京能集团

北京能源國際控股有限公司

Beijing Energy International Holding Co., Ltd.

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board of directors (the "**Board**" or the "**Directors**") of Beijing Energy International Holding Co., Ltd. (the "**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2023 (the "**Period**"), together with the comparative figures for the corresponding period in 2022. The condensed consolidated interim financial information was prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Diversification of Investment Locations and Portfolios

During the Period, the Group, striving to be a leading global eco-development solutions provider, was principally engaged in the development, investment, operation and management of power plants and other clean energy projects.

Power Plant Projects

The Group has accelerated the pace of scale expansion development of clean energy by actively expanding the management scale of the solar power, wind power and hydropower businesses through self-development and mergers and acquisitions, as well as continuously improving the management of its clean energy power business. As at 30 June 2023, the Group had 113 (31 December 2022: 105) solar power plants, 21 (31 December 2022: 20) wind power plants and 26 (31 December 2022: Nil) hydropower plants with aggregate grid-connected installed capacity of approximately 6,809.80 megawatts ("**MW**") (31 December 2022: approximately 5,603.44MW). As at 30 June 2023, except for one wind power plant located in Vietnam, the rest of the power plants of the Group were in the People's Republic of China ("**PRC**"). The Group has well-diversified its power plants in 24 (31 December 2022: 23) different provinces in the PRC during the Period. In addition, as at 30 June 2023, the Group held 2 (31 December 2022: 2) solar power plants, 3 (31 December 2022: 1) wind power plants and 2 (31 December 2022: Nil) hydropower plants through its associates with a total grid-connected installed capacity of approximately 887.30MW (31 December 2022: approximately 223.80MW).

The Group strategically develops, constructs and acquires power plants to achieve predetermined minimal rate of return and selects its power plants based on a combination of factors, including solar irradiation, wind velocity of the site, water resources conditions, applicable feed-in tariffs, government subsidies, conditions for local grid connection, electricity transmission infrastructure and demand for electricity, etc.

Other Clean Energy Projects

The Group owned development rights in hydropower with an expected capacity of approximately 5 gigawatts ("**GW**"). The Company indirectly holds 75% of the equity interest in the project companies while the remaining 25% is indirectly held by the People's Government of Tibet Autonomous Region. The Group is waiting for the planning of the PRC government's ecological red line before the construction of any hydropower plants.

In the short run, the Group will continue to focus on the development of solar power, wind power and hydropower businesses, while diversifying its clean energy portfolios in order to supplement the multi-type energy supply in the long run.

Electricity Generation

During the Period, the total electricity volume generated by the power plants held by the subsidiaries of the Company has significantly increased from approximately 3,322,474 megawatt-hours ("**MWh**") for the six months ended 30 June 2022 to approximately 5,078,765MWh, or by approximately 53%. All these power plants are grid-connected and generating electricity steadily.

Table 1: Summary of Power Plants

	Six months ended 30 June							
	2023				2022			
	Number of power plants	**Grid-connected installed capacity** *(MW)*	**Electricity generation volume** *(MWh)*	**Weighted average utilisation hours** *(Hours)*	Number of power plants	Grid-connected installed capacity *(MW)*	Electricity generation volume *(MWh)*	Weighted average utilisation hours *(Hours)*
Subsidiaries								
Solar power plants	**113**	**4,996.30**	**3,447,375**	**675**	97	4,257.09	2,895,689	722
Wind power plants	**21**	**861.00**	**1,122,317**	**1,384**	7	326.30	426,785	1,308
Hydropower plants	**26**	**952.50**	**509,073**	**N/A**(1)	–	–	–	N/A
	160	**6,809.80**	**5,078,765**		104	4,583.39	3,322,474	
Associates								
Solar power plants	**2**	**23.80**	**15,638**	**657**	2	23.80	16,913	711
Wind power plants	**3**	**512.00**	**594,900**	**1,162**	–	–	–	N/A
Hydropower plants	**2**	**351.50**	**131,061**	**N/A**(1)	–	–	–	N/A
	7	**887.30**	**741,599**		2	23.80	16,913	
Total	**167**	**7,697.10**	**5,820,364**		106	4,607.19	3,339,387	

Note:

(1) Since the electricity volume generated by the newly acquired hydropower plants was only recorded starting from their respective completion dates of acquisition, and the period was less than six months, the weighted average utilisation hours were not comparable and therefore not applicable.

The details of the electricity volume generated from each province for the Period are set out below. For accounting purpose, the volume of electricity generated by the newly acquired or constructed power plants during the Period was only recorded starting from their respective completion dates of acquisition or construction, as the case may be.

Table 2: Information of Power Plants by Settlement Types

Settlement types	Location	Number of solar power plants	Number of wind power plants	Number of hydro-power plants	Grid-connected installed capacity *(MW)*	Electricity generation volume *(MWh)*	Revenue *(RMB'million)*	Average tariff per kWh (net of VAT) *(RMB)*
		As at 30 June 2023				Six months ended 30 June 2023		
I.	**Power plants held by the subsidiaries of the Company**							
(i)	**Total capacity on-grid[(1)]**							
	Hebei, China	16	–	–	1,292.90	908,440	306	0.34
	Yunnan, China	2	–	26	1,006.71	553,499	148	0.27
	Inner Mongolia, China	24	–	–	805.00	636,761	391	0.61
	Shanxi, China	2	8	–	616.30	806,543	386	0.48
	Xinjiang, China	6	2	–	419.50	394,463	185	0.47
	Anhui, China	3	–	–	340.00	220,727	128	0.58
	Shandong, China	7	–	–	339.36	162,957	79	0.49
	Shaanxi, China	1	–	–	300.00	246,934	172	0.70
	Qinghai, China	4	1	–	240.00	184,006	144	0.78
	Ningxia, China	2	–	–	220.00	159,046	123	0.77
	Guangdong, China	3	–	–	190.00	91,949	71	0.77
	Hunan, China	2	–	–	120.00	52,340	44	0.84
	Tibet, China	6	–	–	115.00	67,034	58	0.87
	Gansu, China	1	–	–	100.00	73,244	61	0.83
	Hubei, China	1	–	–	100.00	54,239	48	0.89
	Jiangsu, China	–	1	–	100.00	68,684	17	0.25
	Guangxi, China	2	–	–	79.20	36,287	30	0.82
	Henan, China	3	3	–	74.29	67,782	24	0.35
	Zhejiang, China	2	–	–	61.30	33,475	27	0.79
	Jiangxi, China	1	–	–	59.95	34,222	16	0.46
	Sichuan, China	2	–	–	50.00	46,622	31	0.66
	Heilongjiang, China	–	5	–	45.00	92,358	30	0.33
	Jilin, China	1	–	–	15.00	11,834	8	0.66
	Vietnam	–	1	–	46.20	43,337	26	0.59
	Sub-total	91	21	26	6,735.71	5,046,783	2,553	0.51
(ii)	**Surplus capacity on-grid[(1)]**							
	China (no partition)	22	–	–	74.09	31,982	21	0.66
	Sub-total	22	–	–	74.09	31,982	21	0.66
	Total	113	21	26	6,809.80	5,078,765	2,574	0.51
II.	**Power plants held by the associates of the Company**							
	Yunnan, China	–	–	2	351.50	131,061	27	0.20
	Shanxi, China	–	1	–	200.00	202,127	83	0.41
	Jiangsu, China	2	–	–	23.80	15,638	33	2.12
	Australia	–	2	–	312.00	392,773	111	0.28
	Total	2	3	2	887.30	741,599	254	0.34
Grand Total		**115**	**24**	**28**	**7,697.10**	**5,820,364**	**2,828**	**0.49**

Note:

(1) The total capacity on-grid mode refers to the settlement of all electricity volume generated by a power plant with the grid; while the surplus capacity on-grid mode means that a portion of the electricity volume generated by a power plant is sold directly to the end-users and the surplus electricity is settled with the grid.

