龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code: 00916

2011
Interim Report

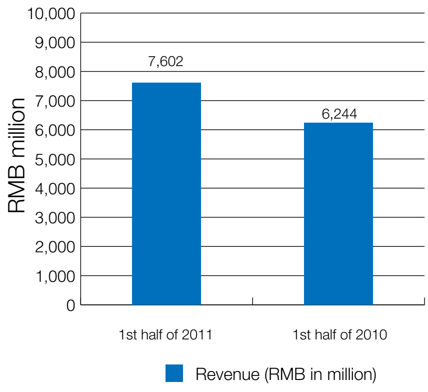
* For identification purposes only

Contents

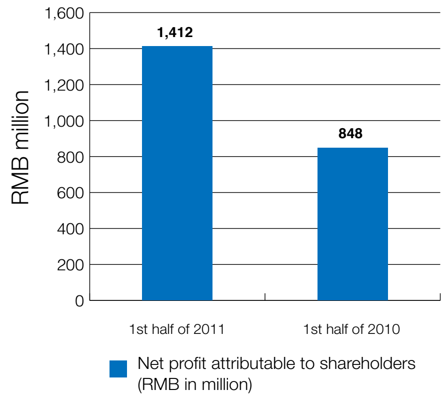
INTERIM RESULTS

The Board of Directors of China Longyuan Power Group Corporation Limited hereby announced the unaudited operating results for the six months ended 30 June 2011 and a comparison with the operating results for the six months ended 30 June 2010 ("corresponding period of 2010"). For the six months ended 30 June 2011, the Group recorded consolidated operating revenue of RMB7,554 million (excluding revenue from service concession project construction), representing an increase of 24.5% over RMB6,067 million for the corresponding period of 2010. Profit before taxation amounted to RMB1,993 million, representing an increase of 35.9% over RMB1,467 million for the corresponding period of 2010. Net profit attributable to shareholders of the Company amounted to RMB1,412 million, representing an increase of 66.5% over RMB848 million for the corresponding period of 2010. Basic earnings per share attributable to shareholders of the Company amounted to approximately RMB0.1892, representing an increase of RMB0.0756 over RMB0.1136 for the corresponding period of 2010. As of 30 June 2011, net assets per share (excluding non-controlling interests) amounted to RMB3.25.

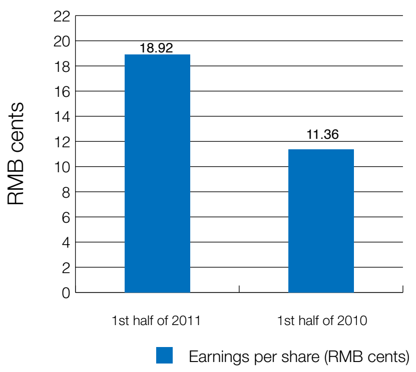
1. Revenue



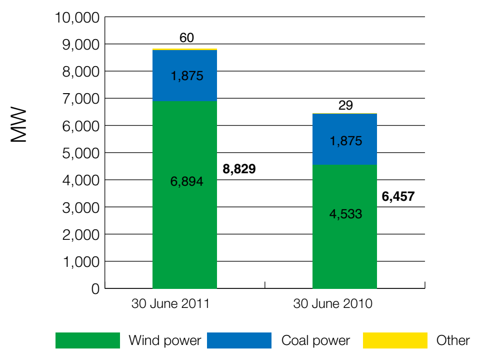
2. Net profit attributable to shareholders



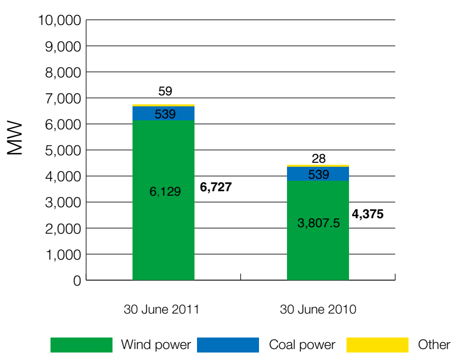
3. Earnings per share



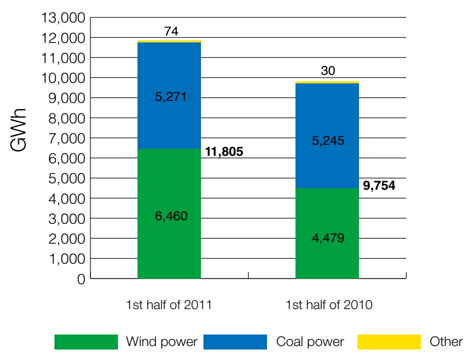
4. Consolidated installed capacity



5. Attributable installed capacity



6. Electricity Sales



	For the six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Revenue	**7,602,199**	6,243,990
Profit before taxation	**1,992,853**	1,467,240
Income tax	**(203,754)**	(214,869)
Profit for the period	**1,789,099**	1,252,371
Attributable to:		
Shareholders of the Company	**1,412,146**	848,102
Non-controlling equity owners	**376,953**	404,269
Total comprehensive income for the period	**1,782,466**	1,247,411
Attributable to:		
Shareholders of the Company	**1,405,513**	843,142
Non-controlling equity owners	**376,953**	404,269
Basic and diluted earnings per share *(RMB cents)*	**18.92**	11.36

