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華電國際電力股份有限公司

Huadian Power International Corporation Limited*

*(A Sino-foreign investment joint stock company limited by shares incorporated in the People's Republic of China (the "**PRC**"))*

(Stock code: 1071)

ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The board of directors (the "**Board**") of Huadian Power International Corporation Limited (the "**Company**") hereby announces the consolidated results of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2023 extracted from the audited consolidated financial statements of the Group prepared in accordance with the International Financial Reporting Standards.

FINANCIAL AND BUSINESS SUMMARY

- Power generation by the Group in 2023 amounted to 223.80 million MWh, representing an increase of approximately 1.30% compared with the same period of the previous year. The volume of on-grid power sold amounted to 209.55 million MWh, representing an increase of approximately 1.21% compared with the same period of the previous year;

- Turnover of the Group in 2023 amounted to approximately RMB116,376 million, representing an increase of approximately 9.83% over 2022;

- Profit for the year attributable to equity holders of the Company in 2023 amounted to approximately RMB4,601 million; profit for the year attributable to equity shareholders of the Company amounted to approximately RMB3,594 million;

- Basic earnings per share in 2023 was approximately RMB0.355, and the Board proposes to declare a final cash dividend of RMB0.15 per share (tax inclusive) based on the total share capital of 10,227,561,133 shares for the financial year ended 31 December 2023, totaling approximately RMB1,534,134.17 thousand (tax inclusive). The dividend distribution proposal is subject to the approval by the shareholders at the upcoming 2023 annual general meeting (such date has not been determined but will be published by the Company in due course).

PROFIT DISTRIBUTION

Pursuant to a resolution passed at the seventh meeting of the tenth session of the Board, the Board proposes to declare a final cash dividend of RMB0.15 per share (tax inclusive) based on the total share capital of 10,227,561,133 shares for the financial year ended 31 December 2023, totaling approximately RMB1,534,134.17 thousand (tax inclusive).

The dividend distribution proposal is subject to approval by the shareholders at the upcoming 2023 annual general meeting (such date has not been determined but will be published by the Company in due course). The circular of the 2023 annual general meeting of the Company, containing details of the period of the closure and procedures of the register of members, will be published and despatched to shareholders of the Company in due course.

If the above proposal for profit distribution is considered and approved at the upcoming 2023 annual general meeting, the Company expects to distribute such cash dividends on or before 30 August 2024.

THE GROUP'S MAJOR EXISTING ASSETS

The Group is one of the largest comprehensive energy companies in the PRC, primarily engaged in the construction and operation of power plants, including large-scale efficient coal- or gas-fired generating units and various renewable energy projects. The Group's controlled power generating assets in operation are located in 12 provinces and cities across the PRC at the prime location, mainly in the electricity and heat load centres or regions with abundant coal resources.

As of the date of this announcement, the Group had a total of 45 controlled power generation enterprises which have commenced operations involving a total of 58,449.78 MW controlled installed capacity, primarily including 46,890 MW attributable to coal-fired generating units, 9,094.59 MW attributable to gas-fired generating units and 2,459 MW attributable to hydropower generating units. The details are as follows:

(1) Details of controlled coal- and gas-fired generating units are as follows:

Category		Name of power plant/company	Installed capacity *(MW)*	Equity interest held by the Company	Generating units
Coal-fired	1	Zouxian Plant	2,575	100%	1 x 635 MW + 1 x 600 MW + 4 x 335 MW
	2	Shiliquan Plant	2,120	100%	2 x 660 MW + 2 x 330 MW + 1 x 140 MW
	3	Laicheng Plant	1,200	100%	4 x 300 MW
	4	Fengjie Plant	1,200	100%	2 x 600 MW
	5	Huadian Zouxian Power Generation Company Limited ("**Zouxian Company**")	2,000	69%	2 x 1,000 MW
	6	Huadian Laizhou Power Generation Company Limited ("**Laizhou Company**")	4,000	75%	4 x 1,000 MW
	7	Huadian Weifang Power Generation Company Limited ("**Weifang Company**")	2,000	64.29%	2 x 670 MW + 2 x 330 MW
	8	Huadian Qingdao Power Generation Company Limited ("**Qingdao Company**")[Note 4]	1,725.54	55%	1 x 505.54 MW + 1 x 320 MW + 3 x 300 MW
	9	Huadian Zibo Thermal Power Company Limited ("**Zibo Company**")	950	100%	2 x 330 MW + 2 x 145 MW
	10	Huadian Zhangqiu Power Generation Company Limited ("**Zhangqiu Company**")	925	87.5%	1 x 335 MW + 1 x 300 MW + 2 x 145 MW
	11	Huadian Tengzhou Xinyuan Thermal Power Company Limited ("**Tengzhou Company**")	930	93.26%	2 x 315 MW + 2 x 150 MW

Category		Name of power plant/company	Installed capacity *(MW)*	Equity interest held by the Company	Generating units
Coal-fired	12	Huadian Longkou Power Generation Co., Ltd. ("**Longkou Company**")	1,540	100%	1 x 660 MW + 4 x 220 MW
	13	Huadian Hubei Power Generation Company Limited [Note 1] ("**Hubei Company**")	6,855.6	82.56%	2 x 680 MW + 2 x 660 MW + 2 x 640 MW + 6 x 330MW + 1 x 300 MW + 2 x 185 MW + 2 x 122.8 MW
	14	Anhui Huadian Lu'an Power Generation Company Limited ("**Lu'an Company**")	1,320	95%	2 x 660 MW
	15	Anhui Huadian Suzhou Power Generation Company Limited ("**Suzhou Company**")	1,260	97%	2 x 630 MW
	16	Anhui Huadian Wuhu Power Generation Company Limited ("**Wuhu Company**")	2,320	65%	1 x 1,000 MW + 2 x 660 MW
	17	Hebei Huadian Shijiazhuang Yuhua Thermal Power Company Limited ("**Yuhua Company**")	600	20.80%	2 x 300 MW
	18	Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited ("**Luhua Company**")[Note 2]	661	90%	2 x 330 MW + 1 MW
	19	Huadian Xinxiang Power Generation Company Limited ("**Xinxiang Company**")	1,320	97.93%	2 x 660 MW
	20	Huadian Luohe Power Generation Company Limited ("**Luohe Company**")	660	79.11%	2 x 330 MW
	21	Huadian Qudong Power Generation Company Limited ("**Qudong Company**")	660	90%	2 x 330 MW

Category		Name of power plant/company	Installed capacity *(MW)*	Equity interest held by the Company	Generating units
	22	Sichuan Guang'an Power Generation Company Limited ("**Guang'an Company**")	2,400	80%	2 x 600 MW + 4 x 300 MW
	23	Tianjin Development Area Branch Company of Huadian Power International Corporation Limited ("**Tianjin Development Area Branch Company**")	510	100%	3 x 170 MW
	24	Guangdong Huadian Pingshi Power Generation Company Limited ("**Pingshi Power Generation Company**")	600	100%	2 x 300 MW
	25	Guangdong Huadian Shaoguan Thermal Power Company Limited ("**Shaoguan Thermal Power Company**")	700	100%	2 x 350 MW
Coal-fired	26	Shantou Huadian Power Generation Company Limited ("**Shantou Company**")	1,360	51%	2 x 680 MW
	27	Shuozhou Thermal Power Branch Company of Huadian Power International Corporation Limited ("**Shuozhou Thermal Power Branch Company**")[Note 2]	701.2	100%	2 x 350 MW + 1.2 MW
	28	Hunan Huadian Changsha Power Generation Company Limited ("**Changsha Company**")	1,200	70%	2 x 600 MW
	29	Hunan Huadian Changde Power Generation Company Limited ("**Changde Company**")	1,320	48.98%	2 x 660 MW
	30	Hunan Huadian Pingjiang Power Generation Company Limited ("**Pingjiang Company**")	2,000	100%	2 x 1,000 MW
Gas-fired	31	Hangzhou Huadian Banshan Power Generation Company Limited ("**Banshan Company**")	2,415	64%	3 x 415 MW + 3 x 390 MW
	32	Hangzhou Huadian Xiasha Thermal Power Company Limited ("**Xiasha Company**")	246	56%	1 x 88 MW + 2 x 79 MW

Category		Name of power plant/company	Installed capacity *(MW)*	Equity interest held by the Company	Generating units
	33	Hangzhou Huadian Jiangdong Thermal Power Company Limited ("**Jiangdong Company**")	960.5	70%	2 x 480.25 MW
	34	Huadian Zhejiang Longyou Thermal Power Company Limited ("**Longyou Company**")	405	100%	1 x 130.3 MW + 2 x 127.6 MW + 1 x 19.5 MW
	35	Hebei Huadian Shijiazhuang Thermal Power Company Limited ("**Shijiazhuang Thermal Power Company**")[Note 2, 3]	1,310.2	82%	2 x 453.6 MW + 2 x 200 MW + 3 MW
	36	Shijiazhuang Huadian Heat Corporation Limited ("**Shijiazhuang Heat Corporation**")	12.55	100%	2 x 4.275 MW + 2 x 2 MW
Gas-fired	37	Tianjin Huadian Fuyuan Thermal Power Company Limited ("**Fuyuan Thermal Power Company**")[Note 2]	400.49	100%	2 x 200 MW + 0.49 MW
	38	Tianjin Huadian Nanjiang Thermal Power Company Limited ("**Nanjiang Thermal Power Company**")	930	65%	2 x 315 MW + 1 x 300 MW
	39	Guangdong Huadian Shenzhen Energy Company Limited ("**Shenzhen Company**")	365	100%	1 x 120 MW + 2 x 82 MW + 1 x 81 MW
	40	Huadian Foshan Energy Company Limited ("**Foshan Energy Company**")	329	90%	4 x 59 MW + 1 x 47.5 MW + 1 x 45.5 MW
	41	Guangdong Huadian Qingyuan Energy Company Limited ("**Qingyuan Company**")	1,003.2	100%	2 x 501.6 MW

Note 1: Details of the installed generating units of Hubei Company are as follows:

Category	**Name of power plant/company**	**Installed capacity** *(MW)*	**Shareholding percentage of Hubei Company**	**Generating units**
Coal-fired	Huadian Hubei Power Generation Company Limited Huangshi Thermal Power Plant ("**Huangshi Thermal Power Plant**")	330	100%	1 x 330 MW
	Hubei Xisaishan Power Generation Company Limited ("**Xisaishan Company**")	660	50%	2 x 330 MW
	Hubei Huadian Xisaishan Power Generation Company Limited ("**Huadian Xisaishan Company**")	1,360	50%	2 x 680 MW
	Hubei Huadian Xiangyang Power Generation Company Limited ("**Xiangyang Company**")	2,570	60.1%	2 x 640 MW + 3 x 330 MW + 1 x 300 MW
	Hubei Huadian Jiangling Power Generation Company Limited ("**Jiangling Company**")	1,320	100%	2 x 660 MW
Gas-fired	Huadian Hubei Power Generation Company Limited Wuchang Thermal Power Branch Company ("**Wuchang Thermal Power**")	370	100%	2 x 185 MW
	Hubei Huadian Xiangyang Gas Turbine Thermal Power Company Limited ("**Xiangyang Thermal Power**")	245.6	51%	2 x 122.8 MW

Note 2: The 1.2 MW photovoltaic generating units of Shuozhou Thermal Power Branch Company, the 1 MW photovoltaic generating units of Luhua Company, the 3 MW photovoltaic generating units of Shijiazhuang Thermal Power Company and the 0.49 MW photovoltaic generating units of Fuyuan Thermal Power Company are for own use.