Financing

The power generation business is capital intensive in nature. The Group has been exploring various financing channels to enhance its financing capability and reduce its finance costs. As at 30 June 2023, the effective interest rate per annum for bank and other borrowings was approximately 4.25% (31 December 2022: approximately 4.18%). The slight increase in the effective interest rate per annum is mainly attributable to the increase in US$ borrowing rates following the US Fed's rate hike.

Pursuant to the trust contract (the "**Trust Contract**") entered into between BEI Energy Development (Beijing) Co., Ltd.* (京能國際能源發展(北京)有限公司) ("**BEIED**") and China Industrial International Trust Limited* (興業國際信託有限公司) ("**China Industrial International Trust**") in March 2023, the issuance of the Asset-Backed Commercial Papers ("**ABCP**") on National Association of Financial Market Institutional Investors to the qualified investors in the PRC has been successfully completed of a total size of approximately RMB1,000 million. Upon the delivery of the underlying assets by BEIED in accordance with the Trust Contract, China Industrial International Trust has transferred the proceeds from the issue of the ABCP to BEIED. The issuance of ABCP diversifies the Group's fund-raising channels to access the low-cost capital, which in turn can be applied to improve the financing structure and to reduce the balance of trade receivables of the Group. Further details are set out in the announcement of the Company dated 10 March 2023 and the circular of the Company dated 28 April 2023.

In March 2023, a publicly-offered infrastructure securities investment fund, which is the first publicly-offered infrastructure securities investment fund in the photovoltaic power sector in the PRC registered under the name of AVIC Jingneng Photovoltaics Closed-end Infrastructure Securities Investment Fund* (中航京能光伏封閉式基礎設施證券投資基金) (Fund Code: 508096) ("**REITs**") was successfully listed on the Shanghai Stock Exchange and has raised a total subscription of approximately RMB2,934.6 million. The listing of the REITs can benefit the Group from obtaining funds for its operations, reducing its net borrowings, improving its liquidity and gearing position and providing capital to fund new investment opportunities. Further details are set out in the announcements of the Company dated 8 April 2022, 6 July 2022, 30 December 2022 and 13 March 2023 and the circular of the Company dated 3 October 2022.

In May 2023, BEIED successfully launched the asset-backed securities program (the "**ABS Program**") on the Shanghai Stock Exchange. Pursuant to which, the asset-backed securities ("**ABS**") would be issued under the ABS Program in the size of approximately RMB700 million with the transfer of the underlying assets by BEIED to China Merchants Securities Assets Management Co., Ltd.* (招商證券資產管理有限公司) ("**CMAM**") in accordance with the asset sale and purchase agreement entered into between BEIED, as the vendor and original interest owner, and CMAM, as the purchaser and project manager of the ABS Program. The issuance of the ABS under the ABS Program can diversify the Group's fund-raising channels to access low-cost capital, which in turn can be applied to improve the financing structure of the Group and promote its operating activities and investments. It also allows the Group to meet liquidity development needs and therefore increase capital use efficiency and enhance operational capabilities for the Group. Further details are set out in the announcement of the Company dated 15 November 2022 and the circular of the Company dated 30 November 2022.

FINANCIAL REVIEW

During the Period, the Group recorded a net profit of approximately RMB247 million (30 June 2022: approximately RMB286 million). The decrease in net profit during the Period was mainly due to an increase in finance costs.

Revenue and EBITDA

During the Period, the revenue and EBITDA were approximately RMB2,574 million and RMB2,129 million, respectively (30 June 2022: approximately RMB1,985 million and RMB1,679 million, respectively). The increase in revenue and EBITDA of the Group was attributable to: (i) the expansion in grid-connected installed capacity from approximately 4,583.39MW as at 30 June 2022 to approximately 6,809.80MW as at 30 June 2023 or around 48.6% by way of acquisition and self-development projects, and (ii) effective operation and management of power plants.

The average tariff per kilowatt-hour ("**kWh**") (net of VAT) for the Period was approximately RMB0.51 (30 June 2022: approximately RMB0.60). The decrease in the average tariff per kWh (net of VAT) of the Company was mainly attributable to the continuous increase in the grid-connected installed capacity of the grid-parity solar power generation and hydropower projects of the Group, and the proportion of the electricity generation volume of these projects in the total electricity generation volume has increased substantially. Since the electricity price of the grid-parity solar power and hydropower generation projects does not include subsidies, a downward trend in the overall average tariff per kWh (net of VAT) is resulted. Table 2 summarises the details of the breakdown of revenue generated by settlement types and locations.

Finance Costs

The total finance costs increased from approximately RMB692 million for the six months ended 30 June 2022 to approximately RMB1,063 million during the Period, or a rise of approximately 53.6%, which was mainly attributable to the significant increase in the average financing scale compared with the same period last year in connection with the continuous expansion of the Group's business, as well as the year-on-year increase in the US$ borrowing rates. The Group would continue to take various financing or refinancing activities to control certain finance costs.

Income Tax Expenses

During the Period, the Group's operations in the PRC are subject to the corporate income tax of the PRC ("**PRC Corporate Income Tax**"). The statutory PRC Corporate Income Tax rate is 25%. Certain subsidiaries of renewable energy projects are entitled to preferential tax concession. Income tax on profits assessable outside the PRC has been provided at rates prevailing in the respective jurisdictions (30 June 2022: Same).

Trade, Bills and Tariff Adjustment Receivables

The trade and bills receivables will usually be settled within one to six months. For the tariff adjustment receivables representing government subsidies on renewable energy will be settled in accordance with prevailing government policies and prevalent payment pattern of the Ministry of Finance of the People's Republic of China (中華人民共和國財政部).

Table 3: Breakdown of Trade, Bills and Tariff Adjustment Receivables

	30 June 2023		31 December 2022	
	Grid-connected installed capacity *(MW)*	*RMB'million*	Grid-connected installed capacity *(MW)*	*RMB'million*
Trade and bills receivables		**496**		352
Tariff adjustment receivables				
PRC				
Tariff Subsidy Project List	**3,169.68**	**6,496**	3,037.14	7,060
Others *(Note)*	**3,640.12**	**749**	2,566.30	909
Total	**6,809.80**	**7,741**	5,603.44	8,321

Note: Including power plants which have not been enlisted in the Tariff Subsidy Project List and other power plants which are not entitled to subsidies.

Bank and Other Borrowings

The Group is actively seeking opportunities of financing/refinancing to lower the cost of funds and to improve liquidity.

As at 30 June 2023, the maturity and currency profile of the Group's bank and other borrowings are set out as follows:

	Within 1 year *RMB'million*	**2nd year** *RMB'million*	**3–5 years** *RMB'million*	**6–10 years** *RMB'million*	**Over 10 years** *RMB'million*	**Total** *RMB'million*
RMB	6,263	15,647	10,958	6,650	1,412	40,930
US$	4,595	3,782	–	–	–	8,377
	10,858	19,429	10,958	6,650	1,412	49,307
Less: unamortised loan facilities fees	(17)	(16)	(35)	(31)	(1)	(100)
Carrying amount	10,841	19,413	10,923	6,619	1,411	49,207

Key Performance Indicators

The Group measures the delivery of its strategies and manages its business through regular measurements of several key performance indicators, particularly on EBITDA margin ratio, debt to EBITDA ratio, funds from operations to net debt ratio and interest coverage ratio. The changes in the key performance indicators for the Period were mainly attributable to the expansion of the Group's business scale.