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Total non-current assets	**66,903,176**	64,282,879
Total current assets	**12,048,549**	10,392,081
Total Assets	**78,951,725**	74,674,960
Total current liabilities	**23,378,622**	24,945,297
Total non-current liabilities	**27,137,367**	22,304,423
Total Liabilities	**50,515,989**	47,249,720
Net Assets	**28,435,736**	27,425,240
Total equity attributable to the shareholders of the Company	**24,272,465**	23,281,334
Non-controlling equity owners	**4,163,271**	4,143,906
Total Equity	**28,435,736**	27,425,240

(The following information was prepared under the International Financial Reporting Standards unless otherwise specified)

The global economy has been riddled with difficulties since the beginning of 2011, yet it manages to maintain its upward momentum. On a solid footing as a whole, our national economy is steering its path as expected under the macro-economic control. During the first half of the year, China's GDP grew by 9.6% year on year, whereas the aggregate power consumption over the entire country recorded 2.25 trillion kWh, representing a year-on-year increase of 12.2%. A stronger market potential is externally favorable for investment in new energy industries and stronger demand for power. In the first half of 2011, the Group had been closely adhering to work targets and pressing ahead with various operations, thus remarkably speeding up expansion of the Company whilst sustaining good performance in production and operation at large.

I. BUSINESS REVIEW

1. Construction up to high specifications and sustained progress for project development

The Group stressed management over the whole process of construction projects by highlighting such aspects as design optimisation, construction organisation, on-site management and system establishment, while without losing focus on the control of safety, quality, construction schedule and costs so as to guarantee achievements of annual production targets with its every effort. In the first half of 2011, Phase II of Jiangsu Rudong Wind Power Concession Expansion Project, Hebei Weichang Zhuzixia Wind Power Project and Phase II of Inner Mongolia Xing'anmeng Mangniuhai Wind Power Project of the Group were awarded the "2011 Premium Quality Power Construction in China". All three projects received unanimous accolades for their construction quality and installation technology, which fully reflected the Group's overall leading position with regard to project construction.

In the first half of 2011, the Group had 7 wind power projects newly put into production, 1 on-grid photovoltaic power generation project, with an additional consolidated installed capacity of 355.5 MW. As of 30 June 2011, the consolidated installed capacity of the Group was 8,829MW, among which the consolidated installed capacity of our wind power business, the consolidated installed capacity of our coal power business and the consolidated installed capacity of other renewable energies were 6,894 MW, 1,875MW and 60MW, respectively. As of 30 June 2011, the attributable installed capacity and total installed capacity of the Group's wind power business amounted to 6,129 MW and 7,306 MW respectively.

Geographical breakdown of the consolidated installed capacity of the Group's wind farms as of 30 June 2010 and 30 June 2011:

Region	**As of 30 June 2011** *(MW)*	**As of 30 June 2010** *(MW)*	**Percentage of change**
Heilongjiang	902.6	760.1	18.7%
Jilin	348.9	299.4	16.5%
Liaoning	805.2	607.2	32.6%
Inner Mongolia	1,581.4	993.4	59.2%
Jiangsu	482.0	361.0	33.5%
Zhejiang	137.6	76.6	79.6%
Fujian	312.1	227.7	37.1%
Hainan	99.0	49.5	100.0%
Gansu	858.3	406.8	111.0%
Xinjiang	397.8	249.3	59.6%
Hebei	622.5	423.0	47.2%
Yunnan	99.0	99.0	0.0%
Anhui	198.0	—	—
Shandong	49.5	—	—
Total	6,893.9	4,553.0	51.4%

2. *Production safety ensured along with continuous improvement in power generation*

In the first half of 2011, the Group ensured safety in production corporate-wide with ongoing improvement in its power generation standards. Bearing safety foremost in mind, the Company has been optimising the protection and monitoring system for production safety management, whilst duly putting in place an accountability system in relation to production safety. A comprehensive safety inspection and safety assessment had been conducted during Spring-Autumn seasons, followed by perfection of operation and benchmarking analysis, in a bid to reinforce dynamic management during the course of production safety. The Company put additional efforts in boosting the quality of equipment maintenance and equipment's availability, keeping generating units in and under control, through technical supervision and other professional inspection and assessment measures. The Group set up an operation control centre to advance information technology continuously.

In the first half of 2011, the Group generated a cumulative gross electrical output of 12,987 million kWh, of which electricity generated from our wind power business accounted for 7,069 million kWh, representing an increase of 44.45% year on year. Such an increase in the Group's wind power electricity output was primarily attributable to the growth in wind power installed capacity. The average availability factor of the Group's wind power generating units was 98.37%, representing an increase of 0.18 percentage point as compared with 98.19% for the corresponding period of 2010. The average utilisation hours of wind power in the first half of 2011 decreased by 16 hours from that over the same period of 2010 to 1,070 hours, which was primarily due to the impact arising from the changes in wind resources in certain regions and greater limitations on electricity output of the grid in certain regions.