Note 3: Generating units of Shijiazhuang Thermal Power Company include two 200 MW coal-fired generating units.

Note 4: Generating units of Qingdao Company include one 505.54 MW gas-fired generating unit.

(2) Details of controlled renewable energy generating units are as follows:

Category		Name of power plant/company	Installed capacity *(MW)*	Equity interest held by the Company	Generating units
	1	Hebei Huadian Complex Pumping-storage Hydropower Company Limited ("**Hebei Hydropower Company**")[Note 2]	65.5	100%	1 x 16 MW + 2 x 15 MW + 1 x 11 MW + 2 x 3.2 MW + 1 x 1.6 MW + 0.5 MW
	2	Sichuan Huadian Luding Hydropower Company Limited ("**Luding Hydropower Company**")	920	100%	4 x 230 MW
Hydropower	3	Sichuan Huadian Za-gunao Hydroelectric Development Company Limited ("**Za-gunao Hydroelectric Company**")	591	64%	3 x 65 MW + 3 x 56 MW + 3 x 46 MW + 3 x 30 MW
	4	Sichuan Huadian Power Investment Company Limited [Note 1] ("**Sichuan Investment Company**")	883	100%	3 x 70 MW + 3 x 62 MW + 3 x 56 MW + 3 x 46 MW + 3 x 38 MW + 3 x 11 MW + 4 x 8.5 MW

Note 1: Details of the installed generating units of Sichuan Investment Company are as follows:

Category	**Name of power plant/company**	**Installed capacity** *(MW)*	**Shareholding percentage of Sichuan Investment Company**	**Generating units**
Hydropower	Lixian Xinghe Power Company Limited ("**Lixian Company**")	67	100%	3 x 11 MW + 4 x 8.5 MW
	Sichuan Liangshan Shuiluohe Hydropower Development Company Limited ("**Shuiluohe Company**")	816	57%	3 x 70 MW + 3 x 62 MW + 3 x 56 MW + 3 x 46 MW + 3 x 38 MW

Note 2: Generating units of Hebei Hydropower Company include 0.5 MW photovoltaic generating units for own use, and 1.6 MW hydropower generating units for own use.

BUSINESS REVIEW

(1) Power Generation

As of the date of this announcement, the Group's total controlled installed capacity amounted to 58,449.78 MW. Power generation by the Group in 2023 amounted to 223.80 million MWh, representing an increase of approximately 1.30% compared with the same period of the previous year. The volume of on-grid power sold amounted to 209.55 million MWh, representing an increase of approximately 1.21% compared with the same period of the previous year. The annual utilization hours of the Group's generating units were 3,956 hours, among which the utilization hours of coal-fired generating units were 4,301 hours, the utilization hours of natural gas-fired generating units were 2,188 hours, and the utilization hours of hydropower generating units were 3,795 hours. The coal consumption for power supply was 289.34g/KWh in aggregate.

(2) Turnover

In 2023, the Group's turnover amounted to approximately RMB116,376 million, representing an increase of approximately 9.83% over 2022; of which revenue generated from sale of electricity amounted to approximately RMB96,152 million, representing an increase of approximately 0.69% over 2022; revenue generated from sale of heat amounted to approximately RMB9,624 million, representing an increase of approximately 7.28% over 2022; revenue generated from sale of coal amounted to approximately RMB10,601 million, representing an increase of approximately 609.59% over 2022.

(3) Profit

In 2023, the Group's operating profit amounted to approximately RMB4,101 million, representing an increase of approximately RMB8,285 million over 2022 (restated), mainly due to the combined impact of the Group's lower fuel prices, incremental benefits contributed by the operation of new projects and the decrease in investment income from the invested coal enterprises. For the year ended 31 December 2023, the profit for the year attributable to equity holders of the Company amounted to approximately RMB4,601 million, the profit for the year attributable to equity shareholders of the Company amounted to approximately RMB3,594 million, and the basic earnings per share was approximately RMB0.355.

(4) The Capacity of Newly-added Generating Units

During the reporting period, the details of the Group's newly-added generating units are as follows:

Projects	Category	Capacity *(MW)*
Shantou Company	Coal-fired	1,360
Pingjiang Company	Coal-fired	1,000
Longkou Company	Coal-fired	660
Tianjin Development Area Branch Company	Coal-fired	170
Qingdao Company	Gas-fired	505.54
Total	/	**3,695.54**

(5) Generating Units Approved and under Construction

As of the end of the date of announcement, the Group's major generating units approved and under construction are as follows:

Company/Project Name	Category	Planned new installed capacity *(MW)*
Guangdong Huadian Huizhou Energy Company Limited ("**Huizhou Company**")	Gas-fired generating units	2 x 535
Huadian Jinan Zhangqiu Thermal Power Company Limited ("**Zhangqiu Thermal Power**")	Gas-fired generating units	2 x 501.65
Qingdao Company	Gas-fired generating units	1 x 505.54
Chongqing Tongnan Gas Turbine Project	Gas-fired generating units	2 x 500
Huadian Shantou Energy Company Limited ("**Shantou Energy**")	Coal-fired generating units	2 x 1,000
Longkou Company	Coal-fired generating units	1 x 660
Zhejiang Huadian Wuxi River Hybrid Pumped Storage Power Generation Company Limited ("**Wuxi River Company**")	Pumped storage generating unit	298
Total	/	**6,536.84**

BUSINESS OUTLOOK

(1) Competitive Landscape in the Industry and Development Trend

The Central Economic Work Conference emphasized that we should adhere to the principles of seeking progress while maintaining stability, promoting stability through making progress, and breaking old concepts before innovation, firmly grasp the primary task of high-quality development, continuously consolidate and enhance the trend of economic recovery, and focus on expanding China's domestic demand and high-level of opening up to the outside world, all of which will effectively stimulate the growth in electricity demand.

According to the analysis and forecast on the national power supply and demand in 2024 by China Electricity Council, in terms of power demand, the national electricity consumption is expected to grow steadily in 2024. Taking into account the macroeconomic growth, electrification of terminal energy consumption equipment and other factors, and based on the prediction results of the electricity consumption by different methods, it is expected that the electricity consumption of the entire society in China will be 9.8 trillion KWh in 2024, representing an increase of about 6% as compared with 2023. In terms of power supply, it is expected that the new installed generating capacity will exceed 300 million KW again in 2024, and the total installed generating capacity in China will reach 3.25 billion KW by the end of 2024, representing a year-on-year increase of about 12%. The thermal power installed capacity will reach 1.46 billion KW, of which the coal-powered installed capacity will reach approximately 1.2 billion KW. It is expected that the national power supply and demand will be tightly balanced during the summer and winter peak seasons in 2024. Various factors, such as power supply and demand, climate uncertainty, etc. will bring uncertainties to the power supply and demand situation.

In terms of actual national conditions, resource endowments and the energy transformation process of China, coal-fired power remains to be an important support for ensuring national energy security, supply chain security, steady growth, promotion of development, and civil heating before 2030. China vigorously promotes the joint operation of coal-fired power, and the joint operation of coal-fired power and renewable energy, and carries out the "three technical transformations" and professional integration. Meanwhile, China published a series of relief policies, including financial preference, electricity price adjustment, special bonds of energy supply assurance, and the approved increase in the high-quality coal production capacity, quantity assurance, price control and capacity expansion. These policies will help ease the operating pressure on coal-fired power enterprises and improve their operating performance.

(2) Development Strategy of the Group

Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Group has fully implemented the spirit of the 20th National Congress and the Second Plenary Session of the 20th Central Committee of the Communist Party of China and the deployment of the Central Economic Work Conference, and adhered to the principles of seeking progress while maintaining stability, promoting stability through making progress, and breaking old concepts before innovation. In order to achieve the goal of building a strong and large first-class listed energy company as soon as possible, the Group has effectively carried out the activities of Quality Improvement Year for Listed Companies, and coordinated in promoting the work of safety and environmental protection, transformation and development, quality improvement and efficiency increase, and integrated management of internal control and compliance risks, thereby striving to enhance the Group's high-quality development capability and innovative and synergistic service guarantee capability, and continuously improving the Group's image and market reputation.

(3) Operation Plan of the Group in 2024

In 2024, the Group is expected to generate approximately 220 billion KWh of electricity, which is basically the same as that of the previous year, and the utilization hours of power generating units are expected to remain largely stable. According to the actual progress of each project, the Group plans to invest approximately RMB9.7 billion in 2024, which will be used for the construction of power source projects, environmental protection, energy-saving technology transformation and equity investment projects, etc.