EBITDA Margin Ratio: EBITDA margin ratio is a measurement of the Group's operating profitability and is calculated as EBITDA divided by the revenue. The Group's EBITDA margin ratio has decreased by approximately 2% from approximately 85% for the six months ended 30 June 2022 to approximately 83% for the Period. This was mainly due to the continued expansion in power generation business together with additional operating expenses during the Period.

Debt to EBITDA Ratio: Debt to EBITDA ratio is a measurement of the number of years that will take the Group to repay its debts assuming net debts and EBITDA are held constant. This ratio is calculated as the net debts divided by EBITDA. Net debts is calculated as total borrowings less cash deposits. Total borrowings include current and non-current bank and other borrowings and convertible bonds as shown in the condensed consolidated statement of financial position. The ratio has increased during the Period to approximately 20.3 (30 June 2022: approximately 18.4).

Funds from Operations to Net Debt Ratio: Funds from operations to net debt ratio is a measurement of the Group's ability to pay its debts using its operating income alone. This ratio is calculated as the EBITDA net of cash interest paid divided by net debts. The ratio has decreased from approximately 3.4% for the six months ended 30 June 2022 to approximately 2.7% for the Period.

Interest Coverage Ratio: Interest coverage ratio measures the Group's ability to pay interest on its interest-bearing debt. The ratio is calculated as EBITDA divided by net interest paid (actual interest paid minus actual interest income received during the Period). The ratio was approximately 2.19 for the Period (30 June 2022: approximately 2.66).

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

As at 30 June 2023, the Group recorded current assets of approximately RMB18,229 million and current liabilities of approximately RMB15,989 million.

The Group has established a treasury policy with the objective of lowering cost of funds. Therefore, funding for all its operations have been centrally reviewed and monitored at the Group's level. To manage the Group's exposure to fluctuations in interest rates on each power plant project, appropriate funding policies will be applied including the use of bank and other borrowings, issue of convertible bonds, issue of senior notes, medium-term notes and corporate bonds or issue of new shares. Management of the Company ("**Management**") will continue its efforts in obtaining the most privileged rates and favourable terms to the Group for its financing.

The Group monitors its capital structure based on the gearing ratio. This ratio is calculated as net debts divided by total capital. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debts.

The capital structure (including its gearing ratio) of the Group as at 30 June 2023 and 31 December 2022 was as follows:

	30 June 2023 *RMB'million*	31 December 2022 *RMB'million*
Bank and other borrowings	**49,207**	43,790
Convertible bonds	**338**	355
Total borrowings and convertible bonds	**49,545**	44,145
Less: cash deposits	**(6,338)**	(8,023)
Net debts	**43,207**	36,122
Total equity	**12,357**	10,183
Total capital	**55,564**	46,305
Gearing ratio	**77.8%**	78.0%

Except for the US$50 million convertible bonds and certain bank and other borrowings with aggregate amounts of approximately RMB13,925 million which were carried at fixed rates, the remaining borrowings of the Group bore floating interest rates.

Compared to the gearing ratio of the Group as at 31 December 2022, the gearing ratio of the Group as at 30 June 2023 remained at a similar level. The Group will use its best endeavour to lower its gearing ratio in the future by deleveraging its liabilities, including but not limited to co-investing in power plants with strategic business partners to reduce the capital expenditure.

As at 30 June 2023, the cash deposits of the Group were denominated in the following currencies:

	Pledged deposits *RMB'million*	**Restricted cash** *RMB'million*	**Cash and cash equivalents** *RMB'million*	**Total** *RMB'million*
RMB	3,256	10	1,884	5,150
HK$	–	–	17	17
US$	209	–	789	998
GBP	–	–	1	1
AUD	115	–	27	142
VND	–	–	30	30
	3,580	10	2,748	6,338
Representing:				
Non-current portion	266	–	–	266
Current portion	3,314	10	2,748	6,072
	3,580	10	2,748	6,338

The Group did not have any financial instruments for hedging purposes.

As at 30 June 2023, the Group had capital commitments in respect of property, plant and equipment amounted to approximately RMB14,612 million.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Period, the Group had the following material acquisitions:

(a) On 20 December 2022, MNS Wind Finance Pty Ltd (the "**Purchaser**"), a wholly-owned subsidiary of the Company, entered into the sale and purchase agreements with Goldwind International Moorabool Limited and Goldwind International Moorabool South Limited (the "**Vendors**") to acquire 25% of the issued share capital in each of Moorabool Wind Farm (Holding) Pty Ltd and Moorabool South Wind Farm (Holding) Pty Ltd (the "**Target Companies**") for a consideration of approximately AUD85 million (equivalent to approximately RMB403 million) (the "**Previous Agreements**"). On the same date, the Purchaser entered into the call option deeds (the "**Call Option Deeds**") with respective Vendors, pursuant to which the respective Vendors irrevocably grants to the Purchaser (or any other person nominated by the Purchaser) call options (the "**Call Options**") to purchase, and require the respective Vendors to sell, additional 26% of the issued share capital in each of the Target Companies. The transaction of acquiring 25% of the issued share capital of the Target Companies was completed in January 2023, and the exercise of the Call Options and the acquisition of the additional 26% of the issued share capital of the Target Companies were approved by the shareholders at the special general meeting of the Company held on 27 June 2023. Details of the above transactions are set out in the announcements of the Company dated 20 December 2022 and 27 April 2023, as well as the circular of the Company dated 9 June 2023.

(b) On 4 March 2023, Beijing Yunbao Energy Development Co., Ltd.* (北京雲保能源開發有限公司) ("**BYED**"), which is a wholly-owned subsidiary of the Company established in the PRC with limited liability, entered into the capital increase agreement with Baoshan Energy Development Joint Stock Company Limited* (保山能源發展股份有限公司) (the "**Baoshan Energy**") and other independent third parties, pursuant to which, BYED conditionally agreed to inject RMB960 million into Baoshan Energy by way of cash contribution for approximately 65.7% of the enlarged equity interest in Baoshan Energy (the "**Capital Increase**"). Upon the completion of the Capital Increase in May 2023, Baoshan Energy becomes a non wholly-owned subsidiary of the Company and the Company has in turn acquired the control of the 26 hydropower plants of Baoshan Energy with grid-connected installed capacity of hydropower reached 952MW. Further details are set out in the announcements of the Company dated 21 March 2023 and 21 April 2023.

Save as mentioned above, the Group did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

PERFORMANCE AND FUTURE PROSPECTS FOR SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 June 2023, the Group had no significant investment. The Group will keep abreast of the changing market conditions and proactively identify suitable investment opportunities with good prospects to enhance its future financial performance and profitability.

MATERIAL RELIANCE ON KEY CUSTOMERS

The key customers in the PRC for the sales of electricity were subsidiaries of the State Grid Corporation of China ("**State Grid**") and Inner Mongolia Power (Group) Co., Ltd. ("**Inner Mongolia Power**"), which are PRC state-owned electric utility companies that transmit and distribute power in the PRC. As at 30 June 2023, the receivables from the subsidiaries of State Grid and Inner Mongolia Power accounted for approximately 77.2% and 22.1% of the total trade, bills and tariff adjustment receivables of the Group, respectively.

