA issued the "Technical Guidelines for New Energy Storage Planning for Cross-province Transmission Configuration of New Energy Bases" (《新能源基地跨省區送電配置新型儲能規劃技術導則》).

Construction of a New Energy System:

In order to achieve the goals of dual carbon, it is necessary to build a power system based on smart grid as a platform, and supported by the interaction of power generation, grid, load and storage and multi-energy complementarity. All types of energy entities should develop in a balanced manner, and other energy supplies such as oil and gas, solar thermal, and distributed energy should develop in tandem with new energy sources. In March 2023, the NEA issued the "Action Plan for Accelerating the Integrated Development of Oil and Gas Exploration and Development and New Energy (2023-2025)" (《加快油氣勘探開發與新能源融合發展行動方案(2023-2025年)》); in April 2023, the NEA issued the "Notice on Matters related to Promoting Large-scale Development of Solar Thermal Power Generation"(《關於推動光熱發電規模化發展有關事項的通知》); in April 2023, the NEA issued the "Guiding Opinions on Strengthened Stability of New Power Systems (Consultation Draft)" (《關於加強新型電力系統穩定工作的指導意見(徵求意見稿)》); and in May 2023, the NEA issued the "Notice on the Comprehensive Supervision of the Construction and Operation of Regulatory Power Supplies in the Power System"(《關於開展電力系統調節性電源建設運營綜合監管工作的通知》).

Opportunities for Offshore Wind Power ahead:

During the "14th Five-Year Plan" period, the rapid development of the new energy industry, with the spread of onshore wind and photovoltaic power, land resources have become a scarcity, and the state has begun to guide all sectors of society to invest more attention in offshore wind power with broad prospects and clear planning. In recent years, China's offshore wind power has achieved a major breakthrough from scratch, from small to large, from slow development to leap-forward development, the scale of development and utilization continued to expand, the industrial chain capacity and technical level continued to improve, support management policies and planning continued to improve, and the development foundation is gradually consolidated.

In January 2023, the NEA issued the "Key Tasks of Power Safety Supervision in 2023" (《2023年電力安全監管重點任務》), proposing to carry out special supervision of offshore wind power construction safety. The "Notice on Promoting the Work of Three-dimensional Establishment of Maritime Areas (Consultation Draft)" (《關於推進海域立體設權工作的通知(徵求意見稿)》) issued by the Ministry of Natural Resources in June 2023 clarified that for the exclusive use of a specific three-dimensional space in the sea area, where other three-dimensional spaces in the same sea area can continue to be used exclusively, the right to use the sea area can be set only for the corresponding three-dimensional space in the sea area used by it. The Notice will further promote the transformation of the national marine area management from "plane" to "three-dimensional", promote the intensive and economical utilization of marine resources, promote the high-quality development of the marine economy, and marine wind and photovoltaic power project will be deeply integrated with the development of multi-industries.

Expanding the Green Electricity and Green Certificate Trading Market:

In February 2023, the NDRC, the Ministry of Finance, and the NEA jointly issued the "Notice on Matters related to Green Electricity Projects Subsidized by the Central Government to Participate in Green Electricity Trading" (《關於享受中央政府補貼的綠電項目參與綠電交易有關事項的通知》), stating that all renewable energy projects (including subsidized projects and grid-parity projects) will participate in market-based trading of green electricity. The Notice proposed to expand the scale of green electricity in the market, on the basis of promoting the full participation in grid-parity renewable energy projects in green electricity trading, it will steadily promote the participation in green electricity projects that enjoy national renewable energy subsidies in green electricity trading. The Notice also clarified that the power grid can include guaranteed power supply into the markets trading of green electricity and green certificates.

In April 2023, China Southern Power Grid Co., Ltd. issued the "Work Plan for the Construction of Green Electricity and Green Certificate Markets in the Southern Region" (《南方區域綠電綠證市場建設工作方案》), which suggested to improve the incentive mechanism for green electricity consumption, expand the supply of green electricity, and promote a green and low-carbon production and lifestyle throughout the society from the perspectives of platform, consumption, generation, and grid. It aims at optimizing the scope of participation in green electricity trading for entities and improving the trading mechanism of green electricity and green certificates through improving the rules and mechanisms. The Plan promotes the full participation in grid-parity wind and photovoltaic projects in green electricity trading, steadily promotes the direct participation into the green electricity trading of wind and photovoltaic projects that enjoy central government subsidies, or entrusts power grid enterprises to participate in green electricity trading on their behalf, and promotes the continuous growth of the market.

Further Standardizing Regional and Inter-provincial Grid Transmission and Distribution Tariff:

In May 2023, the NDRC issued the "Notice on Grid Transmission and Distribution Tariff of Provincial Grid and Related Matters for the Third Regulatory Period" (《關於第三監管週期省級電網輸配電價及有關事項的通知》), announcing the grid transmission and distribution tariff of provincial power grid for 2023-2026, which has been implemented from 1 June this year. The grid transmission and distribution tariff of provincial grid for the third regulatory period were approved under strict cost supervision, which has further deepened the reform of the grid transmission and distribution tariff. This round of grid transmission and distribution tariff reform has important impact on improving the grid transmission and distribution tariff supervision system, as well as the acceleration of the construction of the power market. The Notice clarified that the tariff for industrial and commercial users shall comprise the on-grid tariff, the on-grid loop line loss charge, the transmission and distribution tariff, the system operation charge, and government funds and surcharges, with the system operation charge comprising the ancillary services charge, the pumped storage capacity charge, etc. The on-grid loop line loss charge is calculated on the basis of the actual purchased on-grid tariff and the composite line loss rate. The Notice proposed that, for customers who are subject to the tariff for industrial and commercial (or that of large-scale industrial or general industrial and commercial), the unitary tariff will be applied to those with electricity consumption capacity of 100 kVA and below; for those with electricity consumption capacity of 100 kVA to 315 kVA, they may choose to be subject to the unitary or two-part tariff; for those with electricity consumption of 315 kVA and above, they will be subject to the two-part tariff, and those who are currently subject to the unitary tariff may choose to be subject to either the unitary or two-part tariff. The existing unitary tariff users can choose to implement either the unitary tariff or the two-part tariff. Provinces across the country have responded to the national policy by adjusting the peak, normal, and off-peak time-of-use tariff mechanism, setting peak and off-peak tariffs, and further deepening the reform of the power market while improving the grid transmission and distribution tariff.