In 2024, the Group will focus on the following four aspects:

The Group will continue to deepen its operational supervision, constantly optimize financial control, conduct comprehensive evaluation on its thermal power enterprises in terms of benefit contribution and profitability, conduct in-depth research into operational improvement plans, assist relevant enterprises in improving their business conditions, and promote a substantial increase in the Group's overall benefits. We will strengthen the research on energy industry policies and market situation analysis, supervise the implementation of electricity pricing policies, and carry out market transactions by considering both quantity and price of electricity, so as to continuously consolidate the foundation of profitability. We will strengthen research and policy analysis of the coal market, urge the expansion of coal procurement channels and the optimization of coal procurement structure, and increase the volume of annual long-term coal contracts with price advantages. The Group will continue to strengthen the governance of loss-making enterprises, and achieve "double reduction" in the degree and amount of loss in coal machinery and gas turbine segments. The Group will take various measures to reduce the cost, complete the replacement of loans at high interest rates and reduce financial expenses by means of replacement and early repayment of existing loans.

We will strengthen the supervision of safety and environmental protection to maintain the good safety and stability situation of the Group. We track and focus on the management of major and important safety hazards in our system, and strive to guarantee safe production and supply of electricity and heat during major national events, important holidays and summer and winter peak seasons, so as to ensure a stable supply of electricity and heat energy. The Group will conduct in-depth research on national environmental protection policies and strengthen environmental protection management, especially for newly commenced projects, and strictly carry out inspection acceptance on their environmental protection and soil & water conservation upon completion to ensure the legality and compliance of new projects. We will continue to strengthen the research on carbon assets and the management of carbon emissions, track and grasp the policies related to carbon emissions, conduct in-depth research into the impact of carbon emission right trading on corporate benefits, strive to analyze and predict the trading price in the carbon market, and continuously improve the management level of carbon assets.

The Group will strengthen strategic management and coordinate the transformation and development of the Group. By considering the policy opportunities and investment returns in various regions, the Group will take the initiative to strengthen the research on project development directions, continuously expand the Group's development potential, and promote the implementation of projects in a coordinated and orderly manner, so as to safeguard the high-quality development of the Company with profitable investments. The Group shall deeply understand the specific requirements raised at the Central Economic Work Conference that "The gradual exit of traditional energy shall be based on the safe and reliable substitution with new energy", conceive the Group's new industry layout in an all-round way, and accelerate the implementation of more high-quality projects. We will strive to initiate the development of our overseas business as soon as possible through equity investment.

The Group will endeavor to enhance market recognition and improve the Group's good image. In accordance with the newly amended Company Law, we will amend the Articles of Association to further improve the modern enterprise system and update our corporate governance mechanism in a timely manner. The Group will continue to improve the operation and management of the "general meeting, the Board and the Supervisory Committee" according to the latest requirements of the regulatory authorities, and promote "double improvement" of both governance quality and management efficiency of the Group. We will pay close attention to market trends, insist on the market-oriented and issue-oriented approach, continuously strengthen our relationship with investors, strengthen interaction with the capital market, and constantly improve our market image and brand value.

(4) Possible Risks and Measures

At present, China's economy shows strong resilience, great potential and abundant vitality, maintains the basic trends of positive recovery and long-term improvement. However, it still suffers the problems of insufficient effective demand, overcapacity in some industries, weak social expectations, etc. Under such influence, the Group's business situation still faces potential risks, with the possible risks mainly including:

Firstly, power market risks. As the proportion of new energy installed capacity in China continues to grow rapidly, the power generation space for thermal power enterprises were further suppressed, which may impose the risk of a decline in power generation capacity to the Group. The formal implementation of the coal-fired power capacity pricing mechanism, and the full launch of spot electricity trading market will bring uncertainties to the Group's operations. As a power generation enterprise using traditional energy and mainly focusing on thermal power installed capacity, the Group is transforming from power generation to power generation and peak regulation. With the deepening of technological transformation and the increase in peak regulation, the utilization hours of power generating units may also suffer the risk of continuous declining.

The Group will actively participate in and serve the construction of a new power market based on the actual national conditions of China such as energy resource endowment, and economic and social development. The Group conduct in-depth study of the relevant policy requirements in relation to accelerating the construction of the power spot market and the establishment of coal-fired capacity tariff mechanism of the National Development and Reform Commission and the National Energy Administration, to promote the implementation of coal-fired on-grid tariff policy and coal-fired capacity tariff mechanism, to strive for gas turbine tariff policy, and to enhance the Group's power generation efficiency. The Group scientifically participate in spot market transactions to ensure that the medium-and long-term traded power capacity is not lower than the installed capacity share of each region, and the traded power price is not lower than the average price of market transactions. The Group carefully study the rules related to auxiliary services and formulate measures to participate in the auxiliary services market and increase the benefits of auxiliary services.

Secondly, project development risks. With the accelerated construction of the new power system, pumped-storage hydropower projects have entered into a large-scale construction era. As affected by factors such as deep adjustment to the national pumped storage planning, long project site selection and construction period, etc., the planning for some of the Group's pumped storage projects is still subject to great uncertainty, making it difficult to form a scale effect in the short run. New fields such as new energy storage, geothermal energy, hydrogen production and hydrogen utilization have better prospects for development, but factors such as incomplete supporting policies and immature market conditions also constrain their expected pace of development to some extent.

Taking into account the policy opportunities and investment returns in various regions, the Group took the initiative to strengthen the dimensional research on the development of the projects, continuously expand the Group's development space, and promote their implementation in a coordinated and orderly manner, so as to ensure the Group's high-quality development with high-quality investment. We conceive the Group's strategic emerging industry layout in an all-round way, and accelerate the implementation of more high-quality projects.

Thirdly, fuel market risks. The coal supply guarantee policy will be gradually canceled, and the medium and long-term contracts for power generation coal will no longer require full coverage, leading to a decrease in the growth rate of coal supply. Therefore, some of the Group's power generation enterprises may suffer the risk of rising fuel costs due to the decrease in the proportion of long-term coal contracts.

The Group will continue to strengthen the research on coal procurement strategies under the new situation, optimize the ordering structure and coal supply structure, coordinate the control over coal quantity and price, and guarantee the coal supply by category according to the marginal contribution of enterprises, and strive to maximize the overall benefits of the Group. The Group consolidate the supply and demand relationship with traditional high-quality large mines, optimize the procurement and inventory strategy in a timely manner taking into account of the market situation, and stock up seasonal electric coal to ensure stable supply during the summer and winter peak seasons.

Fourthly, safety and environmental protection risks. As affected by the frequent startup and shutdown of units, long periods of peak regulation, distinct peak loads and other operating modes, the Group is currently facing increasing problems in terms of equipment reliability and unit flexibility, as well as severe challenges in terms of safety and environmental protection. The competent authorities in charge of ecological and environmental protection have formulated a harsh environmental protection management system, changed the carbon emission compliance from the previous "two-year compliance" to "one-year compliance" system, and gradually lowered the base value of carbon quota accounting, thus leading to a further increase in the environmental protection pressure and business risks for thermal power enterprises.

The Group will carry out in-depth investigation and management of hidden production safety problems, flood control and "Work Safety Month" activities to continuously strengthen the foundation of work safety. In the face of the decrease in the surplus of carbon emission allowances in 2024, the Group, as a listed conventional energy company with heavy assets in coal and power generation, will plan ahead and make early preparations. The Group will continue to strengthen the research on carbon assets and the management of carbon emissions, track and grasp the policies related to carbon emissions, conduct in-depth research into the impact of carbon emission right trading on corporate benefits, guide power generation enterprises to carry out targeted technological transformation pursuant to the "dual control" requirements on carbon emissions, strive to analyze and predict the trading price in the carbon market, and continuously improve the management level of carbon assets.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Macroeconomic Conditions and Electricity Demand

According to the data released by the National Bureau of Statistics, after preliminary calculations, the Gross Domestic Product (GDP) of the year in 2023 amounted to RMB126,058.2 billion, representing an increase of 5.2% compared with the same period of the previous year. According to the data released by the National Energy Administration, power consumption of the entire society totalled 9,224.1 billion KWh in 2023, representing a year-on-year increase of 6.7%, of which the power generated by industrial enterprises above designated size amounted to 8,909.1 billion KWh. With regard to different industries, the consumption by the primary industry accounted for 127.8 billion KWh, representing a year-on-year increase of 11.5%; the consumption by the secondary industry accounted for 6,074.5 billion KWh, representing a year-on-year increase of 6.5%; and the consumption by the tertiary industry accounted for 1,669.4 billion KWh, representing a year-on-year increase of 12.2%; and the consumption by urban and rural residents accounted for 1,352.4 billion KWh, representing a year-on-year increase of 0.9%.

(2) Turnover

In 2023, the turnover of the Group was approximately RMB116,376 million, representing an increase of approximately 9.83% over 2022, mainly due to the increase in coal trading volume.

(3) Major Operating Expenses

In 2023, the operating expenses of the Group amounted to approximately RMB112,275 million, representing an increase of approximately 1.93% over 2022. The particulars are as follows:

Fuel costs of the Group amounted to approximately RMB75,462 million in 2023, representing a decrease of approximately 8.93% over 2022, mainly due to the lower coal prices.

Costs of coal sold of the Group amounted to approximately RMB9,733 million in 2023, representing an increase of approximately 692.75% over 2022, mainly due to the increase in coal trading volume.

Depreciation and amortisation expenses of the Group amounted to approximately RMB10,505 million in 2023, representing an increase of approximately 4.65% over 2022, mainly due to the operation of new projects.

In 2023, the repair, maintenance and inspection expenses of the Group were approximately RMB4,417 million, representing an increase of approximately 13.48% over 2022, mainly due to the operation of new projects.

In 2023, the staff cost of the Group was approximately RMB8,064 million, representing an increase of approximately 12.73% over 2022, mainly due to the combined impact of the increase in employee compensation linked to operating results and the operation of new projects.

In 2023, the administration expenses of the Group were approximately RMB1,808 million, representing a decrease of approximately 32.95% over 2022, mainly due to the decrease in impairment provision for construction in progress in 2023.

