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**北京能源國際控股有限公司**

**Beijing Energy International Holding Co., Ltd.**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 686)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022**

The board of directors (the “**Board**” or the “**Directors**”) of Beijing Energy International Holding Co., Ltd. (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2022, together with the comparative figures for the corresponding period in 2021. The condensed consolidated interim financial information was prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **BUSINESS REVIEW**

##### **Diversification of Investment Locations and Portfolios**

During the six months ended 30 June 2022 (the “**Period**”), the Group, striving to be a leading global eco-development solutions provider, was principally engaged in the development, investment, operation and management of power plants and other clean energy projects.

### ***Power Plant Projects***

Starting from 2021, the Group has accelerated the pace of scale expansion development of clean energy by actively expanding the management scale of the solar power and wind power businesses through self-development and mergers and acquisitions, as well as continuously improving the management of its clean energy power business. As at 30 June 2022, the Group had 97 (31 December 2021: 97) solar power plants and 7 (31 December 2021: 7) wind power plants with aggregate grid-connected installed capacity of approximately 4,583.39 megawatts (“MW”) (31 December 2021: approximately 4,168.02MW). As at 30 June 2022, all of the power plants of the Group were located in the People’s Republic of China (“PRC”). The Group has well-diversified its solar and wind power plants in 21 (31 December 2021: 21) different provinces during the Period.

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

### ***Other Clean Energy Projects***

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

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

### **Electricity Generation**

During the Period, the total electricity volume generated by the power plants of the Group has significantly increased from approximately 1,744,946 megawatt hours (“MWh”) for the six months ended 30 June 2021 to approximately 3,322,474 MWh, or by approximately 90.4%. All these power plants are grid-connected and are generating electricity steadily.

**Table 1: Summary of Power Plants**

	For the six months ended 30 June							
	2022				2021			
	Number of power plants	Grid-connected installed capacity (MW)	Electricity generation volume (MWh)	Weighted average utilisation hours (Hours)	Number of power plants	Grid-connected installed capacity (MW)	Electricity generation volume (MWh)	Weighted average utilisation hours (Hours)
Solar power plants	97	4,257.09	2,895,689	722	76	2,825.4	1,744,946	708
Wind power plants	7	326.30	426,785	1,308	–	–	–	N/A
	<b>104</b>	<b>4,583.39</b>	<b>3,322,474</b>		<b>76</b>	<b>2,825.4</b>	<b>1,744,946</b>	

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

**Table 2: Information of Power Plants by Settlement Types**

Settlement types	Location	As at 30 June 2022			For the six months ended 30 June 2022		
		Number of solar power plants	Number of wind power plants	Grid-connected installed capacity (MW)	Electricity generation volume (MWh)	Revenue (RMB'million)	Average tariff per kWh (net of VAT) (RMB)
<b>I. Total capacity on-grid<sup>(1)</sup></b>							
	Hebei, China	15	–	1,142.72	686,896	247	0.36
	Inner Mongolia, China	22	–	655.00	561,161	414	0.74
	Xinjiang, China	6	2	419.50	413,267	198	0.48
	Shanxi, China	2	4	336.80	363,466	170	0.47
	Shaanxi, China	1	–	300.00	255,603	170	0.67
	Qinghai, China	4	1	240.00	169,221	128	0.76
	Ningxia, China	2	–	220.00	156,586	120	0.77
	Anhui, China	2	–	207.86	96,112	53	0.55
	Guangdong, China	3	–	190.00	95,344	74	0.77
	Shandong, China	4	–	129.88	84,200	57	0.67
	Hunan, China	2	–	120.00	49,085	42	0.85
	Gansu, China	1	–	100.00	76,938	62	0.81
	Hubei, China	1	–	100.00	56,394	50	0.89
	Tibet, China	5	–	95.00	74,266	66	0.88
	Guangxi, China	2	–	79.20	33,502	28	0.83
	Zhejiang, China	2	–	56.01	22,563	18	0.82
	Yunnan, China	2	–	54.21	41,025	31	0.76
	Sichuan, China	2	–	50.00	41,669	28	0.66
	Jilin, China	1	–	15.00	12,720	8	0.66
	Henan, China	3	–	10.29	5,327	4	0.84
Sub-total		82	7	4,521.47	3,295,345	1,968	0.60
<b>II. Surplus capacity on-grid<sup>(1)</sup></b>							
	China (no partition)	15	–	61.92	27,129	17	0.64
Sub-total		15	–	61.92	27,129	17	0.64
<b>Total</b>		<b>97</b>	<b>7</b>	<b>4,583.39</b>	<b>3,322,474</b>	<b>1,985</b>	<b>0.60</b>

*Note:*

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

## **Financing**

The power generation business is capital intensive in nature. The Group has been exploring various financing channels to enhance its financing capability and reduce its finance costs. During the Period, the Group has raised funds by means of debt financing. As at 30 June 2022, the effective interest rate for bank and other borrowings was approximately 4.15% (31 December 2021: approximately 4.40%).