Korea's Power Market:

As the Korean power market is undergoing a transformation of energy structure, it is expected that there would be an increase in the use of renewable energy and more natural gas power plants in the future. As the operation of new power plants would intensify the competition in the power market, the profitability of Korean gas-fired power generation companies was hindered.

III. Business Review

The Group's portfolio of assets comprises wind, solar, gas-fired, coal-fired, oil-fired, hydro, cogen, fuel cell and biomass projects, which are in the PRC and Korea power markets. Our business in the PRC covers 19 provinces, two autonomous regions and a municipality with wide geographical coverage and diversified business scope. As of 30 June 2023, the operations in the PRC and Korea accounted for approximately 75.9% and 24.1% of the Group's attributable installed capacity of 8,978.0 MW respectively. Clean and renewable energy projects (namely wind, solar, gas-fired, hydro, fuel cell and biomass projects) accounted for 82.6% of our attributable installed capacity; and conventional energy projects (namely coal-fired, oil-fired and cogen projects) accounted for 17.4% of our attributable installed capacity.

The following table sets out the results of the Group (by fuel type):

US$' million	Korea Projects	PRC Coal-fired, Cogen and Gas-fired Projects	PRC Hydro Projects	PRC Wind Projects	PRC Solar Projects	Corporate	Total
For the six months ended 30 June 2023							
Revenue	**677.7**	**68.1**	**3.5**	**385.2**	**67.6**	**21.7**	**1,223.8**
Operating expenses	**(607.9)**	**(62.6)**	**(2.7)**	**(147.9)**	**(30.2)**	**(27.9)**	**(879.2)**
Operating profit	**69.8**	**5.5**	**0.8**	**237.3**	**37.4**	**(6.2)**	**344.6**
Profit for the period	**41.5**	**8.1**	**0.8**	**179.7**	**27.2**	**(50.4)**	**206.9**
Profit attributable to equity shareholders of the Company	**41.5**	**6.9**	**0.8**	**172.8**	**26.2**	**(50.4)**	**197.8**
For the six months ended 30 June 2022 (Restated)							
Revenue	591.4	77.8	13.2	365.0	71.8	14.5	1,133.7
Operating expenses	(540.5)	(71.4)	(5.0)	(130.0)	(30.3)	(26.9)	(804.1)
Operating profit	50.9	6.4	8.2	235.0	41.5	(12.4)	329.6
Profit for the period	28.9	11.6	5.9	177.2	28.5	(58.7)	193.4
Profit attributable to equity shareholders of the Company	28.9	4.9	5.8	169.9	27.1	(58.7)	177.9

Korea Projects

The increase in profit for the period from US$28.9 million to US$41.5 million was mainly attributable to the increase in fuel margin and the increase in power generation from Yulchon I Power Project.

PRC Coal-fired, Cogen and Gas-fired Projects

The decrease in profit for the period from US$11.6 million to US$8.1 million was mainly attributable to the decrease in income on sales of generating capacity by US$14.5 million, which was partly offset by the increase in share of results of associates by US$12.0 million.

PRC Wind Projects

Starting from the second half of 2022, the Group's newly commissioned attributable installed capacity of wind projects amounted to 458.7 MW. The increase in revenue was mainly attributable to contribution from the newly commissioned wind projects. Overall, the operating profit increased to US$237.3 million.

PRC Solar Projects

Starting from the second half of 2022, the Group's net newly commissioned attributable installed capacity amounted to 41.5 MW. Due to the unstable solar resources in the first half of 2023, the average utilization hours of the solar projects decreased compared with the first half of 2022. Overall, the operating profit slightly decreased to US$37.4 million.

Installed Capacity

The attributable installed capacity of the Group's power assets as at 30 June 2023 and 30 June 2022 by fuel type are set out as follows (MW):

	As at	
	30 June 2023	30 June 2022
Clean and renewable energy portfolio		
Wind	**4,419.1**	3,960.4
Solar	**1,178.3**	1,136.8
Gas-fired	**1,655.0**	1,655.0
Hydro	**56.3**	94.1
Biomass	**109.5**	109.5
Subtotal	**7,418.2**	6,955.8
Conventional energy portfolio		
Coal-fired	**989.8**	989.8
Oil-fired	**507.0**	507.0
Cogen	**63.0**	63.0
Subtotal	**1,559.8**	1,559.8
Total attributable installed capacity	**8,978.0**	8,515.6

As of 30 June 2023, the Group's attributable installed capacity reached 8,978.0 MW, representing an increase of 462.4 MW or 5.4% from the same period of last year, of which the wind power and solar power accounted for 62.3% of the Group's attributable installed capacity. The attributable installed capacity of wind power amounted to 4,419.1 MW, representing an increase of 458.7 MW or 11.6% from the same period of last year; whereas the attributable installed capacity of solar power amounted to 1,178.3 MW, representing an increase of 41.5 MW or 3.7% from the same period of last year. As of 30 June 2023, the Consolidated Installed Capacity of the Group's power plants reached 8,226.0 MW. It is expected that the growth of new operating capacity in 2023 will remain steady.