(4) Investment Income

Investment income of the Group amounted to approximately RMB18 million in 2023, representing an increase of approximately 105.77% over 2022, mainly due to the gain on disposal of subsidiaries.

(5) Other Revenue

Other revenue of the Group amounted to approximately RMB1,154 million in 2023, representing an increase of approximately 4.46% over 2022, mainly due to the increase in gain on disposal of carbon emissions assets.

(6) Other Net Income

Other net income of the Group amounted to approximately RMB434 million in 2023, representing a decrease of approximately 43.94% over 2022, mainly due to the decrease in sales revenue from by-products of power generation such as coal ash.

(7) Finance Costs

Finance costs of the Group amounted to approximately RMB3,676 million in 2023, representing a decrease of approximately 11.02% over 2022, mainly due to the Group's greater efforts in capital operation and the lower financing cost.

(8) Share of Results of Associates and Joint Ventures

Share of results of associates and joint ventures of the Group amounted to approximately RMB3,759 million in 2023, representing a decrease of approximately 21.64% over 2022, mainly due to the decrease in income from the invested coal enterprises.

(9) Income Tax

In 2023, the income tax of the Group amounted to approximately RMB974 million while income tax credit of the Group amounted to approximately RMB631 million in 2022 (restated), mainly due to the improvement in the Group's operating results.

(10) Pledge and Mortgage of Assets

As at 31 December 2023, the Company's subsidiaries have pledged their income stream in respect of the sale of electricity and heat to secure loans amounting to approximately RMB9,936 million (2022: RMB 11,105 million).

As at 31 December 2023, some of the Company's subsidiaries have mortgaged their generating units and relevant equipment to secure loans amounting to approximately RMB2,289 million (2022: RMB: 2,482 million).

(11) Indebtedness

As at 31 December 2023, the total borrowings of the Group amounted to approximately RMB93,532 million, of which borrowings denominated in Euro amounted to approximately EUR6.05 million. The liabilities to assets ratio (representing the total liabilities divided by total assets of the Group as at 31 December 2023) was approximately 62.07%. Borrowings of the Group were mainly of floating interest rates. Short-term borrowings and long-term borrowings due within one year amounted to approximately RMB31,931 million, and long-term borrowings due after one year amounted to approximately RMB61,601 million. The closing balance of the medium-term notes (including the portion due within one year) and debt financing instruments issued through non-public offering to target subscribers (including the portion due within one year) of the Group amounted to approximately RMB23,991 million. The closing balance of lease liabilities of the Group amounted to approximately RMB71 million at the end of the year.

(12) Contingent Liabilities

As of 31 December 2023, the Group did not have material contingent liability.

(13) Provisions

Provisions represent the Group's best estimate of its liabilities and remedial work costs arising from mine disposal and environmental restoration based on industry practices and historical experience. As at 31 December 2023, the balance of the Group's provisions amounted to approximately RMB147 million.

(14) Cash Flow Analysis

In 2023, the net cash inflow from operating activities of the Group amounted to approximately RMB9,460 million, and the net cash inflow from operating activities amounted to approximately RMB5,419 million in 2022, mainly due to the improvement in operating results. The net cash outflow used in investing activities amounted to approximately RMB9,294 million, and the net cash outflow used in investing activities amounted to approximately RMB8,509 million in 2022, mainly due to the decrease of disposal of assets. The net cash outflow from financing activities amounted to approximately RMB904 million, and the net cash inflow from financing activities amounted to approximately RMB3,052 million in 2022, mainly due to the repayment of loans.

(15) Exchange Rate Fluctuation Risk and Related Hedging

The Group mainly engages in business that sources income in China, and has a relatively small amount of foreign currency borrowings. Therefore, the exchange rate fluctuation risk is relatively low. Based on the above consideration, the Group did not adopt relevant hedging measures.

SIGNIFICANT EVENTS

1. Appointment of General Manager

On 2 March 2023, at the 32nd meeting of the ninth session of the Board, Mr. Chen Bin was appointed as the general manager of the Company, with the term of office commencing at the end of the 32nd meeting of the ninth session of the Board of the Company held on 2 March 2023 and ending on the expiry date of the term of office for the ninth session of the Board of the Company. For details, please refer to the announcement of the Company dated 2 March 2023.

2. Election of Directors and Supervisors

At the annual general meeting of the Company for the financial year ended 31 December 2022 held on 31 May 2023, Mr. Dai Jun, Mr. Chen Bin and Mr. Li Guoming were elected as Executive Directors of the tenth session of the Board; Mr. Zhao Bing, Mr. Zhang Zhiqiang, Mr. Li Qiangde, Ms. Cao Min and Mr. Wang Xiaobo were elected as Non-executive Directors of the tenth session of the Board; Mr. Feng Zhenping, Mr. Li Xingchun, Mr. Wang Yuesheng and Ms. Shen Ling were elected as Independent Non-executive Directors of the tenth session of the Board; and Mr. Liu Shujun and Mr. Ma Jing'an were elected as Supervisors of the tenth session of the Supervisory Committee. On 31 May 2023, the employees of the Company elected Mr. Zhang Peng as the employee representative Supervisor of the tenth session of the Supervisory Committee through democratic procedures in accordance with the laws and regulations of the PRC and the Articles of Association.

On 31 May 2023, due to the expiration of the term of office, Mr. Luo Xiaoqian ceased to be an Executive Director of the Company, Mr. Ni Shoumin, Mr. Peng Xingyu and Mr. Li Pengyun ceased to be Non-executive Directors of the Company, Mr. Li Menggang ceased to be an Independent Non-executive Director of the Company, and Ms. Chen Wei ceased to be a Supervisor of the Company.

For details, please refer to the announcements of the Company dated 28 April 2023 and 31 May 2023 and the circular dated 28 April 2023.

3. Election of Chairman and Vice Chairman, Appointments of Members of Special Committees of the Board, the Chairman of the Supervisory Committee and Appointment of General Manager

At the 1st meeting of the tenth session of the Board held on 31 May 2023, Mr. Dai Jun and Mr. Zhao Bing were elected as the Chairman and the Vice Chairman of the Company respectively, and the following members of the Board were appointed as members of respective special committees of the Board:

Strategic Committee: Dai Jun (chairman), Zhao Bing, Li Guoming, Li Qiangde and Feng Zhenping

Audit Committee: Shen Ling (chairman), Cao Min, Wang Xiaobo, Li Xingchun and Wang Yuesheng

Remuneration and Appraisal Committee: Wang Yuesheng (chairman), Zhang Zhiqiang, Wang Xiaobo, Li Xingchun and Shen Ling

Nomination Committee: Feng Zhenping (chairman), Chen Bin, Wang Xiaobo, Li Xingchun and Wang Yuesheng

In addition, Mr. Chen Bin was appointed as the general manager of the Company.

At the 1st meeting of the tenth session of the Supervisory Committee of the Company held on 31 May 2023, Mr. Liu Shujun was elected as the Chairman of the Supervisory Committee.

For details, please refer to the announcement of the Company dated 31 May 2023.

4. Change of Auditors

As at 29 March 2023, the 33rd meeting of the ninth session of the Board resolved to propose the appointment of ShineWing Certified Public Accountants (Special General Partnership) ("**ShineWing**") as the domestic auditor (internal control auditor) and SHINEWING (HK) CPA Limited ("**SHINEWING (HK)**") as the overseas auditor of the Company for 2023 to replace Baker Tilly China Certified Public Accountants (Special General Partnership) and Baker Tilly Hong Kong Limited respectively. It was considered and approved at the annual general meeting on 31 May 2023. The respective term of service of ShineWing and SHINEWING (HK) has commenced from the date of the approval at the 2022 annual general meeting up to the date of the 2023 annual general meeting.

For details, please refer to the announcements of the Company dated 29 March 2023, 31 May 2023 and the circular dated 28 April 2023.

5. Results of the Conversion of Convertible Bonds and Change in Shares

As of 1 June 2023, all "Huadian Dingzhuan (華電定轉)" have been converted into unrestricted outstanding shares of the Company, a total of 14,701,590 "Huadian Dingzhuan" convertible bonds (RMB1,470,159,000) have been converted into unrestricted outstanding shares of the Company, and the cumulative number of converted shares is 357,702,918 shares, accounting for 3.62% of the total number of shares issued prior to the date of commencement of the conversion period of the Company. The source of the converted shares were new shares, and the total share capital of the Company after the conversion was 10,227,561,133 shares. "Huadian Dingzhuan" has been delisted from the Shanghai Stock Exchange since 8 June 2023.

For details, please refer to the announcement of the Company dated 1 June 2023.

6. Amendments to the Articles of Association and its Appendices

In order to make the Articles of Association conform to the relevant regulatory requirements of the listing places (including the core shareholder protection standards set out in Appendix A1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Hong Kong Listing Rules**")) and in light of the conversion of "Huadian Dingzhuan" convertible corporate bonds issued by the Company as of 31 March 2023 and the Constitution of the Communist Party of China, the Board of the Company proposed to amend the relevant articles in the Articles of Association and its appendices. The amended Articles of Association has taken effect on the approval of the Shareholders at the 2022 AGM.

On 14 February 2023, the State Council of the PRC issued the "Decision of the State Council to Repeal Certain Administrative Regulations and Documents" (《國務院關於廢止部分行政法規和文件的決定》), and on 17 February 2023, the China Securities Regulatory Commission issued the "Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises" (《境內企業境外發行證券和上市管理試行辦法》) and relevant guidance (collectively, the "**New Regulations**"), which came into effect on 31 March 2023. On the same day when the New Regulations became effective, the "Mandatory Provisions for Articles of Association of Companies Listed Overseas" (《到境外上市公司章程必備條款》) and the "State Council's Special Regulations on Overseas Offering and Listing of Shares by Joint Stock Limited Companies" (《國務院關於股份有限公司境外募集股份及上市的特別規定》) were repealed. Holders of A shares and H shares are no longer regarded as different classes of shareholders, and therefore, the class meeting requirement applicable to holders of A shares and H shares are no longer necessary. In light of the above, the Hong Kong Stock Exchange has adopted certain consequential amendments to the Hong Kong Listing Rules, which became effective on 1 August 2023. Accordingly, the Board of the Company proposed to amend the relevant articles in the Articles of Association and its appendix (as part of the Articles of Association). The amended Articles of Association has taken effect on the approval of the Shareholders at the extraordinary general meeting and the class meetings by way of special resolutions.