On 29 June 2021, the Company has successfully issued three-year convertible bonds in the principal amount of US\$50 million (equivalent to approximately RMB320 million) due 2024 to high-quality institutional investors, which marks the affirmation from international capital market and confidence on the Company's future development. The convertible bonds bear coupon rate of 3.8% per annum and are convertible into shares of the Company at a conversion price of HK\$0.33 per share, which has been reset to HK\$0.30 per share with effect from 29 June 2022. The net proceeds from the issue of the convertible bonds amounted to approximately US\$49 million (equivalent to approximately RMB316 million), among which approximately US\$40.5 million is intended to be used for repayment of offshore debts, approximately US\$2 million is intended to be used for offshore projects and approximately US\$6.5 million is intended to be used as general working capital. During the Period, approximately US\$2 million and approximately US\$3.3 million of the net proceeds had been utilised for offshore projects and general working capital respectively, which were used according to the intentions previously disclosed by the Company. The remaining balance of approximately US\$2.7 million is expected to be fully utilised by 31 December 2022. According to the plan, the remaining balance of approximately US\$2.5 million and approximately US\$0.2 million will be used for repayment of offshore debts and general working capital, respectively.

## **FINANCIAL REVIEW**

During the Period, the Group recorded a net profit of approximately RMB286 million (30 June 2021: approximately RMB361 million).

### **Revenue and EBITDA**

During the Period, the revenue and EBITDA were approximately RMB1,985 million and RMB1,679 million, respectively (30 June 2021: approximately RMB1,310 million and RMB1,131 million, respectively). The increase in revenue and EBITDA of the Group was attributable to: (i) the expansion in grid-connected installed capacity from approximately 2,825.4MW to approximately 4,583.39MW or around 62.2% by way of acquisition and self-development projects, and (ii) effective operation and management of power plants.

The decrease in net profit during the Period was mainly due to no bargain purchase gains arising from business combinations and increase in finance costs.

The average tariff per kWh (net of VAT) for the Period was approximately RMB0.60 (30 June 2021: approximately RMB0.75). Table 2 summaries the details of the breakdown of revenue generated by settlement types and locations.

### **Finance Costs**

The total finance costs increased from approximately RMB611 million for the six months ended 30 June 2021 to approximately RMB692 million during the Period, or a rise of approximately 13.3%. It was mainly attributable to the increase in the average amount of bank and other borrowings. The Group would continue to take various financing or re-financing activities to control certain finance costs.

### **Income Tax**

During the Period, the Group's operations in the PRC are subject to the corporate income tax of the PRC (the "**PRC Corporate Income Tax**"). The statutory PRC Corporate Income Tax rate is 25%. Certain subsidiaries of renewable energy projects are entitled to preferential tax concession. Income tax on profits assessable outside the PRC has been provided at rates prevailing in the respective jurisdictions (30 June 2021: Same).

### **Trade, Bills and Tariff Adjustment Receivables**

The trade and bills receivables will usually be settled within one to six months. For the tariff adjustment receivables in the PRC during the Period, there was a further delay in settlement in Tariff Subsidy Project List or Others.

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

	30 June 2022		31 December 2021	
	Grid- connected installed capacity (MW)	RMB'million	Grid- connected installed capacity (MW)	RMB'million
Trade and bills receivables		410		265
Tariff adjustment receivables				
PRC				
Tariff Subsidy Project List	2,723.35	8,137	2,680.47	6,882
Others (Note)	1,860.04	530	1,487.55	405
Total	<u>4,583.39</u>	<u>9,077</u>	<u>4,168.02</u>	<u>7,552</u>

Note: Mainly representing the power plants to be enlisted in the Tariff Subsidy Project List.

### Bank and Other Borrowings

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

As at 30 June 2022, the maturity and currency profile for the Group's bank and other borrowings are set out as follows:

	Within				Over	Total
	1 year	2nd year	3-5 years	6-10 years	10 years	
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
RMB	8,296	4,146	13,012	4,991	640	31,085
US\$	3,370	1,601	-	-	-	4,971
	11,666	5,747	13,012	4,991	640	36,056
Less: Unamortised loan facilities fees	(32)	(31)	(70)	(59)	(2)	(194)
Carrying amount	<u>11,634</u>	<u>5,716</u>	<u>12,942</u>	<u>4,932</u>	<u>638</u>	<u>35,862</u>

## Key Performance Indicators

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

*EBITDA Margin:* EBITDA margin is a measurement of the Group's operating profitability and is calculated as EBITDA divided by the revenue. The Group's EBITDA margin has decreased by approximately 1% from approximately 86% for the six months ended 30 June 2021 to approximately 85% for the Period. This was mainly due to the continued expansion of the power generation business during the Period.

*Debt to EBITDA Ratio:* Debt to EBITDA ratio is a measurement of the number of years that will take the Group to repay its debts assuming net debts and EBITDA are held constant. This ratio is calculated as the net debts divided by EBITDA. Net debts is calculated as total borrowings less cash deposits. Total borrowings include current and non-current bank and other borrowings and convertible bonds as shown in the consolidated statement of financial position. The ratio has increased during the Period to approximately 18.4 (30 June 2021: approximately 15.9).

*Funds from Operations to Net Debt Ratio:* Funds from operations to net debt ratio is a measurement of the Group's ability to pay its debts using its operating income alone. This ratio is calculated as the EBITDA net of cash interest paid divided by net debts. The ratio has decreased from approximately 3.8% for the six months ended 30 June 2021 to approximately 3.4% for the Period.

*Interest Coverage Ratio:* Interest coverage ratio measures the Group's ability to pay interest on its interest-bearing debt. The ratio is calculated as EBITDA divided by net interest paid (actual interest paid minus actual interest income received during the Period). The ratio was approximately 2.66 for the Period (30 June 2021: approximately 2.49).

## LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

As at 30 June 2022, the Group recorded current assets of approximately RMB18,387 million and current liabilities of approximately RMB14,817 million.