CHARGE ON ASSETS

As at 30 June 2023, approximately 45% of bank and other borrowings of the Group were secured by the pledge over certain power generating modules and equipment, guarantee deposits, the fee collection rights in relation to the sales of electricity in certain subsidiaries and/or pledge over the shares/equity interests of certain subsidiaries of the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2023, the Group had 1,652 full-time employees (30 June 2022: 892). Employees were remunerated according to the nature of their positions, individual qualification, performance, work experience and market trends, with regular remuneration review to reward and motivate individual performance. The Group offers competitive compensation and benefit packages to different levels of staff, including additional medical insurance, discretionary bonuses, various training programmes, sponsorship for further study, as well as share option scheme for the benefits of the directors and eligible employees of the members of the Group. Total employee benefits expenses (excluding share-based payment expenses) for the Period amounted to approximately RMB198 million (30 June 2022: approximately RMB161 million).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group operates mainly in Mainland China and Hong Kong. For the operations in Mainland China, the transactions are mostly denominated in RMB. Minimal exposure to fluctuation in exchange rates is expected. For the operations in Hong Kong, most of the transactions are denominated in HK$ and US$. Since the exchange rate of US$ against HK$ is pegged to each other under the Linked Exchange Rate System, the exposure to fluctuation in exchange rates will mainly arise from the translation to the presentation currency of the Group. The Group did not resort to any currency hedging facility for the Period. However, Management will enhance the monitoring on the Group's foreign currency exposure, should the need arise.

CONTINGENT LIABILITIES

As at 30 June 2023, the Group had no significant contingent liability.

SETTLEMENT WITH NEX GROUP

Since the year ended 31 December 2019, accumulated impairment charge of approximately RMB1,137 million was recognised in the consolidated statement of profit or loss in respect of certain deposits and other payments made to New Energy Exchange Limited ("**NEX**") and its related entities, deposits made to Shenzhen Zhiyuan Renewable Energy Company Limited of RMB500 million and certain payments made on behalf of NEX and its subsidiaries ("**NEX Group**") of approximately RMB303.7 million to one of the limited partners of a previous joint venture of the Group.

On 28 March 2023, the Group entered into the third revised settlement agreement with NEX Group, which was an extension of (i) the settlement agreement signed on 24 August 2020; (ii) the first revised settlement agreement signed on 29 March 2021; and (iii) the second revised settlement agreement on 28 March 2022 (details are set out in the Company's 2019, 2020 and 2021 annual reports respectively). Pursuant to the third revised settlement agreement, NEX Group agreed to transfer (1) equity interests of certain companies operating solar power plants in the PRC in which the fair value of those equity interests amounted to approximately RMB30 million; and (2) approximately 274 million shares of the Company held by NEX Group amounted to approximately RMB44 million as at 28 March 2023, to the Group for settlement of the net balances due from NEX Group, which are expected to complete on or before 31 December 2023. In addition, NEX Group agreed to pledge approximately 460 million shares (including approximately 274 million shares as mentioned in (2) above) of the Company held by NEX Group as collaterals to the NEX settlements to cover any remaining unsettled balance.

During the Period, NEX Group transferred cash of RMB6 million to the Group for settlement purpose. The Management considered there is sufficient provision for impairment on the balances due from NEX Group. Accordingly, no expected credit loss was recognised for the Period.

Further details are set out in the 2019 to 2022 annual reports of the Company and the announcements of the Company dated 12 May 2020, 13 May 2020, 9 June 2020, 19 July 2020, 31 July 2020, 28 September 2020, 30 March 2021, 29 March 2022 and 30 March 2023.

MATERIAL EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

Except for those disclosed in Note 13 to the condensed consolidated financial statements of this announcement below, the Group did not have any other material events occurred after 30 June 2023 and up to the date of this announcement.

PROSPECTS

As the saying goes, "United we stand", which is particularly true in times of challenges. The splendid first half of 2023 saw China's new energy industry thriving, with even clearer and firmer dual carbon goals. To achieve these dual carbon goals, energy was deemed the main battlefield, with electricity being the driving force and a revamped power system serving as its backbone. The National Energy Administration of the PRC has recently issued the "Bluebook on the Development of New Power Systems" (《新型電力系統發展藍皮書》), which clearly identifies the four major characteristics of the new power system are safety and efficiency, clean and low-carbon, flexibility and adaptability, and smart integration. Among them, safety and efficiency are the basic premises; clean and low-carbon are the core goal; flexibility and adaptability provide essential support; smart integration ensures a solid foundation, collectively forming the "four-in-one" framework for the new power system.

According to the statistics of National Energy Administration of the PRC, as at the first half of 2023, China's installed capacity of renewable energy exceeded 1.3 billion kilowatts, reaching 1.322 billion kilowatts. It recorded a year-on-year increase of 18.2%, historically surpassing coal-fired power and accounting for approximately 48.8% of the nation's total installed capacity. As the newly grid-connected installed capacity of wind power and photovoltaic power exceeded 100 million kilowatts, the pace of large-scale development further accelerated, injecting tremendous momentum and vitality into China's high-quality economic and social development.

With new energy rapidly expanding in terms of scale and gradually becoming the dominant power source, the issues of balance and safety in the power system have become even more significant. The construction of system regulation resources has encountered many constraints, which restrict the efficient use of new energy. In addition, there has been a notable trend in user load characteristics veering towards adaptability, spanning both the realms of production and consumption, while the operation of the power grid has been transitioning towards a highly coordinated integration of source, grid, load and storage. These changes have posed many challenges for the safe and efficient optimised operation of the power system. As an operator engaging in the development and investment of new energy, the Company has to consider not only the ways to accelerate the rapid and large-scale expansion of new energy projects, primarily wind power and photovoltaic power, but also the direction and focus of its future endeavours in line with China's new power system development.

In the process of implementing dual carbon goals and optimising energy structure, the development of power sources is likely to encompass two modes. The first mode revolves around constructing major clean energy bases which utilise ultra-high voltage power grids to deliver electricity across vast areas to users, ensuring overall balance. The second mode emphasises local distributed energy development, supported by energy storage and self-consumed loads of "integration of source, grid, load and storage", to ensure that new energy is produced, connected, and consumed locally. It implies that the Company's future development will be based on large-scale projects and integrated projects of source, grid, load and storage.

The main focus will be on creating scenarios for the transformative application of large-scale green power. Great importance will be attached to the added value brought by high-quality supply that caters to the needs of end-users in the energy sector.

Based on the above analysis, the Company will further concentrate on its development objectives in the second half of the year through redefining its business positioning, optimising its organisational structure and extending the value of the industrial chain. As such, the Company will be able to seize opportunities during the deepening reforms of the new power system, and maintain healthy development.

Based on the "dual circle, one center, one-focus" strategy, the Company aims to achieve high-quality development. Firstly, fully leveraging its advantages as an energy enterprise of the capital, the Company will further carry out the development of clean energy bases in Inner Mongolia, Jilin, and other areas under the initiative of "Green Power into Beijing", in an effort to attain results in stages. Secondly, the Company will accelerate the development pace of its base projects in Northeast China, North China and Northwest China in order to strive for implementation. Thirdly, in line with its layout, the Company will reasonably reduce its developmental regions while putting an emphasis on the scale synergy effect of projects in Eastern China, Southern China, Southwest and Central China so as to enhance investment returns. Lastly, focusing on key overseas regions, the Company will step up its capital operations and expedite the securitization of overseas assets.