In terms of wind power business development, in the second half of 2022, the Group's newly commissioned attributable installed capacity of wind power was 458.7 MW, mainly distributed by region as follows: (1) 130.0 MW in Shandong Province, (2) 120.8 MW in Gansu Province, (3) 76.5 MW in Jiangsu Province, (4) 56.3 MW in Guangxi Zhuang Autonomous Region, (5) 35.2 MW in Hunan Province, (6) 20.1 MW in Qinghai Province, (7) 10.0 MW in Inner Mongolia Autonomous Region and (8) 9.8 MW in Henan Province.

In terms of solar power business development, in the second half of 2022, the newly commissioned attributable installed capacity of solar power of the Group was mainly distributed by region as follows: (1) 50.0 MW in Anhui Province. In the first half of 2023, the Group disposed of a 8.48 MW distributed rooftop photovoltaic power project in Hunan Province.

As of 30 June 2023, the Group had 3 major projects under construction with gross installed capacity of 450 MW and an attributable installed capacity of 390 MW: a 200 MW solar power project in Jiangsu Province; a 100 MW solar power project in Hainan Province; a 150 MW (60% held) natural gas distributed project in Hubei Province.

In the second half of 2022, the attributable installed capacity of the hydro projects of the Group decreased by 37.8 MW, as the cooperation of the Group's Fushi I hydro project in the Guangxi Zhuang Autonomous Region with a local partner ended and the hydro power station was officially handed over to the local partner for operation and management.

Development of Preliminary Projects

In the first half of 2023, a deployment meeting for central enterprises to accelerate the development of strategic emerging industries was held by the State-owned Assets Supervision and Administration Commission of the State Council, calling for "central enterprises to develop strategic emerging industries and create world-class products, services and brands". As a central power enterprise, the Company proactively responds to the requirements of the state; focuses on expanding industrial scale, improving efficiency and efficacy, and leading technological revamp and upgrade; insists on increasing investment; adheres to categorized management and an innovation-driven approach; explores and implements the development strategy of new energy industrialization; builds a new ecosystem; and identifies and builds core competitiveness by way of specialization. The migration to specialization, consolidation and lean production will create opportunities for professional integration in central enterprise.

Safety Management

In the development of the Company, we adhere to General Secretary Xi Jinping's important statement on safe production and ecological civilization as the fundamental thought, people-centred development and people-first, life-first doctrine in order to achieve goals including zero major injury, zero major equipment damage liability accidents and zero environmental penalties to protect the life and safety of our employees. In 2023, the Company will focus on strengthening our foundation, construction of the safety, quality and environment system and safety culture, and consolidation of our staff responsibility system, risk control and screening of potential safety hazards; continue to strengthen our legal, standardized and digital construction, and implement independent management, comprehensively consolidate the foundation of the Company's safety, quality and environmental management. In general, we have managed to maintain a safe production environment and also a highly stable safety profile.

Construction Work

In 2023, the Company has sticked to the general position to seek progress while maintaining stability, adopted "Stringency, Prudence, Meticulosity and Pragmatism" approach and put enhanced management into practice to further build our core capabilities in engineering construction management and achieve the goal of building itself as a first-class new energy enterprise. These are largely manifested by expedited transformation in the early stage of projects, enhanced operation via close management along different chains of projects, key execution of core performance objectives and targeted improvement over deficiencies of projects, and optimized talent training and development programs.

Power Generation

The power generation (GWh) by the projects of the Group are set out as follows:

	For the six months ended 30 June	
	2023	2022
PRC Wind Projects	**5,601.1**	4,800.1
PRC Solar Projects	**848.1**	841.8
PRC Cogen and Gas-fired Projects	**153.8**	148.6
PRC Hydro Projects	**94.3**	284.9
Korea Projects	**3,443.3**	3,441.6
Total	**10,140.6**	9,517.0

In 2023, based on a goal-oriented approach, the Company has prioritized our work plans using back scheduling, further promoted the rectification of collector lines, pre-warning system of equipment operation, and the management of high-risk equipment. We have also closely monitored the development trend of the industry, explored new modes of production, operation, maintenance and management of the new industry, and excelled in key tasks including personnel training, safety guarantee, equipment management, technical supervision, quality and efficiency improvement, and digital transformation. We are committed to the construction of core index systems to guarantee stable power supply. For the six months ended 30 June 2023, the electricity generated by the Group's consolidated power generation projects amounted to 10,140.6 GWh, representing an increase of 6.6% from 9,517.0 GWh for the six months ended 30 June 2022. The increase in power generation was mainly due to the contribution from newly commissioned wind projects. The electricity generated by PRC wind projects and PRC solar projects reached 5,601.1 GWh and 848.1 GWh, representing growth rates of 16.7% and 0.7%, respectively.

The power generation from PRC cogen and gas-fired projects reached 153.8 GWh, representing an increase of 3.5% as compared with the same period in 2022, mainly due to the increase in local demand.

The power generation from PRC hydro projects reached 94.3 GWh, representing a decrease of 66.9% as compared with the same period in 2022, mainly due to the end of the cooperation between the Group's Fushi I hydro project in Guangxi Zhuang Autonomous Region and the local partner. In September 2022, the hydro power station was officially handed over to the local partner for operation and management, resulting in a decrease in power generation from PRC hydro projects in 2023.