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

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

The capital structure (including its gearing ratio) as at 30 June 2022 was as follows:

	<b>30 June 2022</b>	31 December 2021
	<i>RMB'million</i>	<i>RMB'million</i>
Bank and other borrowings	<b>35,862</b>	32,039
Convertible bonds	<b>346</b>	346
Total borrowings and convertible bonds	<b>36,208</b>	32,385
Less: Cash deposits	<b>(5,302)</b>	(5,844)
Net debts	<b>30,906</b>	26,541
Total equity	<b>9,180</b>	9,284
Total capital	<b>40,086</b>	35,825
Gearing ratio	<b>77.1%</b>	74.1%

Except for the US\$50 million convertible bonds and certain bank and other borrowings with aggregate amounts of approximately RMB5,403 million which were carried at fixed rates, the remaining borrowings of the Group bore floating interest rates.



During the Period, the increase in gearing ratio was attributable to the increase in bank and other borrowings obtained by the Group for the construction of power plants during the Period, which resulted in a corresponding increase in net debts. The Group will use its best endeavour to lower its gearing ratio in the future by deleveraging its liabilities, including but not limited to co-investing in power plants with strategic business partners to reduce the capital expenditure.

As at 30 June 2022, the cash deposits were denominated in the following currencies:

	<b>Pledged deposits</b>	<b>Cash and cash equivalents</b>	<b>Total</b>
	<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>
RMB	964	3,208	4,172
HK\$	–	171	171
US\$	–	952	952
GBP	–	1	1
AUD	–	6	6
	<u>964</u>	<u>4,338</u>	<u>5,302</u>
Representing:			
Non-current portion	942	–	942
Current portion	<u>22</u>	<u>4,338</u>	<u>4,360</u>
	<u>964</u>	<u>4,338</u>	<u>5,302</u>

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

As at 30 June 2022, the Group had capital commitment in respect of property, plant and equipment amounted to approximately RMB1,160 million.

#### **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint venture during the Period.

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

As at 30 June 2022, the Group had no significant investment. The Group will keep abreast of the changing market conditions and proactively identify suitable investment opportunities with good prospects to enhance its future financial performance and profitability.

## **MATERIAL RELIANCE ON KEY CUSTOMERS**

The key customers in the PRC for the sales of electricity were subsidiaries of the State Grid Corporation of China (“**State Grid**”) and Inner Mongolia Power (Group) Co., Ltd. (“**Inner Mongolia Power**”), which are PRC state-owned electric utility companies that transmit and distribute power in the PRC. As at 30 June 2022, the receivables from the subsidiaries of State Grid and Inner Mongolia Power were approximately 77.6% and 22.0% of the total trade, bills and tariff adjustment receivables, respectively.

## **CHARGE ON ASSETS**

As at 30 June 2022, approximately 55% of bank and other borrowings of the Group were secured by the pledge over certain power generating modules and equipment, guarantee deposits, the fee collection right in relation to the sales of electricity in certain subsidiaries and/or pledge over the shares/equity interest of certain subsidiaries of the Group.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2022, the Group had 892 full-time employees (30 June 2021: 543). Employees were remunerated according to the nature of their positions, individual qualification, performance, working experience and market trends, with regular remuneration review to reward and motivate individual performance. The Group offers competitive compensation and benefit packages to different levels of staff, including additional medical insurance, discretionary bonus, various training programmes, sponsorship for further study, as well as share option scheme for the benefits of the directors and eligible employees of the members of the Group. Total employee benefits expenses (excluding share-based payment expenses) for the Period amounted to approximately RMB161 million (30 June 2021: approximately RMB74 million).

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES**

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

## **CONTINGENT LIABILITIES**

As at 30 June 2022, the Group had no significant contingent liability.

## **INFORMATION UPDATE ON THE INCIDENTS**

References are made to (1) the annual reports of the Company for the years ended 31 December 2019, 2020 and 2021; and (2) the announcements of the Company dated 19 July 2020, 31 July 2020, 28 September 2020 and 30 March 2021.

On 28 March 2022, the Group entered into an agreement with New Energy Exchange Limited (“NEX”) and its subsidiaries (collectively, the “NEX Group”), which was an extension of (i) the settlement agreement signed on 24 August 2020 and (ii) the first revised settlement agreement signed on 29 March 2021 between the Group and the NEX Group (details are set out in the Company's 2019 and 2020 annual reports respectively), on certain new and revised settlement arrangements in relation to the outstanding net balances due from the NEX Group of approximately RMB174 million as at 31 December 2021 (“**Second Revised Settlement Agreement**”). Pursuant to the Second Revised Settlement Agreement, the NEX Group agreed to transfer (1) equity interests of certain companies operating solar power plants in the PRC in which the fair value of those equity interests amounted to approximately RMB39 million; (2) cash of approximately RMB32 million upon disposal of certain subsidiaries and investments held by the NEX Group; and (3) approximately 274 million shares of the Company held by the NEX Group amounted to approximately RMB57 million as at 28 March 2022, to the Group for settlement of the net balances due from the NEX Group (“**NEX Settlements**”). In addition, the NEX Group agreed to pledge approximately 460 million shares (including approximately 274 million shares as mentioned in (3) above) of the Company held by the NEX Group as collaterals to the NEX Settlements to cover any remaining unsettled balance.

During the Period, the NEX Group transferred (i) equity interests of certain companies operating solar power plants in the PRC with valuation of approximately RMB4 million in total and (ii) cash of RMB12 million to the Group for purpose of settlement.

The Company commits to keep its shareholders and the public informed of all material information to appraise the Company's position by way of announcements on the websites of the HKEXnews and the Company, including but not limited to market updates of all material information where applicable.