For details, please refer to the announcements of the Company dated 28 April 2023, 31 May 2023, 30 October 2023 and 30 November 2023 and the circulars dated 28 April 2023 and 14 November 2023.

7. Change of the Employee Representative Supervisor

On 3 November 2023, the employees of the Company elected Mr. Tang Xiaoping as the employee representative Supervisor of the tenth session of the Supervisory Committee through democratic procedures in accordance with the laws and regulations of the PRC and the Articles of Association, and his term of office will expire upon the expiry of the tenth session of the Supervisory Committee.

On 3 November 2023, Mr. Zhang Peng ceased to be the employee representative Supervisor of the tenth session of the Supervisory Committee of the Company, due to work adjustment.

For details, please refer to the announcement of the Company dated 3 November 2023.

SUBSEQUENT EVENTS

1. Change of Non-executive Directors

Mr. Zhang Zhiqiang tendered his resignation as a Non-executive Director and a member of the Remuneration and Appraisal Committee of the Company due to reaching the retirement age. Mr. Li Qiangde also tendered his resignation as a Non-executive Director and a member of the Strategic Committee of the Company due to reaching the retirement age. The resignations of Mr. Zhang Zhiqiang and Mr. Li Qiangde have become effective upon the approval for the appointment of new directors by the shareholders of the Company on 26 March 2024.

The first extraordinary general meeting of 2024 of the Company was held on 26 March 2024, and Mr. Zhao Wei and Mr. Zeng Qinghua were elected as the Non-executive Directors of the tenth session of the Board of the Company for a term commencing from the conclusion of the extraordinary general meeting and ending at the expiry of the term of the tenth session of the Board.

On 26 March 2024, Mr. Zhao Wei was elected as a member of the Strategic Committee and Mr. Zeng Qinghua was elected as a member of the Remuneration and Appraisal Committee at the sixth meeting of the tenth session of the Board.

For details, please see the announcements of the Company dated 29 February 2024 and 26 March 2024 and the circular dated 29 February 2024.

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

So far as the directors of the Company are aware, each of the following persons, not being a director, supervisor, chief executive or members of the senior management of the Company, had an interest or short position as at 31 December 2023 in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "**SFO**"), or was otherwise interested in 5% or more of any class of issued share capital of the Company as at 31 December 2023, or was a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company as at 31 December 2023.

Name of shareholder	Class of shares	Number of shares held	Approximate percentage of the total number of shares of the Company in issue	Approximate percentage of the total number of A shares of the Company in issue	Approximate percentage of the total number of H shares of the Company in issue	Capacity
China Huadian	A shares	4,534,199,224 (L)	44.33%	53.28%	–	Beneficial owner
	H shares	85,862,000 (L)	0.84%	–	5.00%	Interests in a controlled corporation
Shandong Development Investment Holding Group Co., Ltd.	A shares	664,865,346 (L)	6.50%	7.81%	–	Beneficial owner

(L) =long position

(S) =short position

(P) =lending pool

Note: So far as the directors of the Company are aware or are given to understand, these 85,862,000 H shares were held directly by a wholly-owned subsidiary of China Huadian, namely, China Huadian Hong Kong Company Limited, through CCASS in the name of HKSCC Nominees Limited.

Save as disclosed above and so far as the Directors are aware, as at 31 December 2023, no other person (other than the directors, supervisors, chief executive or members of senior management of the Company) had any interest or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company.

INTERESTS OF DIRECTORS, SUPERVISORS, CHIEF EXECUTIVE OR MEMBERS OF SENIOR MANAGEMENT IN THE SECURITIES

As at 31 December 2023, none of the directors, supervisors, chief executive or members of the senior management of the Company and their respective associates had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (as defined in Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interest or short position which any such director, supervisor, chief executive or member of senior management of the Company was taken or deemed to have under such provisions of the SFO) or which was required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO, or which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") adopted by the Company (which for this purpose shall be deemed to apply to the supervisors of the Company to the same extent as it applies to the directors of the Company).

In 2023, the Company has adopted a code of conduct regarding transactions of the directors and supervisors in the Company's securities on terms identical to those of the Model Code. Having made specific enquiries of all directors and supervisors, the Company understands that all of the directors and supervisors have complied with the required standards set out in the Model Code.

CORPORATE GOVERNANCE

The Company has always attached great importance to corporate governance and has continuously implemented management innovation. In strict compliance with the Company Law of the People's Republic of China ("**the Company Law**"), the Securities Law of the People's Republic of China, the Shanghai Listing Rules, the Hong Kong Listing Rules and relevant provisions promulgated by domestic and overseas securities regulatory institutions, the Company has improved the structure of corporate governance, enhanced the level of the Company's governance and endeavored to achieve the harmonious development between the growth of the Company and the interest of its shareholders.

The codes on corporate governance of the Company include, but not limited to, the following documents:

1. Articles of Association;

2. Rules of Procedures for General Meetings of Shareholders, Rules of Procedures for the Board of Directors and Rules of Procedures for the Supervisory Committee of the Company (as a part of the current Articles of Association);

3. Terms of Reference of the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategic Committee of the Board of the Company;

4. Working Requirements for Independent Directors;

5. Working Requirements for Secretary to the Board;

6. Working Rules for General Manager;

7. Code on the Company's Investment Projects;

8. the Company's Management Methods on Raised Proceeds;

9. the Company's Management Methods on External Guarantees;

10. the Company's Management Rules on Information Disclosure;

11. Management Rules on Investor Relations;

12. Code on Trading in Securities of the Company by Directors (Supervisors) of the Company;

13. Code on Trading in Securities of the Company by Employees of the Company;

14. Management Methods for Affairs of the Board of Directors;

15. Working Rules on Annual Report for the Audit Committee of the Board;

16. Working Rules on Annual Report for Independent Directors;

17. Management Methods on Connected Transactions; and

18. Insider Registration and Management Methods.

The Board is committed to the principles of corporate governance in order to achieve a prudent management and enhancement of shareholders' value. Transparency, accountability and independence are enshrined under these principles.

The Board has reviewed the relevant requirements prescribed under the corporate governance codes adopted by the Company and its actual practices, and has taken the view that the corporate governance of the Company in 2023 has met the requirements under the code provisions in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Hong Kong Listing Rules and there was no deviation from such provisions. In certain aspects, the corporate governance codes adopted by the Company are more stringent than the code provisions set out in the CG Code, the particulars of which are as follows:

– The Company has formulated the Code on Trading in Securities of Huadian Power International Corporation Limited for Directors and Supervisors and the Code on Trading in Securities of Huadian Power International Corporation Limited for Employees, which are on terms no less exacting than those set out in the Model Code set out in Appendix C3 to the Hong Kong Listing Rules.

– In addition to the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, the Company has established the Strategic Committee and has stipulated the Terms of Reference for the Strategic Committee.

– In the financial year of 2023, a total of seven Board meetings were held by the Company.

– The Audit Committee comprises five members, including two Non-executive Directors and three independent Non-executive Directors.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the financial year of 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its issued securities ("**securities**" having the meaning as ascribed thereto under paragraph 1 of Appendix D2 to the Hong Kong Listing Rules).

DESIGNATED DEPOSITS AND OVERDUE TIME DEPOSITS

As at 31 December 2023, the Group's deposits placed with financial institutions or other parties did not include any designated or trust deposits or any material time deposits which could not be collected by the Group upon maturity.

AUDIT COMMITTEE

The Company's Audit Committee has reviewed the annual results of the Group for 2023 and the financial statements prepared under IFRSs for the financial year ended 31 December 2023.

SCOPE OF WORK OF SHINEWING (HK)

The figures in respect of preliminary announcement of Group's results for the year ended 31 December 2023 have been agreed by the Group's auditor, SHINEWING (HK), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) on the preliminary announcement.

MATERIAL LITIGATION

As of 31 December 2023, some members of the Group were a party to certain litigations arising from the Group's ordinary course of business or acquisition of assets. The management of the Group believes that any possible legal liability which incurred or may incur from the aforesaid cases will have no material adverse effect on the financial position and operating results of the Group.

By order of the Board
Huadian Power International Corporation Limited*
Dai Jun
Chairman

As at the date of this announcement, the Board comprises:

Dai Jun (Chairman, Executive Director), Zhao Bing (Vice Chairman, Non-executive Director), Chen Bin (Executive Director), Zhao Wei (Non-executive Director), Zeng Qinghua (Non-executive Director), Cao Min (Non-executive Director), Wang Xiaobo (Non-executive Director), Li Guoming (Executive Director), Feng Zhenping (Independent Non-executive Director), Li Xingchun (Independent Non-executive Director), Wang Yuesheng (Independent Non-executive Director) and Shen Ling (Independent Non-executive Director).