Integrating with green electricity application scenarios, the Company will establish a green hydrogen and downstream product market, focus on the integrated construction of bases for the wind and solar energy and hydrogen-produced green ammonia and accelerate its effort in nurturing professional teams and technical capabilities. Efforts will be made to explore the establishment of commercial models and products of green electricity conversion. The Company aims to establish a seamless industrial chain which extends from new energy to green hydrogen and then to green ammonia (green alcohol), creating a "power-to-hydrogen" industry system. It will promote the deep combination of green electricity and green hydrogen, realising a holistic development of energy and chemical integration, ensuring national energy security, and creating a new growth pole for the Company.

The Company attaches great importance to smart energy empowerment for expediting the development pace of the digital and Computing industry. Leveraging its strengths in the green electricity sector, the Company will extend high added-value in the clean energy industrial chain, further expanding into new sectors and businesses. Seizing the opportunity of building the Beijing AI Public Computing Platform, the Company accelerates its digital transformation. With digital information as a vital driver, the digital computing business will be nurtured as the Company's new business segment in the form of "power + computing" integrated development, which will lay the foundation of energy and digital business in the new economic era.

The Company prioritises technological advancement to enhance the added value of energy trading consultancy services. Efforts will be made to deepen the market layout for users' integrated energy and shared energy storage business. The Company will also expedite the enhancement of professional capabilities in power market trading, carbon asset and green certificate trading and response to users' demand. Through internal cultivation and external integration, the Company will establish new energy project engineering design consultation capabilities. It will also focus on formulating comprehensive solutions for energy and power services. These initiatives will create a business segment of light assets professional services that feature the Company's core competitive strengths.

Greater efforts will be made to strengthen the Company's capital operations to further enhance its asset value. On one hand, the Company will continue to accelerate the introduction of equity capital to improve its asset structure. On the other hand, the Company will focus on effectively utilizing specialized integration, asset securitization, and other operational methods, while intensifying collaboration among industries, production and finance. As such, the Company will achieve integration between industry and finance, support production with finance and promote the consolidation of existing assets. Through various methods such as expanding fundraising with new energy real estate investment trusts and strategic equity collaborations, the Company will strive to strengthen existing assets and optimise new acquisitions. This approach seeks to enhance capital appreciation for the Company's liquidity and boost its market value and value creation capability.

As the energy revolution continues to advance, China's new energy industry has entered a new phase of substantial growth and high-quality development, always striving for better and never resting on its laurels. New energy has become an integrated applicator of China's next-generation information technology, artificial intelligence, green environmental protection, and other strategic emerging industries. It is a crucial component of advanced manufacturing and new industrialisation, as well as the key pivot and new growth engine supporting both the domestic and international dual circulation. The Company will face and embrace the rapid changes of the new economic era with unwavering belief. Remaining true to its original aspirations, the Company will focus on strategic aspects, actively adjust its growth engine, and further improve its business performance in the second half of 2023. Committed to improving, maintaining stability and quality, the Company will strive to present all investors with satisfactory results in terms of various core indicators such as profitability and operational efficiency.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

		Unaudited	
		Six months ended 30 June	
		2023	2022
	Note	***RMB'million***	*RMB'million*
Sales of electricity		**1,318**	817
Tariff adjustment		**1,256**	1,168
Revenue	*3*	**2,574**	1,985
Other income		**24**	18
Employee benefits expenses (excluding share-based payment expenses)		**(198)**	(161)
Maintenance costs		**(125)**	(67)
Legal and professional fees		**(23)**	(23)
Tax and surcharges		**(25)**	(17)
Other expenses		**(98)**	(56)
EBITDA#		**2,129**	1,679
Acquisition costs arising from business combinations		**(6)**	(1)
Depreciation of property, plant and equipment		**(797)**	(609)
Depreciation of right-of-use assets		**(47)**	(38)
Fair value gain/(loss) on financial liabilities at fair value through profit or loss		**15**	(6)
Finance income		**89**	22
Finance costs	*4*	**(1,063)**	(692)
Share-based payment expenses		**(5)**	–
Share of profits of investments accounted for using equity method		**27**	9
Profit before income tax		**342**	364
Income tax expense	*5*	**(95)**	(78)
PROFIT FOR THE PERIOD		**247**	286

	Note	Unaudited Six months ended 30 June **2023** ***RMB'million***	2022 *RMB'million*
PROFIT ATTRIBUTABLE TO			
Equity holders of the Company		**107**	181
Non-controlling interests		**140**	105
		247	286
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	*6*		
Basic and diluted (RMB cents)		**0.48**	0.81
DIVIDENDS	*7*	**207**	–

\# EBITDA represents earnings before acquisition costs arising from business combinations, depreciation, fair value adjustments, finance income, finance costs, income tax expenses, non-cash items, non-recurring items, share-based payment expenses and share of profits of investments accounted for using equity method. EBITDA is not a measure of performance under Hong Kong Financial Reporting Standards, but is widely used by management for monitoring business performance of a company from operational perspective. It may not be comparable to similar measures presented by the other companies.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'million	*RMB'million*
PROFIT FOR THE PERIOD	**247**	286
Other comprehensive loss		
Items that may be reclassified to profit or loss		
Currencies translation differences	**(187)**	(211)
Other comprehensive loss for the period, net of tax	**(187)**	(211)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**60**	75
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO		
Equity holders of the Company	**(80)**	(30)
Non-controlling interests	**140**	105
	60	75

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	**Unaudited 30 June 2023** *RMB'million*	Audited 31 December 2022 *RMB'million*
ASSETS			
Non-current assets			
Property, plant and equipment		**41,332**	32,374
Right-of-use assets		**1,799**	1,680
Intangible assets		**1,166**	1,166
Investments accounted for using equity method		**1,475**	736
Other receivables, deposits and prepayments		**4,440**	4,548
Pledged deposits		**266**	947
Deferred tax assets		**19**	12
Total non-current assets		**50,497**	41,463
Current assets			
Financial assets at fair value through profit or loss		**34**	34
Trade, bills and tariff adjustment receivables	*8*	**7,716**	8,296
Other receivables, deposits and prepayments		**4,407**	3,459
Pledged deposits		**3,314**	1,829
Restricted cash		**10**	10
Cash and cash equivalents		**2,748**	5,237
Total current assets		**18,229**	18,865
Total assets		**68,726**	60,328

	Note	**Unaudited 30 June 2023** *RMB'million*	Audited 31 December 2022 *RMB'million*
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	*9*	**1,921**	1,924
Reserves		**3,825**	4,067
		5,746	5,991
Non-controlling interests		**6,611**	4,192
Total equity		**12,357**	10,183
LIABILITIES			
Non-current liabilities			
Convertible bonds	*10*	**–**	355
Contingent consideration payables		**15**	19
Bank and other borrowings	*11*	**38,366**	29,585
Lease liabilities		**1,064**	1,068
Deferred income		**26**	26
Deferred tax liabilities		**843**	482
Other payables and accruals		**66**	–
Total non-current liabilities		**40,380**	31,535
Current liabilities			
Other payables and accruals		**4,736**	4,332
Lease liabilities		**72**	71
Convertible bonds	*10*	**338**	–
Contingent consideration payables		**2**	2
Bank and other borrowings	*11*	**10,841**	14,205
Total current liabilities		**15,989**	18,610
Total liabilities		**56,369**	50,145
Total equity and liabilities		**68,726**	60,328

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business in Hong Kong is Unit 1012, 10th Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. The ordinary shares of the Company are listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Beijing Energy Investment Holding (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Beijing Energy Holding Co., Ltd.* (北京能源集團有限責任公司) ("**BEH**"), which is a direct controlling shareholder holding approximately 32.04% of the issued share capital of the Company. BEH is a state-owned company in the PRC indirectly wholly-owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

The Group is principally engaged in the development, investment, operation and management of power plants and other clean energy projects.