## **MATERIAL EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION**

Except for those disclosed in Note 13 to this condensed consolidated financial statements of this announcement below, the Group did not have any other material events occurred after 30 June 2022 and up to the date of this announcement.

## **PROSPECTS**

In the context of the goals of “carbon peak and carbon neutrality”, the new energy industry has ushered in a valuable period of historic opportunity, where the market remains active, but the development pattern and investment concept of the whole industry have gradually changed, especially since the first half of this year. Firstly, under the strict requirements of food security and ecological red lines, the standards related to project lands continue to be tightened, limiting the space for future development in various regions, especially in the central and eastern regions. Secondly, the state has been promoting two batches of large base projects with scale beyond expectation, all of which are ten million kilowatt projects. Thirdly, wind and photovoltaic projects approved in support of the flexible transformation of thermal power enterprises are also gradually acquiring a significant share.

New changes will bring new pressures. We should have proper understanding of the industry position where the Company stands, pay great attention to the extraordinary speed of industry development and the strength of central enterprises and state-owned enterprises in seizing resources under the goals of “carbon peak and carbon neutrality”, and ponder how to leverage the advantages of the Company's institutional mechanism and system in the background of construction of new power system based on new energy. We must follow the national policy guidance, take into account local conditions and adopt different modes in different regions to carry out preliminary work in order to accumulate sufficient resources for the sustainable development of the Company.

Firstly, we will insist on leveraging the advantages of an enterprise in the capital to speed up the development of base projects. With the advantage of being located in the capital, the Company must make good use of the “Green Power into Beijing” opportunity and make greater efforts to tap into the surrounding regions with appropriate conditions, laying the foundation for the Company’s long-term development. We will also firmly push forward to accelerate the implementation of key base projects such as the “Mongolia Electricity into Beijing” and “Jilin Electricity into Beijing”.

Secondly, we will build industrial strategic synergy to strive for resources through industrial support. We need to further consider the business model and systematically sort out the Company’s strategic partners in order to deepen the cooperation with different types of strategic partners by taking into account the characteristics of different regions, focusing on the research on the implementation and cooperation models for high-end manufacturing, advanced agriculture, cultural tourism & health and wellness and other supporting industries complementing new energy projects, with an aim of forming a feasible plan to jointly strive for project resources.

Thirdly, we will innovate the overseas investment model and steadily promote market expansion. We will increase policy analysis on the overseas clean energy markets, strengthen cooperation with strategic partners, and focus on the in-depth development of existing business regions such as Australia and Regional Comprehensive Economic Partnership (RCEP) countries to create economies of scale. We will study in depth the financing mechanism of the overseas capital market and accelerate the securitisation of assets held in order to diversify investment risks and maximise the value of our assets.

Fourthly, we will accelerate the introduction of equity capital to improve the Company’s existing debt structure. We will strive to promote the additional issuance and the introduction of strategic partners, and accelerate the issuance of REITs of new energy (Real Estate Investment Trust of New Energy) and the subsequent expansion of fundraising arrangements as well as the introduction of minority interests at the project level. At the same time, we should consider the scale and pace of the introduction of strategic partners and expansion of fundraising during the “14th Five-Year Plan” period as a whole in light of the increase in the scale of the Company in the future, so as to align with the high-quality development of the Company.

Fifthly, it is important to focus on spot trading of electricity to seize favorable opportunity of the energy revolution. We must accelerate the transformation from a pure production model that maximises quantity to a market trading model that maximises value. It is necessary to attach great importance to the “power generation and distribution integration”, and accelerate the research on the Company’s production and operation mode. We should, on the basis of adhering to the Company’s coordination, combine the actual situation of the different trading mechanisms in each province at present and accelerate the improvement of the trading strategy capability on a provincial basis, while considering in advance the corresponding measures for the construction of a nationwide unified market to form a unified management structure for the Company’s electricity spot trading.

Sixthly, we will actively cultivate customer markets and identify the right focus for integrated energy development. We will insist on cultivating the capital market, exploring the integration development mode of new energy and “agriculture + smart”, and selecting the best projects outside Beijing; we will form synergies with the Company’s new energy business segment, focusing on the research on the convergence of the layout of shared energy storage stations and the distribution and storage needs of the Company’s existing stations; we will have the determination to find the right starting point, focus on the field, and form a leading edge in the sub-market.

Seventhly, we will develop a technology innovation incubator to enhance the future market value of the Company. On the basis of our new energy investment and operation business, we will increase our research and analysis of advanced technologies in the upstream and downstream industry chains, and look for products and technologies such as hydrogen energy, energy storage, new energy+ and energy big data that match the Company’s main business for investment and incubation to enhance the Company’s core competitiveness.

In the second half of the year, competition in the market will intensify, but you cannot leap forward without a torrent, and you cannot climb without a mountain. The Company sets an ambitious and boundless goal to build a first-class international clean energy ecological investment operator. This is a great era, and there is no time like the present that worthy to strive for it. We are still determined to work hard for the Company’s continuous leapfrogging and high-quality development with the determined perseverance and entrepreneurial spirit of never giving up, so that we can successfully achieve the annual target of 2022 through the convergence of every “small goal” after another.