Beijing, the PRC
27 March 2024

* *For identification purpose only*

I SUMMARY OF FINANCIAL INFORMATION IN CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The consolidated financial information set out below is extracted from the audited consolidated financial statements prepared under IFRSs of the Group as set out in its 2023 annual report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023
(Expressed in Renminbi)

	NOTES	**2023** **RMB'000**	2022 *RMB'000* (Restated)
Turnover	*3*	**116,376,064**	105,960,339
Operating expenses			
Fuel costs		**(75,462,402)**	(82,865,965)
Costs of coal sold		**(9,732,932)**	(1,227,745)
Depreciation and amortisation		**(10,504,666)**	(10,037,498)
Repairs, maintenance and inspection		**(4,416,710)**	(3,892,007)
Personnel costs	*4*	**(8,063,985)**	(7,153,546)
Administration expenses		**(1,807,802)**	(2,696,380)
Taxes and surcharges	*5*	**(974,934)**	(871,948)
Other operating expenses	*9(b)*	**(1,311,763)**	(1,399,244)
		(112,275,194)	(110,144,333)
Operating profit (loss)		**4,100,870**	(4,183,994)
Investment income	*6*	**17,846**	8,673
Other revenue	*7*	**1,154,131**	1,104,893
Other net income	*7*	**433,511**	773,360
Interest income from bank deposits		**72,494**	84,376
Fair value (loss) gain on financial assets at fair value through profit or loss		**(18,621)**	10,322
Finance costs	*8*	**(3,676,131)**	(4,131,194)
Share of results of associates		**3,758,608**	4,796,637
Profit (loss) before taxation	*9(a)*	**5,842,708**	(1,536,927)
Income tax (expense) credit	*10*	**(974,263)**	631,394
Profit (loss) for the year		**4,868,445**	(905,533)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(CONTINUED)*

For the year ended 31 December 2023

(Expressed in Renminbi)

	NOTE	2023 RMB'000	2022 RMB'000 (Restated)
Other comprehensive income (expense):			
Items that may be subsequently reclassified to profit or loss:			
Share of other comprehensive income of investees accounted for under the equity method (with nil tax effect)		**18,426**	34,746
Items that will not be reclassified to profit or loss:			
Share of other comprehensive income (expense) (non-recycling) of investees accounted for under the equity method (with nil tax effect)		**64,113**	(7,365)
Other comprehensive income for the year (net of tax)		**82,539**	27,381
Total comprehensive income (expense) for the year		**4,950,984**	(878,152)
Profit (loss) for the year attributable to:			
Equity holders of the Company		**4,601,094**	(14,322)
Non-controlling interests		**267,351**	(891,211)
		4,868,445	(905,533)
Total comprehensive income (expense) for the year attributable to:			
Equity holders of the Company		**4,682,464**	12,714
Non-controlling interests		**268,520**	(890,866)
		4,950,984	(878,152)
Earnings (loss) per share	*11*		
Basic earnings (loss) per share		**RMB0.355**	RMB (0.093)
Diluted earnings (loss) per share		**RMB0.353**	RMB (0.093)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

(Expressed in Renminbi)

	NOTE	**2023** **RMB'000**	2022 RMB'000 (Restated)
Non-current assets			
Property, plant and equipment		**134,616,966**	128,171,003
Right-of-use assets		**5,355,393**	5,979,607
Construction in progress		**7,352,868**	14,842,864
Investment properties		**70,881**	71,405
Intangible assets		**1,892,131**	1,939,859
Goodwill		**1,032,483**	1,032,483
Interests in associates		**44,240,623**	41,482,010
Financial assets at fair value through profit or loss		**351,434**	370,055
Other non-current assets		**471,640**	823,936
Deferred tax assets		**2,510,363**	2,856,915
		197,894,782	197,570,137
Current assets			
Inventories		**4,500,583**	3,937,380
Trade debtors and bills receivables	*12*	**12,336,707**	12,389,467
Deposits, other receivables and prepayments		**6,196,940**	6,521,277
Tax recoverable		**92,329**	99,832
Restricted deposits		**284,880**	374,824
Cash and cash equivalents		**5,170,277**	5,907,615
		28,581,716	29,230,395

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*
As at 31 December 2023
(Expressed in Renminbi)

	NOTE	**2023** **RMB'000**	2022 *RMB'000* (Restated)
Current liabilities			
Bank loans		**26,789,426**	28,838,057
Loans from shareholders		**737,354**	1,358,019
State loans		**1,886**	1,781
Other loans		**4,402,494**	7,450,216
Long-term debentures payable-current portion		**14,196,421**	2,442,132
Amount due to the parent company		**13,269**	11,245
Lease liabilities		**24,635**	218,402
Trade creditors and bills payable	*13*	**11,282,248**	16,606,208
Other payables and contract liabilities		**5,570,645**	6,088,796
Tax payable		**178,289**	76,954
		63,196,667	63,091,810
Net current liabilities		**(34,614,951)**	(33,861,415)
Total assets less current liabilities		**163,279,831**	163,708,722

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

As at 31 December 2023

(Expressed in Renminbi)

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Non-current liabilities		
Bank loans	**49,678,407**	49,551,462
Loans from shareholders	**5,020,370**	4,395,860
State loans	**45,631**	44,880
Other loans	**6,856,509**	5,747,581
Long-term debentures payable	**9,794,241**	23,572,927
Convertible bonds-liability component	**–**	1,461,245
Lease liabilities	**46,621**	61,492
Provisions	**147,142**	59,733
Deferred government grants	**1,465,681**	1,422,925
Deferred income	**2,753,802**	2,871,409
Deferred tax liabilities	**1,560,912**	1,502,839
Retirement benefit obligations	**8,240**	9,929
	77,377,556	90,702,282
Net assets	**85,902,275**	73,006,440
Capital and reserves		
Share capital	**10,227,561**	9,869,858
Perpetual capital securities	**30,656,009**	23,506,213
Reserves	**30,755,089**	28,032,776
Equity attributable to equity holders of the Company	**71,638,659**	61,408,847
Non-controlling interests	**14,263,616**	11,597,593
Total equity	**85,902,275**	73,006,440

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation of consolidated financial statements

The consolidated financial statements for the year ended 31 December 2023 comprise the Group and its interests in associates.

At 31 December 2023, the Group had net current liabilities of approximately RMB34,615 million and certain capital commitments. The directors of the Company are of the opinion that, taking into account the current operation of the Group; the unutilised banking facilities available to the Group as well as debentures and bonds registered in the PRC interbank debenture market which has not been issued, the Group has sufficient working capital to enable it to meet in full its financial obligations as and when they fall due in the coming twelve months from the end of the reporting period. Therefore, these consolidated financial statements have been prepared on a going concern basis.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for certain financial instruments, which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 Leases ("**IFRS 16**"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories ("**IAS 2**"), or value in use in IAS 36 Impairment of Assets ("**IAS 36**").

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equal the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgement made by management in the application of IFRSs that have significant effects on the consolidated financial statements and major sources of estimation uncertainty.

2. Application of new and amendments to IFRSs

New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the International Accounting Standards Board ("**IASB**") which are effective for the Group's financial year beginning on 1 January 2023:

IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impact on application of Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The application of the amendments has had no material impact on the Group's financial performance and positions.

Impact on application of Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained earnings or other component of equity as appropriate at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

The Group previously applied IAS 12 requirements to the relevant assets and liabilities separately. Temporary differences on initial recognition of the relevant assets and liabilities are not recognised due to application of the initial recognition exemption. Upon application of the amendments, the Group has recognised a separate deferred tax asset and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

There is no impact on the cash flows for both years.

The impacts of the amendments on each financial line item and loss per share are as follow:

	For the year ended 31 December 2022 *RMB'000*
Impact on loss and total comprehensive expense for the year	
Increase in income tax credit	16,573
Decrease in loss and total comprehensive expense for the year attributable to:	
– Equity holders of the Company	16,469
– Non-controlling interests	104
	16,573
Impact on basic and diluted loss per share (RMB)	
Basic and diluted loss per share before adjustments	(0.094)
Adjustments arising from change in accounting policy	0.001
Reported and diluted basic loss per share	(0.093)

Impact on the consolidated statement of financial position as at 1 January 2022 and 31 December 2022

	At 31 December 2022 *RMB'000* (as originally stated)	Adjustments *RMB'000*	At 31 December 2022 *RMB'000* (Restated)
Deferred tax assets	2,858,796	(1,881)	2,856,915
Deferred tax liabilities	(1,482,251)	(20,588)	(1,502,839)
Reserves	28,054,481	(21,705)	28,032,776
Non-controlling interests	11,598,357	(764)	11,597,593
Net assets	73,028,909	(22,469)	73,006,440

	At 1 January 2022 *RMB'000* (as originally stated)	Adjustments *RMB'000*	At 1 January 2022 *RMB'000* (Restated)
Deferred tax assets	2,289,323	(1,966)	2,287,357
Deferred tax liabilities	(1,690,353)	(37,076)	(1,727,429)
Reserves	31,451,229	(38,174)	31,413,055
Non-controlling interests	12,552,278	(868)	12,551,410
Net assets	76,346,714	(39,042)	76,307,672

2. **Application of amendments to IFRSs *(continued)***

Amendments to IFRSs issued but are not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	Lack of Exchangeability[2]

[1] Effective for annual periods beginning on or after 1 January 2024.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the amendments to IFRSs will have no material impact on the results and the financial position of the Group.

3. **Turnover and segment information**

(a) Disaggregation of turnover

Turnover represents the sale of electricity, heat and coal. Major components of the Group's turnover are as follows:

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
– Sale of electricity	**96,151,641**	95,495,823
– Sale of heat	**9,623,874**	8,970,609
– Sale of coal	**10,600,549**	1,493,907
	116,376,064	105,960,339

The revenue from sale of electricity, heat and coal is recognised at a point in time.

(b) ***Segment information***

The chief operating decision makers review the Group's revenue and profit as a whole, which are determined in accordance with the Group's accounting policies, for resources allocation and performance assessment. Therefore, the Group has only one operating and reportable segment and no further segment information is presented in the consolidated financial statements.

Geographical information

The Group's non-current assets are mainly located in the PRC. The Group's major customers are based in the PRC which are the power grid operators in relation to the sale of electricity.

Information about major customers

In 2023, the revenue from two (2022: two) regional and provincial power grid operators accounted for 39% (2022: 47%) of external revenue, each of which contributing to over 10% of the total sales of the Group. Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2023	2022
	RMB'000	*RMB'000*
Customer A*	**33,337,419**	35,470,043
Customer B*	**11,752,489**	14,603,841

* Revenue from sale of electricity.

4. Personnel costs

	2023	2022
	RMB'000	*RMB'000*
Wages, welfare and other benefits	**5,194,659**	4,621,061
Retirement benefits	**2,087,668**	1,941,459
Other staff costs	**781,658**	591,026
	8,063,985	7,153,546

5. Taxes and surcharges

During the year, taxes and surcharges of the Group with the amount of approximately RMB975 million (2022: RMB872 million) mainly represent city maintenance and construction tax, education surcharge, urban land use tax, real estate tax and other taxes and surcharges.