This unaudited condensed consolidated interim financial information ("**Financial Information**") is presented in Renminbi ("**RMB**") and rounded to the nearest million ("**million**"), unless otherwise stated. This Financial Information has been approved for issue by the Board on 29 August 2023.

2 BASIS OF PREPARATION

This Financial Information for the Period has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and the Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

This Financial Information has been prepared under the historical cost convention, except for the revaluation of financial assets at fair value through profit or loss ("**FVTPL**") and financial liabilities at FVTPL, which were carried at fair values.

2.1 Changes in Accounting Policies and Disclosures

The accounting policies used in the preparation of the Financial Information are consistent with those used in the annual financial statements for the year ended 31 December 2022, except as mentioned below.

(a) New and amended HKFRSs that are Effective for Annual Periods Beginning On or After 1 January 2023

During the Period, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on or after 1 January 2023:

Amendments to HKAS 1 and HKFRS Practice Statements 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules
HKFRS 17	Insurance Contracts and Related Amendments

The adoption of these amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

(b) Issued But Not Yet Effective HKFRSs

At the date of authorisation of these condensed consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been early adopted by the Group.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and Related Amendments to Hong Kong Interpretation 5[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]

1 Effective for annual periods beginning on or after 1 January 2024
2 Effective date not yet determined

The Board anticipates that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement, and these are not expected to have a material impact on the Group's condensed consolidated financial statements.

2.2 Critical Accounting Estimates and Assumptions

The preparation of the Financial Information requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Financial Information, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022.

2.3 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Financial Information do not include all financial risk management information and disclosures as required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2022. There have been no changes in the risk management policies since year end. Compared to 31 December 2022 and there was no material change in the contractual undiscounted cash out flows for financial liabilities as at 30 June 2023.

3 REVENUE AND SEGMENT INFORMATION

The Chief Operating Decision-Maker ("**CODM**") has been identified as the Board. Management has determined the operating segments based on the internal reports reviewed by CODM in order to assess performance and allocate resources. The operating segments of the Group are structured and managed separately according to the nature of products sold or services provided by different strategic business units and subject to risks and returns that are different from those of the other operating segments. The Board assesses the performance of the operating segments based on reporting operating results.

During the Period, CODM has redefined the classification of business segments and the internal performance review of the Group so as to align more closely with the strategic decision and development of the Group as well as the segment information disclosure to the current operations of the Group. The operating segments of the Group have been redefined and aggregated in terms of similar economic characteristics and similar nature of products sold or services provided into the following reporting segments.

(a) Solar power business — management and operation of solar power generation projects located in the PRC and overseas;

(b) Wind power business — management and operation of wind power generation projects located in the PRC and overseas; and

(c) Hydropower business — management and operation of hydropower generation projects located in the PRC and overseas.

Others include corporate income and expenses, other direct investments and others.

The comparative amounts of the segment information for the six months ended 30 June 2022 have been reclassified to reflect the change in the composition of the operating segments of the Group.

(a) Business Segments

Segment Revenue and Results, and Segment Assets and Liabilities

	Solar power business *RMB'million*	Wind power business *RMB'million*	Hydropower business *RMB'million*	Others *RMB'million*	Total *RMB'million*
Six months ended 30 June 2023 (Unaudited)					
Revenue	1,994	466	114	–	2,574
Segment results	1,223	300	47	(243)	1,327
Unallocated other gains and losses					
Acquisition costs arising from business combinations					(6)
Finance income					89
Finance costs					(1,063)
Share-based payment expenses					(5)
Profit before income tax					342
Income tax expenses					(95)
Profit after income tax					247
As at 30 June 2023 (Unaudited)					
Segment assets	36,133	12,381	9,386	3,302	61,202
Unallocated assets					7,524
Total assets					68,726
Total assets including:					
Investments in associates	139	863	308	165	1,475
Segment liabilities	18,455	7,744	4,591	21,075	51,865
Unallocated liabilities					4,504
Total liabilities					56,369

	Solar power business *RMB'million*	Wind power business *RMB'million*	Hydropower business *RMB'million*	Others *RMB'million*	Total *RMB'million*
Six months ended 30 June 2022 (Unaudited)					
Revenue	1,810	175	–	–	1,985
Segment results	1,132	95	–	(192)	1,035
Unallocated other gains and losses					
Acquisition costs arising from business combinations					(1)
Finance income					22
Finance costs					(692)
Profit before income tax					364
Income tax expenses					(78)
Profit after income tax					286
As at 31 December 2022 (Audited)					
Segment assets	36,795	10,660	–	4,546	52,001
Unallocated assets					8,327
Total assets					60,328
Total assets including:					
Investments in associates	131	431	–	174	736
Segment liabilities	22,189	6,647	–	17,953	46,789
Unallocated liabilities					3,356
Total liabilities					50,145

(b) Geographical Segments

During the six months ended 30 June 2023 and 2022, the major operating entities of the Group are domiciled in the PRC, Australia and Vietnam. Accordingly, all of the revenue of the Group from external customers derived from the operations as follows:

	Unaudited Six months ended 30 June	
	2023	2022
	RMB'million	*RMB'million*
The PRC	**2,548**	1,985
Vietnam	**26**	–
	2,574	1,985

The non-current assets of the Group other than financial instruments and deferred tax assets by geographical area are as follows:

	Unaudited 30 June 2023 *RMB'million*	Audited 31 December 2022 *RMB'million*
The PRC	**44,621**	34,910
Australia	**573**	475
Vietnam	**570**	570
Hong Kong	**8**	1
	45,772	35,956

(c) Information About Major Customers

For the Period, there were three (30 June 2022: three) customers which individually contributed over 10% of the total revenue of the Group. The revenue contributed from each of these customers was as follows:

	Unaudited Six months ended 30 June	
	2023 *RMB'million*	2022 *RMB'million*
Customer A	**353**	375
Customer B *(Note (a))*	**386**	170
Customer C	**291**	230
Customer D *(Note (b))*	**185**	198

Notes:

(a) This customer did not contribute over 10% of total revenue of the Group for the six months ended 30 June 2022. The amounts shown above are for the comparative purpose only.

(b) This customer did not contribute over 10% of total revenue of the Group for the Period. The amounts shown above are for the comparative purpose only.

4 FINANCE COSTS

	Unaudited Six months ended 30 June	
	2023 *RMB'million*	2022 *RMB'million*
In relation to bank and other borrowings		
Interest expenses	**986**	644
Loan facilities fees	**58**	35
	1,044	679
In relation to lease liabilities		
Interest expenses	**19**	13
Total finance costs	**1,063**	692

5 INCOME TAX EXPENSES

During the Period, the operations of the Group in the PRC are subject to the corporate income tax of the PRC ("**PRC Corporate Income Tax**"). The statutory PRC Corporate Income Tax rate is 25%. Certain subsidiaries of renewable energy projects in the PRC are entitled to preferential tax concession. Income tax on profits assessable outside the PRC has been provided at rates prevailing in the respective jurisdictions (30 June 2022: Same).