In a trend of promoting green energy and low-carbon development, the prospect of the new energy industry in which the Company operates is promising.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2022*

		<b>Unaudited</b>	
	<i>Note</i>	<b>Six months ended 30 June</b>	
		<b>2022</b>	2021
		<b><i>RMB'million</i></b>	<b><i>RMB'million</i></b>
Sales of electricity		<b>817</b>	420
Tariff adjustment		<b>1,168</b>	890
<hr/>			
Revenue	3	<b>1,985</b>	1,310
Other income		<b>18</b>	6
Employee benefits expenses (excluding share-based payment expenses)		<b>(161)</b>	(74)
Maintenance costs		<b>(67)</b>	(31)
Legal and professional fees		<b>(23)</b>	(22)
Tax and surcharges		<b>(17)</b>	(12)
Other expenses		<b>(56)</b>	(46)
<hr/>			
EBITDA <sup>#</sup>		<b>1,679</b>	1,131
Acquisition costs arising from business combinations		<b>(1)</b>	(2)
Depreciation of property, plant and equipment		<b>(609)</b>	(339)
Depreciation of right-of-use assets		<b>(38)</b>	(13)
Bargain purchase gains arising from business combinations	12	–	208
Fair value loss on financial liabilities at fair value through profit or loss		<b>(6)</b>	(56)
Finance income		<b>22</b>	84
Finance costs	4	<b>(692)</b>	(611)
Impairment charge on financial assets		–	(3)
Share of profits of investments accounted for using equity method		<b>9</b>	9
Gain on disposal of property, plant and equipment		–	1
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		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
	<i>Note</i>	<b>2022</b>	2021
		<b><i>RMB'million</i></b>	<i>RMB'million</i>
Profit before income tax		<b>364</b>	409
Income tax expenses	5	<u>(78)</u>	<u>(48)</u>
<b>PROFIT FOR THE PERIOD</b>		<b><u>286</u></b>	<b><u>361</u></b>
<b>PROFIT ATTRIBUTABLE TO</b>			
Equity holders of the Company		<b>181</b>	371
Non-controlling interests		<b><u>105</u></b>	<u>(10)</u>
		<b><u>286</u></b>	<b><u>361</u></b>
<b>EARNINGS PER SHARE</b>			
<b>ATTRIBUTABLE TO EQUITY</b>			
<b>HOLDERS OF THE COMPANY</b>	7		
Basic and diluted ( <i>RMB cents</i> )		<b><u>0.81</u></b>	<b><u>1.65</u></b>

# *EBITDA represents earnings before depreciation, finance income, finance costs, income tax expenses, non-cash items, non-recurring items, bargain purchase gains arising from business combinations, impairment charge on financial assets, share of profits of investments accounted for using equity method and gain on disposal of property, plant and equipment. EBITDA is not a measure of performance under Hong Kong Financial Reporting Standards, but is widely used by management for monitoring business performance of a company from operational perspective. It may not be comparable to similar measures presented by the other companies.*



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the six months ended 30 June 2022*

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<i>RMB'million</i>	<i>RMB'million</i>
<b>PROFIT FOR THE PERIOD</b>	<u>286</u>	<u>361</u>
<b>Other comprehensive loss</b>		
<i>Items that may be reclassified to profit or loss</i>		
Currencies translation differences	<u>(211)</u>	<u>(68)</u>
Other comprehensive loss for the period, net of tax	<u>(211)</u>	<u>(68)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><u>75</u></u>	<u><u>293</u></u>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO</b>		
Equity holders of the Company	(30)	303
Non-controlling interests	<u>105</u>	<u>(10)</u>
	<u><u>75</u></u>	<u><u>293</u></u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		<b>Unaudited</b>	Audited
		<b>30 June</b>	31 December
	<i>Note</i>	<b>2022</b>	2021
		<b>RMB'million</b>	<b>RMB'million</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>27,029</b>	26,172
Right-of-use assets		<b>1,285</b>	1,083
Intangible assets		<b>972</b>	972
Investments accounted for using equity method		<b>300</b>	279
Other receivables, deposits and prepayments		<b>852</b>	1,038
Pledged deposits		<b>942</b>	939
Deferred tax assets		<b>5</b>	5
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>31,385</b>	30,488
		<hr/>	<hr/>
<b>Current assets</b>			
Financial assets at fair value through profit or loss		<b>39</b>	39
Trade, bills and tariff adjustment receivables	8	<b>9,077</b>	7,552
Other receivables, contract assets, deposits and prepayments		<b>4,911</b>	3,175
Pledged deposits		<b>22</b>	91
Cash and cash equivalents		<b>4,338</b>	4,814
		<hr/>	<hr/>
<b>Total current assets</b>		<b>18,387</b>	15,671
		<hr/>	<hr/>
<b>Total assets</b>		<b>49,772</b>	46,159
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	9	<b>1,924</b>	1,924
Reserves		<b>4,139</b>	4,169
		<hr/>	<hr/>
		<b>6,063</b>	6,093
<b>Non-controlling interests</b>		<b>3,117</b>	3,191
		<hr/>	<hr/>
<b>Total equity</b>		<b>9,180</b>	9,284
		<hr/> <hr/>	<hr/> <hr/>

		<b>Unaudited</b>	Audited
		<b>30 June</b>	31 December
	<i>Note</i>	<b>2022</b>	2021
		<b><i>RMB'million</i></b>	<i>RMB'million</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities at fair value through profit or loss	<i>10</i>	<b>346</b>	346
Bank and other borrowings	<i>11</i>	<b>24,228</b>	24,261
Lease liabilities		<b>829</b>	563
Deferred income		<b>15</b>	16
Deferred tax liabilities		<b>357</b>	366
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>25,775</b>	25,552
		<hr/>	<hr/>
<b>Current liabilities</b>			
Other payables and accruals		<b>3,134</b>	3,507
Lease liabilities		<b>49</b>	38
Bank and other borrowings	<i>11</i>	<b>11,634</b>	7,778
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>14,817</b>	11,323
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>40,592</b>	36,875
		<hr/> <hr/>	<hr/> <hr/>
<b>Total equity and liabilities</b>		<b>49,772</b>	46,159
		<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

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

Beijing Energy Investment Holding (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Beijing Energy Holding Co., Ltd. (“**BEH**”), is a direct controlling shareholder holding approximately 32% of the issued share capital of the Company. BEH is a state-owned company in the People’s Republic of China (the “**PRC**”) indirectly wholly-owned by the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the development, investment, operation and management of power plants and other clean energy projects.