6. Investment income

	2023	2022
	RMB'000	*RMB'000*
Dividend income from financial assets measured at FVPL	**4,540**	3,413
Interest on loans and receivables	**14,878**	14,878
Gain (loss) on closure of a subsidiary	**7,278**	(1,543)
Loss on disposal of financial assets measured at FVOCI	**(8,850)**	(8,075)
	17,846	8,673

7. Other revenue and net income

	2023	2022
	RMB'000	*RMB'000*
Other revenue		
Government grants *(Note)*	**686,491**	757,986
Revenue from upfront installation fees for heating networks	**232,880**	227,492
Others	**234,760**	119,415
	1,154,131	1,104,893
Other net income		
Gain on disposal of property, plant and equipment, and intangible assets	**159,137**	221,101
Net income from sale of materials	**458,079**	783,121
Others	**(183,705)**	(230,862)
	433,511	773,360

Note: Government grants mainly represent the grants from government for purchase of coal, power generation, heat supply and environmental protection. There is no unfulfilled condition relating to those grants.

8. Finance costs

	2023 *RMB'000*	2022 *RMB'000*
Interest on loans and other financial liabilities	**3,763,708**	4,232,436
Interest on lease liabilities	**8,825**	19,524
Interest on convertible bonds	**15,137**	57,011
Other finance costs	**27,291**	34,889
Net foreign exchange loss	**6,441**	5,489
Less: interest capitalised	**(145,271)**	(218,155)
	3,676,131	4,131,194

The borrowing costs have been capitalised at an average rate of 3.27% (2022: 3.61%) per annum for construction in progress.

9. Profit (loss) before taxation

(a) Profit (loss) before taxation is arrived at after charging and (crediting):

	2023 *RMB'000*	2022 *RMB'000*
Amortisation		
– Intangible assets	**119,702**	111,552
Depreciation		
– Property, plant and equipment	**10,078,768**	9,631,805
– Right-of-use assets	**304,004**	292,150
– Investment properties	**2,192**	1,991
Total depreciation and amortisation	**10,504,666**	10,037,498
Auditor's remuneration		
– Audit services	**6,250**	6,950
– Non-audit services	**1,250**	1,250
Cost of inventories recognised	**85,195,334**	84,093,710
(Reversal of impairment losses) impairment losses under expected credit loss model, net (included in administration expenses)		
– Trade debtors and bills receivables	**(5,482)**	41,372
– Deposits, other receivables and prepayments	**(215,958)**	3,528
Write down of inventories, net	**13,277**	1,434
Impairment losses on non-financial assets (included in administration expenses):		
– Property, plant and equipment	**483,668**	432,890
– Construction in progress	**15,037**	513,876
– Goodwill	**–**	167,218
– Intangible assets	**14,698**	–
Expense relating to short-term leases	**57,245**	54,991

(b) Other operating expenses

	2023	2022
	RMB'000	*RMB'000*
Heating	**557,614**	629,329
Power charges	**272,037**	298,015
Water charges	**454,525**	435,405
Others	**27,587**	36,495
Total other operating expenses	**1,311,763**	1,399,244

10. Income tax in the consolidated statement of profit or loss and other comprehensive income

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Current tax – PRC Enterprise Income Tax		
Charge for the year	**553,903**	173,079
Over-provision in respect of prior years	**(1,724)**	(10,325)
	552,179	162,754
Deferred tax		
Origination and reversal of temporary differences and tax loss	**422,084**	(794,148)
Income tax expense (credit) in the consolidated statement of profit or loss and other comprehensive income	**974,263**	(631,394)

11. Earnings (loss) per share

(a) Basic earnings (loss) per share

The calculation of basic earnings (loss) per share is based on the profit (loss) attributable to equity shareholders of the Company for the year and divided by the weighted average number of ordinary shares in issue during the year.

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Profit (loss) attributable to equity shareholders of the Company	**4,601,094**	(14,322)
Less: Profit attributable to holders of perpetual capital securities	**(1,007,474)**	(900,875)
Profit (loss) attributable to equity shareholders (earnings (loss) for the purpose of basic earnings (loss) per share)	**3,593,620**	(915,197)
Weighted average number of ordinary shares in issue (Rounded to the nearest thousand)	**10,122,960**	9,869,858
Basic earnings (loss) per share (RMB)	**0.355**	(0.093)

(b) Diluted earnings (loss) per share

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume exercise/conversion of all dilutive potential ordinary shares. During the year ended 31 December 2023, the Company has 1 (2022: 1) category of dilutive potential ordinary shares which is the convertible bonds. They are assumed to have been converted into ordinary shares, and profits attributable to the equity shareholders of the Company is adjusted to eliminate the interest expenses of the convertible bonds.

	2023
	RMB'000
Profit attributable to equity shareholders	**3,593,620**
Add: interest expense on liability component of convertible bonds	**15,137**
Earnings for the purpose of diluted earnings per share	**3,608,757**

	2023
	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	**10,122,960**
Effect of dilutive potential ordinary shares: convertible bonds	**104,601**
Weighted average number of ordinary shares for the purpose of diluted earnings per shares (rounded to the nearest thousand)	**10,227,561**
Diluted earnings per share (RMB)	**0.353**

The diluted loss per share for the year ended 31 December 2022 is the same as the respective basic loss per share because the conversion of convertible bonds will have an anti-dilutive effect.

12. Trade debtors and bills receivables

	2023	2022
	RMB'000	*RMB'000*
Trade debtors and bills receivables for the sale of electricity	**11,014,323**	11,215,958
Trade debtors and bills receivables for the sale of heat	**1,045,354**	994,957
Trade debtors and bills receivables for the sale of coal	**631,877**	539,884
	12,691,554	12,750,799
Less: allowance for impairment	**(354,847)**	(361,332)
	12,336,707	12,389,467

As at 31 December 2023, the ageing analysis of trade debtors and bills receivables (net of allowance for impairment), presented based on the invoice date, which approximated to the revenue recognition date, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**12,201,336**	12,348,427
1 to 2 years	**117,309**	33,779
2 to 3 years	**17,660**	6,754
Over 3 years	**402**	507
	12,336,707	12,389,467

13. Trade creditors and bills payable

As at 31 December 2023, the ageing analysis of trade creditors and bills payable, presented based on the invoice date, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**9,165,850**	14,407,697
1 to 2 years	**1,089,175**	1,001,702
Over 2 years	**1,027,223**	1,196,809
	11,282,248	16,606,208

14. Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year:

	2023	2022
	RMB'000	*RMB'000*
Final dividend proposed after the end of reporting period of RMB0.15 per share (2022: RMB0.20 per share)	**1,534,134**	2,045,512

Pursuant to a resolution passed at the directors' meeting held on 27 March 2024, a final dividend of RMB0.15 per share (2022: RMB0.20) will be payable to shareholders for 2023, subject to the approval of the shareholders at the coming annual general meeting.

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2023	2022
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year approved and paid during the year, of RMB0.20 per share (2022: RMB0.25 per share)	**2,045,512**	2,467,465

15. Contingent liabilities

As at 31 December 2023, certain subsidiaries of the Company were the defendant in certain lawsuits for events incurred before the acquisition date. At the end of reporting period, the lawsuits were in progress whose final outcomes cannot be determined at present. The directors of the Company considered that the outcome of these outstanding lawsuits will not result in significant adverse effect on the financial position and operating results of the Group.

Apart from the above, the Group has no other material contingent liabilities as at 31 December 2023 (2022: nil).

II SUMMARY OF FINANCIAL INFORMATION IN CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES ("CAS")

The consolidated financial information set out below is extracted from the audited consolidated financial statements prepared under CAS of the Group as set out in its 2023 annual report.

CONSOLIDATED BALANCE SHEET AND THE COMPANY'S BALANCE SHEET

As at 31 December 2023

(Expressed in Renminbi'000)

Item	The Group **31 December 2023**	The Group 31 December 2022 (Restated)	The Company **31 December 2023**	The Company 31 December 2022 (Restated)
Current assets:				
Cash and cash equivalents	**5,455,157**	6,282,439	**364,719**	1,092,910
Bills receivable	**14,701**	30,127	**14,701**	30,127
Trade debtors	**12,168,585**	11,938,187	**1,795,829**	1,823,036
Accounts receivable financing	**364,825**	748,736	**24,788**	145,971
Prepayments	**3,185,062**	3,728,564	**326,028**	439,952
Other receivables	**1,177,762**	831,489	**16,473,196**	15,858,068
Inventories	**4,500,583**	3,937,380	**677,521**	620,911
Non-current assets – current portion	**172,900**	96,552	**188,361**	112,013
Other current assets	**1,542,141**	1,636,921	**50,189**	41,641
Total current assets	**28,581,716**	29,230,395	**19,915,332**	20,164,629
Non-current assets:				
Long-term investments	**155,045**	231,354	**202,629**	287,562
Long-term equity investments	**43,791,153**	41,032,540	**89,935,535**	82,814,328
Other non-current financial assets	**351,434**	370,055	**107,072**	107,072
Investment properties	**70,881**	71,405	**20,302**	21,339
Property, plant and equipment	**131,660,255**	125,748,282	**17,100,986**	15,860,120
Construction in progress	**7,352,868**	14,842,864	**321,103**	1,656,100
Right-of-use assets	**77,360**	637,985	**15,651**	81,484
Intangible assets	**7,273,051**	7,272,153	**850,665**	835,253
Development expenditure	**2,217**	–	**–**	–
Goodwill	**373,940**	373,940	**–**	–
Long-term prepaid expenses	**521,637**	–	**5,000**	–
Deferred tax assets	**2,510,363**	2,856,915	**–**	–
Other non-current assets	**314,379**	592,582	**48,586**	41,896
Total non-current assets	**194,454,583**	194,030,075	**108,607,529**	101,705,154
Total assets	**223,036,299**	223,260,470	**128,522,861**	121,869,783

CONSOLIDATED BALANCE SHEET AND THE COMPANY'S BALANCE SHEET *(CONTINUED)*

As at 31 December 2023

(Expressed in Renminbi'000)