The power generation from Korea projects reached 3,443.3 GWh, mainly from gas-fired and biomass projects, remaining constant as compared with the same period in 2022.

The total volume of steam sold by the Group amounted to 1,534,000 tonnes, representing a decrease of 5.8% as compared with the six months ended 30 June 2022.

The following table sets out the average utilization hour applicable to the Group's power projects:

Average utilization hour by fuel type *(1)*

	For the six months ended 30 June	
	2023	2022
PRC Wind Projects *(2)*	**1,185**	1,148
PRC Solar Projects *(3)*	**663**	684
PRC Coal-fired Projects *(4)*	**2,332**	2,347
PRC Cogen Projects *(5)*	**2,175**	2,037
PRC Hydro Projects *(6)*	**1,381**	2,303
Korea Gas-fired Projects *(7)*	**1,947**	1,969

Notes:

(1) Average utilization hour is the gross electricity generated in a specified period divided by the average installed capacity in the same period.

(2) Average utilization hours of the PRC wind projects in major regions such as Gansu Province, Henan Province and Jiangsu Province in the first half of 2023 were 968 hours, 1,375 hours and 1,450 hours, respectively. Average utilization hours for the PRC wind power projects slightly increased mainly because of the better overall wind resources in the first half of 2023.

(3) Average utilization hours of the PRC solar projects operating in major regions such as Inner Mongolia Autonomous Region, Anhui Province and Qinghai Province were 885 hours, 566 hours and 805 hours, respectively, in the first half of 2023. Average utilization hours for the PRC solar power projects slightly decreased mainly because of the unstable solar resources in the first half of 2023.

(4) Average utilization hours for the PRC coal-fired projects remained stable in the first half of 2023.

(5) Average utilization hours for the PRC cogen projects increased in the first half of 2023 mainly due to the increase in power generation arising from the increase in local demand.

(6) Average utilization hours of the PRC hydro projects decreased substantially in the first half of 2023 mainly due to the unstable water inflows in Sichuan Province and Guangxi Zhuang Autonomous Region.

(7) Average utilization hours of the Korea gas-fired projects decreased mainly due to the lower electricity generation of Yulchon II Power Project as a result of a decrease in the load of power grid dispatch in the first half of 2023.

The table below sets out the weighted average tariffs (inclusive of value-added tax ("**VAT**")) applicable to our projects in the PRC and Korea for the periods indicated:

Weighted average tariff – Electricity (inclusive of VAT) *(1)*

	Unit	For the six months ended 30 June 2023	2022
PRC Wind Projects *(2)*	RMB per kWh	**0.57**	0.59
PRC Solar Projects *(3)*	RMB per kWh	**0.64**	0.66
PRC Coal-fired Projects	RMB per kWh	**0.50**	0.51
PRC Cogen Projects *(4)*	RMB per kWh	**0.47**	0.48
PRC Hydro Projects	RMB per kWh	**0.27**	0.35
Korea Gas-fired Projects *(5)*	KRW per kWh	**259.82**	209.43
Weighted average tariff – Steam (inclusive of VAT)*(1)*			
PRC Cogen Projects *(6)*	RMB per ton	**272.90**	281.46

Notes:

(1) The weighted average tariffs are affected not only by the change in the tariff for each project but also the change in net power generation for each project.

(2) The weighted average tariff of our PRC wind projects decreased in the first half of 2023 mainly due to the lower tariffs of the newly commissioned wind projects.

(3) The weighted average tariff of our PRC solar projects decreased in the first half of 2023 mainly due to the lower tariffs of the newly commissioned solar projects.

(4) The weighted average tariff of our PRC cogen projects excludes steam tariff.

(5) The increase in weighted average tariff of Korea gas-fired projects in the first half of 2023 was in line with the increase in Korea gas price during the same period.

(6) The decrease in weighted average tariff of steam in the first half of 2023 was in line with the decrease in PRC coal price.

The following table sets out the weighted average gas and standard coal prices (exclusive of VAT) applicable to our projects in the PRC and Korea for the periods indicated:

		For the six months ended 30 June	
	Unit	**2023**	2022
PRC weighted average standard coal price (1) (2)	RMB per ton	**1,282.40**	1,433.38
Korea weighted average gas price (1) (3)	KRW per Nm^3	**1,256.48**	1,039.45

Notes:

(1) The weighted average standard coal price and the weighted average gas price are weighted based on the consumption of gas or coal in each applicable period.

(2) The PRC weighted average standard coal price in the first half of 2023 decreased compared to the first half of 2022 due to a decrease in market coal price.

(3) The Korea weighted average gas price in the first half of 2023 increased compared to the first half of 2022 due to the increase in the prices known as the Japanese Crude Cocktail, which are calculated with reference to the average prices of crude oil imported into Japan and are an important determinant of natural gas prices in Korean markets. Yulchon I Power Project's power purchase agreement allows us to pass on the fuel cost fluctuations of the tariff to our customers in accordance with the laws.

Scientific and Technological Innovation

Driven by the national dual carbon strategy, the Company seizes the national clean energy development opportunities and focuses on core capacity building. In addition, guided by "value creation", the Company adheres to the innovation-driven development strategy, systematically rolls out the "integration project of advanced technology of offshore wind power" and the "leading project of digital operation and maintenance", and strives to create differentiated competitive advantages in "Offshore+" and "Green Power+", thereby continuously shaping new driving forces and advantages for development.