This unaudited condensed consolidated interim financial information (“**Financial Information**”) is presented in Renminbi (“**RMB**”) and rounded to the nearest million, unless otherwise stated. This Financial Information has been approved for issue by the Board on 26 August 2022.

### Key Events During the Period

#### (a) *Grant of Share Options*

At the special general meeting of the Company held on 15 June 2022, the shareholders approved the adoption of a new share option scheme (the “**Share Option Scheme**”). During the Period, the Company has granted share options to certain eligible participants (the “**Grantees**”) under the Share Option Scheme, pursuant to which the Grantees are entitled to subscribe for up to an aggregate of 434,300,000 shares of HK\$0.10 each in the share capital of the Company. Further details of which are set out in the Company’s announcement dated 16 June 2022.

#### (b) *Reset of Conversion Price for US\$50 million 3.8% Conversion Bonds due 2024 (the “Bonds”)*

Pursuant to the terms and conditions of the Bonds, the conversion price of the Bonds has been reset to HK\$0.30 per share (the “**Reset Conversion Price**”) with effect from 29 June 2022. Assuming full conversion of the Bonds at the Reset Conversion Price, the Bonds will be convertible into a maximum of 1,294,216,666 new shares of the Company. Further details of which are set out in the Company’s announcements dated 23 June 2021, 29 June 2021, 30 June 2021 and 29 June 2022.

## 2 BASIS OF PREPARATION

This Financial Information for the Period has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and should be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

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

### 2.1 Changes in Accounting Policies and Disclosures

The accounting policies used in the preparation of the Financial Information are consistent with those used in the annual financial statements for the year ended 31 December 2021, except as mentioned below.

#### *(a) Amended HKFRSs that are Effective for Annual Periods Beginning On or After 1 January 2022*

During the Period, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group’s operations and effective for the Group’s consolidated financial statements for the annual period beginning on or after 1 January 2022:

Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

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

**(b) Issued But Not Yet Effective HKFRSs**

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

HKFRS 17	Insurance Contracts and Related Amendments <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and Related Amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statements 2	Disclosure of Accounting Policies <sup>2</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>2</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018-2020 <sup>1</sup>

<sup>1</sup> *Effective for annual periods beginning on or after 1 June 2022*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2023*

<sup>3</sup> *Effective date not yet determined*

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

## **2.2 Critical Accounting Estimates and Assumptions**

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

In preparing the Financial Information, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

## **2.3 Financial Risk Management**

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

The Financial Information do not include all financial risk management information and disclosures as required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2021. There have been no changes in the risk management policies since year end. Compared to 31 December 2021, there was no material change in the contractual undiscounted cash out flows for financial liabilities as at 30 June 2022.

## **3 REVENUE AND SEGMENT INFORMATION**

The Chief Operation Decision-Maker ("CODM") has been identified as the Board. Management has determined the operating segments based on the internal reports reviewed by CODM in order to assess performance and allocate resources.

The Group is pursuing expansion and involvement in clean energy technologies, including solar power, wind power and hydropower. During the six months ended 30 June 2022 and 2021, the Group has one reportable segment which is solar and wind power segment. No material revenue, EBITDA, segment profit nor total assets had been attributed by the hydropower segment as it is still under development stage and therefore CODM does not regard hydropower as a reportable segment. Information relating to segment assets and liabilities is not disclosed as such information is not regularly reported to the CODM. Accordingly, reconciliation of segment profit to the Group's profit is not separately presented.

During the six months ended 30 June 2022 and 2021, the major operating entities of the Group are domiciled in the PRC and accordingly, all of the Group's revenue are derived from the operations in the PRC.

All of the Group's revenue from external customers were in the PRC.

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

	<b>Unaudited</b> <b>30 June</b> <b>2022</b> <b>RMB'million</b>	Audited 31 December 2021 <i>RMB'million</i>
The PRC	<b>29,409</b>	28,341
Australia	<b>174</b>	165
Hong Kong	<b>3</b>	4
	<b><u>29,586</u></b>	<b><u>28,510</u></b>

For the Period, there were three customers (30 June 2021: one) which individually contributed over 10% of the Group's total revenue. The revenue contributed from each of these customers was as follows:

	<b>Unaudited</b> <b>Six months ended 30 June</b> <b>2022</b> <b>RMB'million</b>	2021 <i>RMB'million</i>
Customer A	<b>375</b>	293
Customer B ( <i>Note</i> )	<b>230</b>	–
Customer C ( <i>Note</i> )	<b>198</b>	–
	<b><u>803</u></b>	<b><u>293</u></b>

*Note:* These customers did not contribute over 10% of total revenue of the Group for the six months ended 30 June 2021.