Item	The Group 31 December 2023	The Group 31 December 2022 (Restated)	The Company 31 December 2023	The Company 31 December 2022 (Restated)
Current liabilities:				
Short-term loans	**18,967,777**	27,985,143	**2,414,838**	7,224,919
Bills payable	**841,868**	3,234,882	**–**	–
Trade creditors	**10,445,786**	13,378,679	**1,703,576**	2,582,247
Deposit received	**9,271**	–	**688**	–
Contract liabilities	**2,157,646**	2,028,884	**102,918**	98,863
Salaries payable	**215,801**	214,982	**55,669**	57,190
Tax payable	**849,354**	1,202,830	**68,737**	98,220
Other payable	**2,423,585**	2,629,162	**887,618**	743,453
Non-current liabilities – current portion	**27,184,439**	12,323,464	**19,096,037**	5,374,508
Other current liabilities	**101,140**	93,784	**12,195**	6,695
Total current liabilities	**63,196,667**	63,091,810	**24,342,276**	16,186,095
Non-current liabilities:				
Long-term loans	**61,600,917**	59,739,783	**21,132,401**	16,787,816
Debentures payable	**9,794,241**	25,034,172	**9,794,241**	25,034,172
Lease liabilities	**46,621**	61,492	**8,838**	6,205
Long-term payables	**28,105**	69,542	**24,219**	27,748
Retirement benefit obligations	**8,240**	9,929	**–**	–
Provisions	**147,142**	59,733	**–**	–
Deferred income	**3,813,467**	3,832,051	**53,747**	58,809
Deferred tax liabilities	**1,021,121**	935,177	**66,193**	82,652
Total non-current liabilities	**76,459,854**	89,741,879	**31,079,639**	41,997,402
Total liabilities	**139,656,521**	152,833,689	**55,421,915**	58,183,497

CONSOLIDATED BALANCE SHEET AND THE COMPANY'S BALANCE SHEET *(CONTINUED)*

As at 31 December 2023

(Expressed in Renminbi'000)

Item	The Group		The Company	
	31 December 2023	31 December 2022 (Restated)	**31 December 2023**	31 December 2022 (Restated)
Shareholders' equity:				
Share capital	**10,227,561**	9,869,858	**10,227,561**	9,869,858
Other equity instruments	**30,656,009**	23,547,463	**30,656,009**	23,547,463
Capital reserve	**14,357,934**	12,948,683	**15,380,487**	14,140,001
Other comprehensive income	**175,028**	93,658	**168,293**	92,293
Specific reserve	**112,758**	273,286	**30,963**	224,801
Surplus reserve	**5,040,910**	4,653,035	**5,075,675**	4,687,800
Retained earnings	**9,186,042**	8,106,269	**11,561,958**	11,124,070
Total equity attributable to equity holders of the Company	**69,756,242**	59,492,252	**–**	–
Non-controlling interests	**13,623,536**	10,934,529	**–**	–
Total equity	**83,379,778**	70,426,781	**73,100,946**	63,686,286
Total liabilities and equity	**223,036,299**	223,260,470	**128,522,861**	121,869,783

CONSOLIDATED INCOME STATEMENT AND THE COMPANY'S INCOME STATEMENT

For the year ended 31 December 2023

(Expressed in Renminbi'000)

Item	The Group **31 December 2023**	The Group 31 December 2022 (Restated)	The Company **31 December 2023**	The Company 31 December 2022 (Restated)
Total operating income	**117,176,125**	107,058,536	**16,113,414**	16,690,505
Total operating costs	**115,900,749**	113,165,508	**16,701,558**	17,810,196
Including: Operating costs	**109,645,654**	106,598,976	**15,092,765**	16,094,197
Taxes and surcharges	**983,107**	880,352	**164,843**	163,139
Administrative expenses	**1,668,351**	1,639,362	**384,849**	361,920
Finance expenses	**3,603,637**	4,046,818	**1,059,101**	1,190,940
Add: Other income	**870,614**	933,971	**32,537**	76,493
Investment income	**3,776,454**	4,805,310	**4,292,185**	5,151,215
Including: income from investment in associates and joint ventures	**3,758,608**	4,796,637	**3,623,087**	4,663,051
(Loss)/gain on change in fair value	**(18,621)**	10,322	**–**	–
Recognition/(reversal) of expected credit losses	**221,440**	(44,900)	**192,460**	(518,219)
Impairment loss of assets	**(526,680)**	(1,015,472)	**(13,866)**	(296,647)
Gain on disposal of assets	**104,867**	82,146	**1**	34
Operating profit/(loss)	**5,703,450**	(1,335,595)	**3,915,173**	3,293,185
Add: Non-operating income	**295,505**	275,195	**42,844**	15,801
Less: Non-operating expenses	**188,814**	89,403	**95,726**	(161)
Total profit/(loss)	**5,810,141**	(1,149,803)	**3,862,291**	3,309,147
Less: Income tax expenses/(credit)	**1,002,134**	(528,265)	**(16,458)**	(16,258)

Item	The Group 31 December 2023	The Group 31 December 2022 (Restated)	The Company 31 December 2023	The Company 31 December 2022 (Restated)
Net profit/(loss)	**4,808,007**	(621,538)	**3,878,749**	3,325,405
Classified according to operating continuity	**4,808,007**	(621,538)	**3,878,749**	3,325,405
1. Net profit/(loss) from continuing operations	**4,808,007**	(621,538)	**3,878,749**	3,325,405
2. Net profit/(loss) from discontinuing operations	**–**	–	**–**	–
Classified according to the ownership	**4,808,007**	(621,538)	**–**	–
1. Attributable to equity shareholders of the Company	**4,522,125**	116,280	**–**	–
2. Minority interests	**285,882**	(737,818)	**–**	–
Other comprehensive income/(expense), net of tax	**82,539**	27,381	**76,000**	25,450
Other comprehensive income attributable to equity shareholders of the Company,net of tax	**81,370**	27,036	**–**	–
Other comprehensive income/(expense) that cannot be reclassified through profits or losses	**62,944**	(7,710)	**57,574**	(9,296)
1. Other comprehensive incomes that cannot be reclassified through profit or loss under the equity method	**62,944**	(7,710)	**57,574**	(9,296)
Other comprehensive income that will be re-classified into profits or losses	**18,426**	34,746	**18,426**	34,746
1. Other comprehensive incomes that can be re-classified into profit or loss under the equity method	**18,426**	34,746	**18,426**	34,746
Net of tax of other comprehensive income attributable to minority shareholders	**1,169**	345	**–**	–
Total comprehensive income/(expense)	**4,890,546**	(594,157)	**3,954,749**	3,350,855
Attributable to equity shareholders of the Company	**4,603,495**	143,316	**–**	–
Minority interests	**287,051**	(737,473)	**–**	–
Earnings per share:				
Basic earnings/(loss) per share *(RMB/Share)*	**0.35**	(0.08)	**N/A**	N/A
Diluted earnings/(loss) per share *(RMB/Share)*	**0.35**	(0.08)	**N/A**	N/A

III RECONCILIATION OF THE FINANCIAL STATEMENTS PREPARED UNDER CAS AND IFRSs

Effects of major differences between the CAS and IFRSs on net profit/(loss) and net assets attributable to equity holders of the Company are analysed as follows:

Item	Notes	Net profit attributable to equity shareholders of the Company		Net asset attributable to equity shareholders of the Company	
		2023	2022	**2023**	2022
		RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
			(Restated)		(Restated)
Amounts under CAS		**4,522,125**	116,280	**69,756,242**	59,492,252
Adjustments:					
Business combination involving entities under common control	*1*	**(111,485)**	(500,950)	**3,428,577**	3,540,062
Government grants	*2*	**47,392**	34,682	**(377,911)**	(392,741)
Maintenance and production safety funds	*3*	**96,662**	79,144	**11,622**	–
Taxation impact of the adjustments		**27,871**	103,129	**(539,791)**	(567,662)
Attributable to minority interest		**18,529**	153,393	**(640,080)**	(663,064)
Amounts under IFRSs		**4,601,094**	(14,322)	**71,638,659**	61,408,847

Notes:

(i) According to the accounting policies adopted in the Group's financial statements prepared under IFRSs, assets and liabilities acquired by the Group during business combination, irrespective of whether such business combination is involving entities under common control or not, are measured at the fair value of identifiable assets and liabilities of the acquire at the date of acquisition. In preparing the consolidated financial statements, the respective financial statements of subsidiaries are adjusted based on the fair value of individual identifiable assets and liabilities at the date of acquisition. The excess of purchase consideration paid by the Company over its share of fair value of identifiable net assets of the acquired was recognized as goodwill.

In accordance with CAS, assets and liabilities acquired by the Group in business combination involving entities under common control are measured at their carrying value at the date of combination. The excess of carrying value of purchase consideration paid by the Company over its share of carrying value of identifiable net assets of the acquire for business combination involving entities under common control reduces the share premium of capital reserve or retained profits.

In addition, according to CAS, in respect of business combination involving entities under common control, when preparing consolidated financial statements, the opening balances as well as the comparative figures of the financial statements should be adjusted as if the current structure and operations resulting from the acquisitions had been in existence since prior periods (no earlier than the later of both parties were under common control).

(ii) According to IFRSs, conditional government grants should be first recorded in long-term liabilities and amortized to profit or loss using the straight line method over the useful lives of the relevant assets after fulfilling the requirements from the government in respect of the construction projects.

According to CAS, government grants related to assets (required to be recorded in capital reserve pursuant to the relevant government notice) are not recognized as deferred income.

(iii) Pursuant to the relevant PRC regulations for coal mining companies, the funds for production maintenance and production safety are accrued by the Group at fixed rates based on coal production volume. Provision for maintenance and production funds is recognized as expense in profit or loss with a corresponding adjustment to the specific reserve. The maintenance and production funds could be utilized when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of maintenance and production funds utilized would be transferred from the specific reserve back to retained earnings.

According to IFRSs, coal mining companies are required to set aside an amount to a fund for production maintenance, production safety and other similar funds through transferring from retained earnings to specific reserve. When qualifying revenue expenditures are incurred, such expenses are recorded in the profit or loss as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Group. Internal equity items transfers take place based on the actual application amount of such expenses whereas specific reserve is offset against retained earnings to the extent of zero.