Leading project of digital operation and maintenance. Focusing on the operation and maintenance of new energy existing assets and the demand for power marketing, the Company has employed various means including big data and artificial intelligence to study key technologies and key equipment for operation and maintenance and digital power marketing, and has developed its independent core technologies for market development, power marketing, digitalization and new industries, thus comprehensively improving the efficiency of new energy existing assets and reducing operation and maintenance costs. Relying on a number of scientific research projects, the Company has made scientific research achievements with independent intellectual property rights, and has carried out promotion and application thereof, initially establishing a differentiated competitive advantage of "Green Power+".

Integration project of advanced technology of offshore wind power. The Company has steadily promoted research and engineering demonstrations on key issues such as parity offshore wind power, floating wind and photovoltaic power and new power systems. The Company has also promoted the implementation and demonstration iteration of parity offshore wind power technology through large capacity and base-driven developments, advanced offshore wind and photovoltaic power through research and demonstration of key technologies including floating wind power, floating photovoltaic power and pile-based photovoltaic power, and pushed forward the construction of new power systems through layered and three-dimensional application of ultra long distance, low frequency division, flexible and direct transmission and marine energy, thus accelerating the transformation and integrated application of innovative achievements. As a result, a number of scientific research projects have completed research and implementation of demonstration applications, initially establishing the differentiated competitive advantage of "Offshore+" new energy, and vigorously supporting the high-quality development of the its offshore wind power industry.

With the advancement witnessed in the application of the turbine control system, the stability of turbine operation and the comprehensive grid-connected performance of the wind farm through our efforts in the modification and optimization of the major control system and converter system, while still meeting the requirements of power grid dispatching, the Company was awarded the "National Power Industry Equipment Management Innovation Award" by the China Electrical Equipment Management Association in March 2023. While fully utilizing the operating hours allowed, taking into account the patterns of electricity consumption of local residents, the Company actively cooperated with the local government to organize a series of scientific knowledge disseminating events and activities on residential electricity consumption for education purposes and as part of our effort in the fulfillment of our social responsibility as a state-owned enterprise. In February 2023, the Dongzhi Zhaotan Wind Power Project in Anhui Province of the Company was named the "Best Scientific Education Entity - Anhui Province" by the Anhui Association for Science and Technology.

The Company will adhere to the "innovation-driven" development strategy, continuously open up new fields and tracks for development, spare every effort to build its innovation capability and talent pool, and spearhead the technology and industrial innovation in China, thereby becoming an influential technology innovation-oriented enterprise in an accelerated manner.

Social Responsibility

Since 2023, alongside efforts in developing our principal business, the Company actively carried out central-local cooperation and has effectively fulfilled its social responsibility as a central enterprise by building points of public welfare and social emergency rescue, and carrying out activities for protecting biodiversity and promoting safety.

In May 2023, the Company was named an "Outstanding Enterprise in Banlan Town 2023 - Wildfire Prevention" due to the assistance provided by the Company's Zhenfeng Farm Phase II Photovoltaic Project in Guizhou Province to the local government and firefighters in a wildfire fighting operation.

In June 2023, several points of emergency rescue were built around offshore wind turbines by the Company's Rudong H8# Offshore Wind Power Project in Jiangsu Province available for use by fishermen engaging in the aquaculture industry and victims in the vicinity.

In June 2023, a fish stocking scheme was commenced by the Company's Shengsi 5#6# Offshore Wind Power Project in Zhejiang Province, effectively promoting the efficiency of fisheries, increasing fishermen's income, and revitalizing rural fishing areas.

In June 2023, employees were mobilized by the Company's Xuchang Yanling Wind Power Project in Henan Province to work with villages and towns to clean up debris in trench drains before flood season as part of our effort in flood prevention, ensuring the steady growth of summer crops.

In June 2023, employees of the Company's Zhoukou Fugou Wind Power Project in Henan Province helped raise public safety awareness around wind farm locations by posting notices, hanging banners and face-to-face communication.

Brand Promotion: Recognitions and Awards

As the Company's information disclosure system and environmental, social and corporate governance (ESG) disclosure continued to improve and evolve, with the continued innovation in our investor relations management measures, we had witnessed remarkable support to the high-quality development of the Company during the period.

In February 2023, the Company was recognized as the "Best IR of Hong Kong Listed Company" by the 5th "New Fortune Awards".

In June 2023, the Company swept a total of eleven titles at the 9th Investor Relations Awards ("**IR Awards**") from the Hong Kong Investor Relations Association (HKIRA), not only "Best IR Company", "Best ESG" (Environmental, Social and Corporate Governance 3 awards), "Best Annual Report", but also the "Grand ESG Award" (mid cap) as selected by the Judging Panel. The Company was also named a "3 Years IR Awards Winning Company", a hallmark award in the field of investment, as the Company had been recognized as the "Best IR Company" for three consecutive years. Individual and team awards include the "Best IR by Chairman/CEO", the "Best IR by CFO", the "Best IRO" and the "Best IR Team".

The Company fully implements the deployment requirements of innovation-driven high-quality development strategy, actively establishes learning-oriented, practicality-based and innovation-driven teams, focuses on continuously improving team management and team quality, and encourages all operation and maintenance employees to enhance learning, execution and innovation capabilities of the teams, thereby greatly improving the level of business skills and the quality of equipment operation and maintenance and promoting the high-quality development of the Company.