6 EARNINGS PER SHARE

(a) Basic

Basic earnings per share was calculated by dividing profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue, after adjusting the effect of cancelled shares, during the six months ended 30 June 2023 and 2022.

	Unaudited	
	Six months ended 30 June	
	2023	2022
	Million shares	*Million shares*
Weighted average number of ordinary shares in issue	**22,402**	22,428
	RMB'million	*RMB'million*
Profit attributable to the equity holders of the Company	**107**	181
	RMB cents	*RMB cents*
Basic and diluted earnings per share	**0.48**	0.81

(b) Diluted

Diluted earnings per share was calculated based on profit attributable to the equity holders of the Company and by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all dilutive potential ordinary shares. For the Period, the Group has two (30 June 2022: two) categories of potential ordinary shares including convertible bonds and share options (30 June 2022: convertible bonds and share options).

Convertible bonds were not assumed to be converted because the conversion price and the reset conversion price of the convertible bonds were higher than the average market price of shares for the periods from the date of issue to 30 June 2023 and 30 June 2022.

A calculation for the share options had been done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The computation of diluted earnings per share did not assume the exercise of the share options of the Company because the exercise price of the share options was higher than the average market price of shares for the six months ended 30 June 2023 and 2022.

7 DIVIDEND

	Unaudited Six months ended 30 June	
	2023	2022
	RMB'million	*RMB'million*
2022 final dividend	**207**	–

A final dividend in respect of the year ended 31 December 2022 of HK$1.00 cent (equivalent to approximately RMB0.92 cent) per ordinary share amounting to a total of approximately HK$224 million (equivalent to approximately RMB207 million) was declared by the Board on 30 March 2023, which was approved by the shareholders at the annual general meeting held on 27 June 2023 and has been paid on 21 July 2023. Such dividend represented for 22,399,550,432 ordinary shares issued and outstanding as at 5 July 2023 and was accounted for in equity as an distribution out of contributed surplus during the Period.

No dividend has been paid or declared by the Company for the Period (30 June 2022: Nil).

8 TRADE, BILLS AND TARIFF ADJUSTMENT RECEIVABLES

	Unaudited	Audited
	30 June	31 December
	2023	2022
	RMB'million	*RMB'million*
Trade receivables	**389**	325
Tariff adjustment receivables	**7,245**	7,969
Trade and tariff adjustment receivables	**7,634**	8,294
Bills receivables	**107**	27
Trade, bills and tariff adjustment receivables	**7,741**	8,321
Less: accumulated impairment	**(25)**	(25)
	7,716	8,296

As at 30 June 2023, trade receivables of approximately RMB389 million (31 December 2022: approximately RMB325 million) represented receivables from sales of electricity and are usually settled within one to six months. Tariff adjustment receivables mainly represented the central government subsidies on renewable energy projects to be received from the State Grid and Inner Mongolia Power based on the prevailing nationwide government policies.

During the year ended 31 December 2022, a solar power plant of the Group located in Inner Mongolia was alleged for certain non-compliance issues and the local authorities demanded for a compensation of approximately RMB216 million. Management considered that the allegation is invalid and without reasonable grounds. In March 2023, the local authorities have agreed with the request of the Management for a further review and the final decision will be announced soon. Accordingly, Management made a provision for compensation and impairment charge on tariff adjustment receivables of approximately RMB35 million and RMB25 million for the year ended 31 December 2022, respectively. Management considered that there is sufficient provision for impairment on the tariff adjustment receivables and no further material credit loss was expected and recognised for the Period.

The ageing analysis of trade and tariff adjustment receivables by invoice date was as follows:

	Unaudited 30 June 2023 ***RMB'million***	Audited 31 December 2022 *RMB'million*
Unbilled *(Note)*	**7,349**	8,192
1 – 30 days	**65**	70
31 – 60 days	**10**	5
61 – 90 days	**8**	4
91 – 180 days	**192**	12
181 – 365 days	**5**	1
Over 365 days	**5**	10
	7,634	8,294

Note: The amount represents unbilled trade and tariff adjustment receivables. The aged analysis of the unbilled trade and tariff receivables, which is based on revenue recognition date, are as follows:

	Unaudited 30 June 2023 ***RMB'million***	Audited 31 December 2022 *RMB'million*
1 – 30 days	**525**	383
31 – 60 days	**250**	253
61 – 90 days	**242**	229
91 – 180 days	**671**	723
181 – 365 days	**1,184**	1,377
Over 365 days	**4,477**	5,227
	7,349	8,192

9 SHARE CAPITAL

	Number of shares *(million)*	*RMB'million*
Ordinary shares of HK$0.10 each		
Authorised		
At 1 January 2023 and 30 June 2023	**30,000**	**2,525**
Issued and fully paid		
At 1 January 2023	**22,428**	**1,924**
Cancellation of ordinary shares	**(28)**	**(3)**
At 30 June 2023	**22,400**	**1,921**

Notes:

(a) During the Period, no share of the Company was issued (31 December 2022: Nil).

(b) During the year ended 31 December 2022, the Company repurchased its own ordinary shares for a total of approximately 28 million ordinary shares on the Stock Exchange with a total consideration of approximately HK$6.2 million (equivalent to approximately RMB6 million).

In January 2023, all of the repurchased shares with total par value of approximately HK$2.8 million (equivalent to approximately RMB2.5 million) were cancelled by the Company. The related costs of repurchase were approximately HK$6.2 million (equivalent to approximately RMB6 million) and the exceed of costs of repurchase over the par value of the ordinary shares of approximately HK$3.4 million (equivalent to approximately RMB3 million) was charged to share premium.

10 CONVERTIBLE BONDS

	Unaudited 30 June 2023 ***RMB'million***	Audited 31 December 2022 *RMB'million*
Non-current	**–**	355
Current	**338**	–
	338	355

On 29 June 2021, the Company issued three-year convertible bonds to independent third parties as follows:

Date of issue	Principal Amount	Interest rate	On inception Net proceeds (equivalent to approximately)	Financial liabilities at FVTPL
	US$'million		*RMB'million*	*RMB'million*
29 June 2021	50	3.8% p.a.	316	316

The bondholders are entitled to convert the bonds into shares credited as fully paid at any time during the conversion period:

(a) at any time on and after the day falling 41 days after the date of issue to the close of business on the date falling 10 days prior to the maturity date (both days inclusive); or

(b) if the bonds have been called for redemption before the maturity date, then up to and including the close of business on date no later than 10 days prior to the date fixed for redemption.

The movements of convertible bonds during the Period are as follows:

	Unaudited
	RMB'million
At 1 January 2023	**355**
Interest payment	**(7)**
Subsequent re-measurement fair value gain	**(10)**
At 30 June 2023	**338**

11 BANK AND OTHER BORROWINGS

	Unaudited 30 June 2023	Audited 31 December 2022
	RMB'million	*RMB'million*
Non-current	**38,366**	29,585
Current	**10,841**	14,205
	49,207	43,790

Movements in bank and other borrowings is analysed as follows:

	Unaudited *RMB'million*
As at 1 January 2023	**43,790**
Acquisition of subsidiaries *(Note 12)*	**7,711**
Proceeds from bank borrowings	**10,828**
Repayments of bank borrowings	**(7,451)**
Proceeds from loans from financial institutions	**2,076**
Repayments of loans from financial institutions	**(6,081)**
Repayments of other loans	**(1,995)**
Amortisation of loan facilities fees	**55**
Unamortised interest cost on pledged deposits	**(2)**
Exchange difference	**276**
As at 30 June 2023	**49,207**

Note: As at 30 June 2023, the effective interest rate per annum for bank and other borrowings was approximately 4.25% (31 December 2022: approximately 4.18%).