#### 4 FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2022	2021
	<i>RMB'million</i>	<i>RMB'million</i>
In relation to bank and other borrowings		
Interest expenses	644	543
Loan facilities fees	35	64
	<u>679</u>	<u>607</u>
In relation to lease liabilities		
Interest expenses	13	4
	<u>13</u>	<u>4</u>
Total finance costs	<u><u>692</u></u>	<u><u>611</u></u>

#### 5 INCOME TAX EXPENSES

The Group's operations in the PRC are subject to the PRC Corporate Income Tax. The statutory PRC Corporate Income Tax rate is 25%. Certain subsidiaries of renewable energy projects are entitled to preferential tax concession. Income tax on profits assessable outside the PRC has been provided at rates prevailing in the respective jurisdictions.

#### 6 DIVIDEND

No dividend has been paid or declared by the Company for the Period (30 June 2021: Nil).

## 7 EARNINGS PER SHARE

### (a) Basic

Basic earnings per share was calculated by dividing profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2022 and 2021.

	Unaudited	
	Six months ended 30 June	
	2022	2021
	<i>RMB'million</i>	<i>RMB'million</i>
<b>Profit</b>		
Profit attributable to the equity holders of the Company	<u>181</u>	<u>371</u>
<b>Weighted average number of ordinary shares in issue (million shares)</b>	<u>22,428</u>	<u>22,428</u>
	<i>RMB cents</i>	<i>RMB cents</i>
<b>Basic and diluted earnings per share</b>	<u>0.81</u>	<u>1.65</u>

### (b) Diluted

Diluted earnings per share was calculated based on profit attributable to the equity holders of the Company and by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all dilutive potential ordinary shares. For the Period, the Group has two (30 June 2021: two) categories of potential ordinary shares including convertible bonds and share options (30 June 2021: convertible bonds and share options).

Convertible bonds were not assumed to be converted because the conversion price of the convertible bonds was higher than the average market price of shares for the periods from the date of issue to 30 June 2022 and 30 June 2021.

A calculation for the share options had been done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The computation of diluted earnings per share did not assume the exercise of the Company's share options because the newly granted share options are still not yet exercisable during the Period (30 June 2021: the exercise price of the share options was higher than the average market price of shares).

## 8 TRADE, BILLS AND TARIFF ADJUSTMENT RECEIVABLES

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2022</b>	2021
	<b><i>RMB'million</i></b>	<i>RMB'million</i>
Trade receivables	<b>394</b>	254
Tariff adjustment receivables	<b>8,667</b>	7,287
Trade and tariff adjustment receivables	<b>9,061</b>	7,541
Bills receivables	<b>16</b>	11
Trade, bills and tariff adjustment receivables	<b>9,077</b>	7,552

As at 30 June 2022, trade receivables of approximately RMB394 million (31 December 2021: approximately RMB254 million) represented receivables from sales of electricity and are usually settled within one to six months.

Tariff adjustment receivables mainly represented the central government subsidies on renewable energy projects to be received from the State Grid Corporation of China and Inner Mongolia Power (Group) Co., Ltd. based on the prevailing nationwide government policy and the respective electricity sale and purchase agreements for each of the Group's solar power and wind power plants.

The ageing analysis by invoice date, which approximates revenue recognition date, of the trade and tariff adjustment receivables were as follows:

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2022</b>	2021
	<b><i>RMB'million</i></b>	<i>RMB'million</i>
Current	<b>8,927</b>	7,402
1 – 30 days	<b>60</b>	99
31 – 60 days	<b>23</b>	7
61 – 90 days	<b>3</b>	–
91 – 180 days	<b>–</b>	–
181 – 365 days	<b>13</b>	–
Over 365 days	<b>35</b>	33
	<b>9,061</b>	7,541

## 9 SHARE CAPITAL

	Number of shares (million)	RMB'million
Ordinary shares of HK\$0.10 each		
<b>Authorised</b>		
At 31 December 2021 and 30 June 2022	<u>30,000</u>	<u>2,525</u>
<b>Issued and fully paid</b>		
At 31 December 2021 and 30 June 2022	<u>22,428</u>	<u>1,924</u>

## 10 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

Date of issue	Principal Amount <i>US\$'million</i>	Interest rate	On inception	Financial
			Net proceeds (equivalent to approximately) <i>RMB'million</i>	liabilities at fair value through profit or loss <i>RMB'million</i>
29 June 2021	<u>50</u>	<u>3.8%p.a.</u>	<u>316</u>	<u>316</u>

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

- (a) at any time on and after the day falling 41 days after the date of issue to the close of business on the date falling 10 days prior to the maturity date (both days inclusive); or
- (b) if the bonds have been called for redemption before the maturity date, then up to and including the close of business on date no later than 10 days prior to the date fixed for redemption.

Summarised below is the movement of financial liabilities at FVTPL during the Period:

	Unaudited <i>RMB'million</i>
<b>At 1 January 2022</b>	<b>346</b>
Interest payment	(6)
Subsequent re-measurement fair value loss	<u>6</u>
<b>At 30 June 2022</b>	<b><u>346</u></b>

## 11 BANK AND OTHER BORROWINGS

	Unaudited 30 June 2022 <i>RMB'million</i>	Audited 31 December 2021 <i>RMB'million</i>
Non-current	24,228	24,261
Current	<u>11,634</u>	<u>7,778</u>
	<u><b>35,862</b></u>	<u><b>32,039</b></u>

Movements in bank and other borrowings is analysed as follows:

	Unaudited <i>RMB'million</i>
<b>As at 1 January 2022</b>	<b>32,039</b>
Acquisition of subsidiaries	327
Proceeds from bank borrowings	6,594
Repayments of bank borrowings	(2,922)
Proceeds from loans from financial institutions	1,751
Repayments of loans from financial institutions	(2,213)
Repayments of other loans	(10)
Amortisation of loan facilities fees	32
Unamortised interest cost on pledged deposits	4
Exchange difference	<u>260</u>
<b>As at 30 June 2022</b>	<u><b>35,862</b></u>

*Note:* The effective interest rate per annum for bank and other borrowings as at 30 June 2022 was 4.15% (31 December 2021: 4.40%).