In January 2023, the Company's Qingyun Shangtang Wind Power Project in Shandong Province, Anqiu Huangminshan Wind Power Project in Shandong Province, and Linqu Wind Power Project in Shandong Province were awarded the honorary title of the "Excellent New Energy and Renewable Energy Enterprise for 2022"(「2022年度新能源及可再生能源優秀企業」) by Shandong Electric Power Industry Association (山東省電力行業協會).

In February 2023, the Company's Hongshagang Wind Power Project in Gansu Province won the "Safety Management Excellence Award"(「安全管理優秀獎」) and the "Outstanding Contribution Award"(「突出貢獻獎」) in the Hongshagang Industrial Cluster Area (紅沙崗集中區) for 2022 at the Economic Work Conference of the Wuwei Minqin Hongshagang Energy and Chemical Industrial Cluster Area (武威民勤紅沙崗能源化工工業集中區經濟工作會議).

In May 2023, the "Equipment Management and Technological Innovation Achievements of the Electric Power Industry for 2023"(「2023電力行業設備管理與技術創新成果」) organized by China Equipment Management Association (中國設備管理協會) published the results, where each of the Company's Minqin Wind Power Project in Gansu Province and Hongshagang Wind Power Project in Gansu Province was awarded one second-class prize.

In May 2023, the Company's Guazhou Beiba Wind Power Project (瓜州北八風電項目) in Gansu Province received the improved grade results at the "Achievement Announcement Exchange Activities of the National Quality Management Team for 2023" (「2023年全國質量管理小組成果發表交流活動」) organized by the "China Quality" (《中國質量》) magazine press.

In May 2023, the Inner Mongolia Autonomous Region Development and Reform Commission assessed the Company's Kezuo Zhongqi Photovoltaic Poverty Alleviation Project in Inner Mongolia Autonomous Region as an "Integrity-compliant" (「誠信達標」) enterprise.

In May 2023, the "Achievements of Quality Management Team of the Electric Power Industry for 2023" (「2023年電力行業質量管理小組成果」) organized by Shandong Electric Power Industry Association published the results, where each of the Company's Linqu Liuwangzhuang Wind Power Project in Shandong Province and Dezhou Leling Photovoltaic Project in Shandong Province was awarded one third-class prize.

In June 2023, the "Electric Power Worker Innovation Activities and Project Quality Management Activities in relation to Electric Power Industry Problem-Solving Topics for 2023" (「2023年度電力職工創新活動、電力行業問題解決型課題質量管理活動」) organized by the Anhui Electric Power Association published the results. The "Innovation Achievements of Electric Power Workers in Anhui Province for 2023" (「2023年安徽省電力職工創新成果」): the Company's Dangtu Fishing-Photovoltaic Power Complementary Project in Anhui Province was awarded one third-class prize; the "Achievements of Quality Control of Electric Power Industry in Anhui Province for 2023" (「2023年安徽省電力行業質量管理成果」): the Company's Dongzhi Zhaotan Wind Power Project in Anhui Province was awarded one second-class prize and one third-class prize, the Company's Dongzhi Tongcun Photovoltaic Project (東至童村光伏項目) in Anhui Province was awarded one third-class prize, the Company's Dingyuan Phase I Fishing-Photovoltaic Power Complementary Project in Anhui Province was awarded two second-class prizes, and the Company's Dangtu Fishing-Photovoltaic Power Complementary Project in Anhui Province was awarded one third-class prize.

In June 2023, the Company's Huaiyin Liulaozhuang Project in Jiangsu Province was awarded the "Top Ten Excellent Wind Farm Stations" (「十佳優秀風電場站」) at the "Selection Event of Top 50 in China Wind Power Industry for 2023" (「2023年中國風電產業50強評選活動」) jointly organized by Jiangsu Province Renewable Energy Industry Association, etc.

IV. Risk Factors and Risk Management

Risks Relating to the Industry

Our power projects are located in the PRC and Korea, both of which have undergone, and may continue to undergo, regulatory changes. Governmental regulations affect all aspects of our power project operations, including the amount and timing of electricity generation, the setting of tariffs, compliance with power grid controls, dispatch directives and environmental protection. Regulatory changes in the PRC and Korea can affect, among other things, dispatch policies, clean and renewable energy and environmental compliance policies and tariffs, and may result in a change of tariff setting procedures or mandatory installation of costly equipment and technologies to reduce environmental pollutants.

In addition, the solar power projects are highly dependent on solar illumination conditions, and the wind power projects are dependent particularly on wind conditions. Extreme wind or weather conditions could lead to downtime of the wind power projects. Solar illumination conditions and wind conditions vary across seasons and locations, and could be unpredictable and are out of our control.

Risk Relating to Fuel Cost

The non-renewable energy power projects of the Group require supplies of coal, oil and gas as fuel. Fuel costs represent a significant portion of our operating expenses and the operating expenses of our associates. The extent to which our profit is ultimately affected by the cost of fuel depends on our ability to pass through fuel costs to our customers as set out under the relevant regulatory guidelines and the terms of our power purchase agreement for a particular project, as we currently do not take any measures to hedge our exposure to fuel price fluctuations. Our fuel costs are also affected by the volume of electricity generated because the coal consumption rate of coal-fired and cogen power projects decreases when we generate more electricity as a result of economies of scale. In the PRC, government tariff regulations limit our ability to pass through changes in fuel costs. In Korea, while our Yulchon I Power Project is able to pass through our exposure to fuel price fluctuations through fuel cost pass through provisions in the tariff formula, our Yulchon II Power Project and Daesan I Power Project receive payments based on the system marginal price, which is influenced by market demand and supply, and may not fully reflect the power plants' respective fuel price fluctuations. Our diversified generation portfolio enables us to diversify the risks that we would face to utilize a single resource for electricity generation. In particular, our exposure to several fuel types mitigates risks such as price increases in or the availability of any particular fuel source.