12 ACQUISITION OF SUBSIDIARIES

It is the strategy of the Group to identify suitable investment opportunity to acquire renewable energy projects with good prospects and potential for stable returns.

(a) Business Combinations

During the Period, the Company completed the acquisitions of 26 (31 December 2022: 7) power plants in the PRC from independent third parties through a wholly-owned subsidiary. The acquisitions have immediately enabled to supplement the existing renewable power plant portfolio of the Group and further expand its scale of business in the renewable energy sector in order to enhance return to the shareholders of the Company.

(b) Acquisitions of Assets

During the Period, the Company acquired the equity interest of a company in the PRC (31 December 2022: certain companies in the PRC and in Vietnam) from independent third parties through a non wholly-owned subsidiary. This acquisition is considered as acquisition of assets as the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets. This company has also been consolidated into the condensed consolidated financial statements of the Group.

The following table summarises the consideration paid, the fair value of identifiable assets acquired, liabilities assumed and the non-controlling interests as at the respective acquisition dates:

	Unaudited					
	Six months ended 30 June					
	2023			2022		
	Business combinations	**Acquisitions of assets**	**Total**	Business combinations	Acquisitions of assets	Total
	RMB'million	***RMB'million***	***RMB'million***	*RMB'million*	*RMB'million*	*RMB'million*
Consideration						
Cash	**–**	**–**	**–**	57	85	142
Capital increase — cash contribution	**960**	**–**	**960**	–	–	–
Total	**960**	**–**	**960**	57	85	142
Recognised amounts of fair value of identifiable assets acquired, liabilities assumed and non-controlling interests						
Property, plant and equipment	**8,160**	**873**	**9,033**	113	379	492
Right-of-use assets	**48**	**3**	**51**	4	38	42
Investment in associates	**311**	**–**	**311**	–	–	–
Value-added tax recoverable/(payables), net	**3**	**75**	**78**	(1)	41	40
Trade and tariff adjustment receivables	**135**	**18**	**153**	102	5	107
Other receivables, deposits and prepayments	**609**	**17**	**626**	–	2	2
Amounts due from associates	**5**	**–**	**5**	–	–	–
Cash and cash equivalents	**89**	**11**	**100**	2	2	4
Pledged deposits	**5**	**–**	**5**	–	–	–
Other payables and accruals	**(448)**	**(11)**	**(459)**	(157)	(24)	(181)
Construction costs payables	**(132)**	**(145)**	**(277)**	–	–	–
Bank and other borrowings *(Note 11)*	**(6,871)**	**(840)**	**(7,711)**	–	(327)	(327)
Lease liabilities	**–**	**(1)**	**(1)**	(4)	(31)	(35)
Deferred tax liabilities	**(370)**	**–**	**(370)**	(1)	–	(1)
Income tax payable	**–**	**–**	**–**	(1)	–	(1)
Total identifiable net assets	**1,544**	**–**	**1,544**	57	85	142
Non-controlling interests	**(584)**	**–**	**(584)**	–	–	–
	960	**–**	**960**	57	85	142
Net cash inflow/(outflow) arising from the acquisitions						
Offsetting with deposits for investments	**–**	**–**	**–**	–	85	85
Offsetting with other receivables	**(384)**	**–**	**(384)**	–	–	–
Other payables (included consideration payables in relation to acquisitions)	**–**	**–**	**–**	34	–	34
Cash and cash equivalents acquired	**89**	**11**	**100**	2	2	4
Less: cash consideration	**–**	**–**	**–**	(57)	(85)	(142)
	(295)	**11**	**(284)**	(21)	2	(19)

The fair value of the acquired identifiable assets under business combinations during the Period was provisional pending receipt of the final valuations of those assets. Deferred tax has been provided in relation to these fair value adjustments. Management performed retrospective review of the fair value of the acquired identifiable assets under business combinations during the six months ended 30 June 2022 and considered no retrospective adjustment was required.

13 EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

(a) As described in Note (a) of the paragraph titled "MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES" in the section titled "MANAGEMENT DISCUSSION AND ANALYSIS" above, the exercise of the Call Options and the acquisition of the additional 26% of the issued share capital of the Target Companies were approved by the Shareholders on 27 June 2023. The acquisition of additional 26% of the issued share capital of the Target Companies was completed in July 2023. Details of the acquisitions are set out in the announcements of the Company dated 20 December 2022 and 27 April 2023, as well as the circular of the Company dated 9 June 2023.

(b) On 27 July 2023, an application made by the Company to the National Association of Financial Market Institutional Investors (the "**Association**") for the registration of debt financing instruments in the aggregate amount of not more than RMB5 billion (the "**Panda Bonds**") was approved by the Association. On 1 August 2023, the Company received the above-mentioned approval and the notice of acceptance in respect to the registration of the Panda Bonds (the "**Acceptance Notice**") from the Association. It is proposed that the Panda Bonds will be issued in multiple tranches as and when appropriate within two years from 27 July 2023 (that is the date of the Acceptance Notice). Details are set out in the announcement of the Company dated 2 August 2023.

(c) On 14 August 2023, the Company entered into a facility agreement (the "**Facility Agreement**") with The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") in relation to a loan facility for the purpose of financing the general working capital of the Group, refinancing the debts of the Group, or funding the Group's investments and capital expenditures. Pursuant to and subject to the satisfaction of the conditions precedent and conditions subsequent set out in the Facility Agreement, HSBC agreed to make available to the Company a term loan facility of US$150 million (equivalent to approximately RMB1,075 million). Details are set out in the announcement of the Company dated 14 August 2023.

14 COMPARATIVE FIGURES

Certain comparative figures have been represented to conform to current period's presentation.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standard of corporate governance to protect the interests of the Company and its shareholders as a whole. During the Period, the Company has applied and complied with all applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code for securities transactions by Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules.

Having made specific enquiry to each Director, all of them confirmed that they have complied with the required standard set out in the Model Code and our own code throughout the Period.

AUDIT COMMITTEE

The unaudited condensed consolidated interim results of the Group for the Period have been reviewed by the Company's audit committee, which currently comprises three members, including two independent non-executive Directors, namely Ms. Li Hongwei (Chairlady) and Mr. Zhu Jianbiao, and one non-executive Director, namely Mr. Liu Guoxi.

INTERIM DIVIDEND

The Board did not declare the payment of interim dividend for the Period.

APPRECIATION

The Board would like to take this opportunity to thank every stakeholder of the Company for their contributions to the Group during the Period.

For and on behalf of
Beijing Energy International Holding Co., Ltd.
Zhang Ping
Chairman of the Board

Hong Kong, 29 August 2023

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Ping (Chairman) and Mr. Lu Zhenwei; the non-executive directors of the Company are Mr. Liu Guoxi, Mr. Su Yongjian, Mr. Li Hao and Mr. Lu Xiaoyu; and the independent non-executive directors of the Company are Ms. Jin Xinbin, Ms. Li Hongwei and Mr. Zhu Jianbiao.

* *For identification purpose only*