## 12 ACQUISITION OF SUBSIDIARIES

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

### (a) Business Combinations

During the Period, the Company completed the acquisition of one power plant (31 December 2021: thirty-eight) in the PRC from an independent third party through its indirect non wholly-owned subsidiary. The acquisition has immediately enabled the Group to supplement its existing renewable power plant portfolio and further expand its scale of business in the renewable energy sector in order to enhance return to the shareholders of the Company.

(b) **Acquisition of Assets**

During the Period, the Company acquired the equity interests of one entity in the PRC from an independent third party through its indirect non wholly-owned subsidiary. This acquisition is considered as acquisition of assets as the fair value of the gross assets acquired is concentrated in group of similar identifiable assets. This entity has been consolidated into the consolidated financial statements of the Group.

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

	Unaudited For the six months ended 30 June			
	2022			2021
Business combinations	Acquisition of assets	Total		Total
<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>		<i>RMB'million</i>
<b>Consideration</b>				
Cash	57	85	142	1,863
<b>Recognised amounts of fair value of identifiable assets acquired, liabilities assumed and non-controlling interests</b>				
Property, plant and equipment	113	379	492	4,671
Right-of-use assets	4	38	42	77
Value-added tax (payables)/recoverables, net	(1)	41	40	281
Trade and tariff adjustment receivables	102	5	107	1,291
Other receivables, deposits and prepayments	–	2	2	306
Cash and cash equivalents	2	2	4	126
Pledged deposits	–	–	–	177
Other payables and accruals	(157)	(24)	(181)	(608)
Bank and other borrowings	–	(327)	(327)	(4,199)
Lease liabilities	(4)	(31)	(35)	–
Deferred tax liabilities	(1)	–	(1)	(38)
Income tax payable	(1)	–	(1)	(3)
<b>Total identifiable net assets</b>	<b>57</b>	<b>85</b>	<b>142</b>	<b>2,081</b>
Non-controlling interests	–	–	–	(10)
Bargain purchase gains recognised in the condensed consolidated statement of profit or loss	–	–	–	(208)
	<b>57</b>	<b>85</b>	<b>142</b>	<b>1,863</b>
<b>Net cash outflow arising from the acquisitions</b>				
Offsetting with deposits for investments	–	85	85	–
Other payables (included consideration payables in relation to acquisitions)	34	–	34	771
Cash and cash equivalents acquired	2	2	4	126
Less: Cash consideration	(57)	(85)	(142)	(1,863)
	<b>(21)</b>	<b>2</b>	<b>(19)</b>	<b>(966)</b>

The fair value of the acquired identifiable assets under business combinations during the Period was provisional pending receipt of the final valuations of those assets. Deferred tax has been provided in relation to these fair value adjustments. Management performed retrospective review of the fair value of the acquired identifiable assets under business combinations during the six months ended 30 June 2021 and considered no retrospective adjustment was required.

### **13 EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION**

#### **Completion of the Acquisition of the Entire Equity Interests in Three Wind Power Entities**

In July 2022, BEI Energy Development (Beijing) Co., Ltd.\* (京能國際能源發展(北京)有限公司), formerly known as Beijing United Rongbang New Energy Technology Co., Ltd.\* (北京聯合榮邦新能源科技有限公司), an indirect non wholly-owned subsidiary of the Company, completed the acquisition of the entire equity interests in each of Shuozhou City Pinglu District Honggou Wind Energy Co., Ltd.\* (朔州市平魯區紅溝風電有限公司), Xiyang County Sineng Wind Energy Co., Ltd.\* (昔陽縣斯能風電有限公司) and Youyu County Sineng Wind Energy Co., Ltd.\* (右玉縣斯能風電有限公司).

### **14 COMPARATIVE FIGURES**

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

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

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

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

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

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

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

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

## **CHANGES IN INFORMATION OF DIRECTORS**

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the annual report of the Company for the year ended 31 December 2021 are set out below:

Mr. Zhu Jianbiao, an independent non-executive Director, was re-designated from a non-executive director to an executive director of Shandong Hi-Speed Holdings Group Limited\* (山高控股集團有限公司)(formerly known as China Shandong Hi-Speed Financial Group Limited\* (中國山東高速金融集團有限公司)), the shares of which are listed on the Stock Exchange (stock code: 412), with effect from 6 May 2022. In addition, he was appointed as an executive director of Shandong Hi-Speed New Energy Group Limited\* (山高新能源集團有限公司)(formerly known as Beijing Enterprises Clean Energy Group Limited\* (北控清潔能源集團有限公司)), the shares of which are listed on the Stock Exchange (stock code: 1250), with effect from 19 May 2022.



Save as disclosed above, the Company is not aware of any other information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **AUDIT COMMITTEE**

The interim results of the Group for the Period as set out in this announcement have been reviewed by the Company's audit committee comprising three members, including two independent non-executive Directors, namely Ms. Li Hongwei (Chairman) and Mr. Zhu Jianbiao, and one non-executive Director, namely Mr. Zhao Bing.

## **INTERIM DIVIDEND**

No interim dividend for the Period has been declared by the Board, and the register of members of the Company will not be closed for that purpose.

## **APPRECIATION**

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

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

Hong Kong, 26 August 2022

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

\* *For identification purposes only*