Interest Rate Risk

We are exposed to interest rate risk resulting from fluctuations in interest rates on our debt with floating interest rates based on market prevailing rates. We undertake debt obligations to support asset acquisition and general corporate purposes including capital expenditures and working capital needs. Certain amount of our indebtedness is calculated in accordance with floating interest rate or interest rate that are subject to adjustment by our lenders. We periodically review the ratio of debt with floating interest rates to debt with fixed rates, taking into account the potential impact on our profit, interest coverage and cash flows.

Foreign Exchange Risk

The functional currency of the Company is US dollars, and our reportable profit is affected by fluctuations in foreign currency exchange rates. We collect most of our revenue from our projects in RMB and KRW, some of which are converted into foreign currencies to (1) purchase foreign-made equipment and parts for repair and maintenance; (2) make investments in certain joint ventures or acquire interests from other companies; (3) pay out dividends to the shareholders of our project companies; and (4) repay our outstanding debt. During the reporting period, the Group used forward exchange contracts to manage its exchange rate risk until the settlement date of foreign currency receivables or payables. By managing and monitoring the risks of foreign currency, we ensure that appropriate measures are adopted effectively in a timely manner.

V. Prospects

2023 is a critical year to carry forward the past and open up the future under the "14th Five-Year Plan". The external situation becomes more challenging, and the competition for new energy resources is increasingly intense. The Company will continue to practice the work style focusing on "Stringency, Prudence, Meticulosity and Pragmatism", scientifically capitalise on new opportunities and new challenges in the new stage, and maintain strategic focus, thereby striving to accomplish various tasks and objectives of production and operation, and accelerating the construction of a first-class enterprise with high-quality development.

1. Gain a deep understanding of the relationship between Party building and high-quality development, and to promote high-quality development through high-quality Party building

Adhere to the guidance of General Secretary Xi Jinping's thought on socialism with Chinese characteristics in the new era, with the Party's political construction as the lead, comprehensively promote the political construction, ideological construction, organizational construction, work style construction, discipline construction and institutional construction of the Party, so as to fully implement the requirement of improving the quality of the Party building in all aspects of the work. Continue to promote the work of theme education, and do a good job in the daily training of Party members. We should strengthen the construction of a clean and honest culture, integrating the advantages of ideological education of powerful deterrent effect of not daring to corrupt, the rigid institutional constraints of not being able to corrupt, and the ideological and educational advantages of not wanting to corrupt as a whole.

2. Secure the concept of safe development and firmly uphold the bottom line of production safety

Strengthen project safety control. Strictly control the commencement of projects and eliminate blind and rush for work. Practically strengthen the integrated management of contractors, strictly implement the admission notification and information announcement mechanism, and strengthen daily supervision to ensure the effective implementation of the integrated management of contractors. Practically strengthen the quality supervision of important risk points such as mixed towers and blades in the production and operation and maintenance areas, and investigate the weak points of quality control. Attach great importance to the emergency management and control. In view of the effect of extreme weather, the Company continues to enhance its emergency management capabilities to ensure the safe and stable operation of its projects.

3. **Adhere to the development mode of indigenous R&D, practically enhance the conversion power of the project**

   Make every effort to push forward the work of the projects in the preliminary period, grasp the progress of project development, speed up the process of project commencement, pay close attention to the conversion rate of the projects, and strengthen the efforts to safeguard the resources. Deepen the construction of the three alliances of "strategy, industry and technology".

4. **Develop a good style of genuine devotion and practical work, and promote the early commencement and commissioning of projects in terms of quality and quantity**

   Expedite the construction of projects undergoing renewal and those that are ready for commissioning, and ensure that the projects are commissioned in an orderly manner according to schedule. Co-ordinate the planning of overall construction of key projects. Synchronize the progress of the projects along the three lines of design demonstration, investment appraisal and tendering and procurement. At the same time, great importance shall be attached to the high-quality development of the projects, so as to do a good job in controlling the cost, quality and schedule of the projects to avoid the emergence of major subversive problems.

5. **Strengthen the quality management of equipment and improve the production and marketing synergy system**

   Strengthen equipment management and control and improve condition monitoring of the units to achieve early detection and prevention. Simultaneously strengthen the in-depth inspection of equipment and put forward corresponding management plans in time. Practically achieve "strict implement, investigate hidden problems, eliminate defects, optimize plans, prevent human factors, reduce disasters and ensure supply". Strengthen the coupling of electricity production and electricity trading to ensure that the market-based trading tariffs are higher than the industry average, and to realize equal protection of volume and tariff. Continuously expand the scale of sales of green power and green certificates, raise the premium level of green power tariffs per unit, and assist the investment returns of key projects through green power tariffs. Consistently implement the "Green Power +" development strategy, follow up and promote the progress of strategic co-operation with important users, and promote the innovative business model of "Green Power +" to continue to thrive and yield.

6. Stimulate the vitality of enterprise development with reform and innovation, and inject the momentum of enterprise development with scientific and technological innovation

Adhere to issue-orientation and goal-orientation, focus on the high-quality development of new energy business, improve the level of scientific and technological innovation and the transformation of achievements, and put the innovation results into practice and transform them into visible "productivity". Do a good job in the layout of major scientific and technological innovation areas, carry out key technology research and development, core equipment domestic substitution, and carry out research and development in cost reduction and efficiency improvement in production and operation. Simultaneously promote the digital transformation of the existing power stations, the transformation of "big instead of small", intelligent unattended transformation, and the research and demonstration of intelligent operation and maintenance of offshore wind turbine units.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

No important event or transaction affecting the Group and which is required to be disclosed by the Company to its Shareholders has taken place after 30 June 2023.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2023.

CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2023, the Company has complied with all the applicable code provisions of the Corporate Governance Code, except for code provision C.2.1 of the Corporate Governance Code which states that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Zhang Zhiwu ("**Mr. Zhang**") has been appointed as both the Chairman of the Board and the President of the Company since 8 April 2022. Taking into account the fact that Mr. Zhang has demonstrated suitable leadership and management capabilities and developed a thorough understanding of the Group's business and strategy since his appointment as an executive Director in 2020, the Board believes that vesting the roles of the Chairman and the President in Mr. Zhang can facilitate the execution of the Group's business strategies and enable more effective and efficient overall strategic planning for the Group. Therefore, the Board considers that the deviation from code provision C.2.1 of the Corporate Governance Code is not inappropriate in such circumstances. In addition, the Board comprises, among others, three non-executive Directors and three independent non-executive Directors. Therefore, the Board believes that the balance of power and authority for the present arrangement is not impaired and this structure enables the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider its options in relation to the present arrangement at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Company Code, which is on terms no less exacting than those set out in the Model Code, as its own code of conduct for dealing in securities of the Company by the Directors.

Specific enquiries have been made with the Directors, and all Directors confirmed that they have complied with the Model Code and the Company Code during the six months ended 30 June 2023.

REVIEW OF INTERIM RESULTS

The Group's unaudited consolidated interim results for the six months ended 30 June 2023 have been reviewed by the audit committee of the Company and the auditor of the Company, KPMG.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the six months ended 30 June 2023.

DEFINITIONS

"Board"	the board of Directors
"CGN"	China General Nuclear Power Corporation (中國廣核集團有限公司), a state-owned enterprise established in the PRC and the controlling shareholder of the Company
"CGN Energy International"	CGN Energy International Holdings Co., Limited (中國廣核能源國際控股有限公司), an indirectly wholly-owned subsidiary of CGN incorporated in Hong Kong with limited liability and the immediate shareholder of the Company
"CGN Finance"	CGN Finance Co., Ltd. (中廣核財務有限責任公司), a company established in the PRC and a fellow subsidiary of the Company
"CGN Hubei"	CGN (Hubei) Integrated Energy Services Company Limited (中廣核(湖北)綜合能源服務有限公司), a company established in the PRC which was a subsidary of CGN Wind Energy

"CGN Wind Energy"	CGN Wind Power Company, Limited (中廣核風電有限公司), a company established in the PRC and a non-wholly owned subsidiary of CGN
"CGNPC Huasheng"	CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司), a company established in Hong Kong and a fellow subsidiary of the Company
"Company" or "We"	CGN New Energy Holdings Co., Ltd. (中國廣核新能源控股有限公司), an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1811)
"Company Code"	the code for securities transactions by Directors
"Consolidated Installed Capacity"	the aggregate installed capacity of our project companies that we fully consolidated in our consolidated financial statements. It is calculated by including 100% of the installed capacity of our project companies that we fully consolidate in our consolidated financial statements and are deemed as our subsidiaries. Consolidated Installed Capacity does not include the capacity of our associated companies
"Corporate Governance Code"	Corporate Governance Code contained in Appendix 14 to the Listing Rules
"Daesan I Power Project"	a 507.0 MW oil-fired project in Korea
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries from time to time
"GW"	gigawatt, equal to one million kilowatts
"GWh"	gigawatt-hour, or one million kilowatt-hours. GWh is typically used as a measure for the annual energy production of large power projects
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“IAS”	International Accounting Standards
“Korea”	the Republic of Korea
“KRW”	Korean Won, the lawful currency of the Republic of Korea
"kVA"	A unit of capacity for electrical equipment (e.g., transformers, motors)
“kWh”	kilowatt-hour, the standard unit of energy used in the power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“MW”	megawatt, or one million watts. The installed capacity of power projects is generally expressed in terms of MW
“NDRC”	National Development and Reform Commission of the PRC
“NEA”	National Energy Administration of the PRC
“PRC” or “China”	the People’s Republic of China, and for the purpose of this announcement, exclusively refers to Mainland China, but excludes Hong Kong of the PRC, The Macau Special Administrative Region of the PRC and Taiwan region of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK$0.0001 each in the share capital of the Company
“State Council”	State Council of the PRC

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TWh"	terawatt-hour, or one million megawatt-hours. TWh is typically used as a measure for the annual energy production of a region or a country
"US$"	United States dollars, the lawful currency of the United States of America
"Yulchon I Power Project"	a 592.8 MW gas-fired project in Korea
"Yulchon II Power Project"	a 946.3 MW gas-fired project in Korea
"%"	per cent

By Order of the Board
CGN New Energy Holdings Co., Ltd.
Zhang Zhiwu
Chairman, President and Executive Director

Hong Kong, 22 August 2023

As at the date of this announcement, the Board comprises seven Directors, namely:

Chairman, President and Executive Director	:	*Mr. Zhang Zhiwu*
Non-executive Directors	:	*Mr. Wang Hongxin,* *Mr. Chen Xinguo and* *Mr. Bian Shuming*
Independent Non-executive Directors	:	*Mr. Wang Minhao,* *Mr. Yang Xiaosheng and* *Mr. Leung Chi Ching Frederick*