Geographical breakdown of the consolidated power generation of the Company's wind farms for the first half of 2010 and the first half of 2011:

Region	**First half of 2011** *(MWh)*	**First half of 2010** *(MWh)*	**Percentage of change**
Heilongjiang	868,963	637,570	36.3%
Jilin	322,885	316,988	1.9%
Liaoning	903,533	475,621	90.0%
Inner Mongolia	1,324,654	1,149,087	15.3%
Jiangsu	512,816	477,372	7.4%
Zhejiang	71,400	61,838	15.5%
Fujian	535,089	338,524	58.1%
Hainan	76,109	31,757	139.7%
Gansu	837,526	311,852	168.6%
Xinjiang	446,778	441,866	1.1%
Hebei	916,757	591,640	55.0%
Yunnan	145,845	59,258	146.1%
Anhui	91,556	—	—
Shandong	14,747	—	—
Total	7,068,658	4,893,372	44.5%

Geographical breakdown of the average utilisation hours / capacity factor of wind power of the Company's wind farms for the first half of 2010 and the first half of 2011:

Region	Average utilisation hours of wind power for the first half of 2011 (hr)	Average capacity factor of wind power for the first half of 2011	Average utilisation hours of wind power for the first half of 2010 (hr)	Average capacity factor of wind power for the first half of 2010	Percentage of change of the average utilisation hours of wind power
Heilongjiang	963	22%	839	19%	14. 8%
Jilin	925	21%	1,059	24%	-12.7%
Liaoning	1,158	27%	783	18%	47.9%
Inner Mongolia	922	21%	1,157	27%	-20.3%
Jiangsu	1,064	24%	1,322	30%	-19.5%
Zhejiang	771	18%	807	19%	-4.5%
Fujian	1,714	39%	1,487	34%	15.3%
Hainan	769	18%	642	15%	19.8%
Gansu	976	22%	767	18%	27.2%
Xinjiang	1,123	26%	1,772	40%	-36.6%
Hebei	1,473	34%	1,399	32%	5.3%
Yunnan	1,473	34%	1,076	25%	36.9%
Anhui	584	13%	—	—	—
Shandong	894	21%	—	—	—
Total	1,070	25%	1,086	25%	-1.5%

Geographical breakdown of the average availability factor of wind power of the Company's wind farms for the first half of 2011 and the first half of 2010:

Region	Average availability factor of wind power for the first half of 2011 (%)	Average availability factor of wind power for the first half of 2010 (%)	Percentage of change
Heilongjiang	99.00	98.24	0.76%
Jilin	98.20	98.46	-0.26%
Liaoning	99.01	98.85	0.16%
Inner Mongolia	98.35	98.72	-0.37%
Jiangsu	98.49	98.86	-0.37%
Zhejiang	98.82	98.89	-0.07%
Fujian	98.63	99.00	-0.37%
Hainan	99.25	97.37	1.88%
Gansu	98.80	98.66	0.14%
Xinjiang	96.74	97.02	-0.28%
Hebei	98.04	97.94	0.10%
Yunnan	96.49	—	—
Anhui	97.45	—	—
Total	98.37	98.19	0.18%

During the reporting period, the consolidated power generation from our coal power business increased by 4.9% to 5,835 million kWh as compared with 5,564 million kWh for the corresponding period of 2010, and this was primarily attributable to the sustained growth in society's power utility loads. The average utilisation hours of the Group's coal power business for the first half of 2011 increased by 145 hours, from 2,967 hours for the corresponding period of 2010 to 3,112 hours.

3. *Further optimisation of the national strategic layout*

In the first half of 2011, in the principle of optimising layout and spreading development (優化佈局、分散開發), the Group had newly added wind power pipeline capacity of 6 GW in such regions as Heilongjiang, Jilin, Inner Mongolia, Hebei, Shandong, Anhui, Ningxia, Shaanxi, Henan, Hunan, Hubei and Jiangxi, with cumulative capacity for wind power pipeline projects reaching 61.5 GW (net of capacity put into operation and void pipeline capacity), covering provinces, municipalities and autonomous regions other than Hong Kong, Macau, Taiwan, Sichuan, Chongqing and Guangxi. During the reporting period, the Group's wind power projects in traditional developed regions progressed steadily. Along with further development of wind power projects at inland areas, its nationwide strategic layout was perfected.

4. *Stable growth in profit with strengthened management*

In the first half of 2011, the Group strengthened and refined management unceasingly, stepped up efforts in equipment overhauls and technological innovation, reinforced operating control in respect of production safety and equipment management and established a star-rating assessment system and incentive mechanism for wind power enterprises, resulting in faster development of CDM projects, noticeable results for tariff as well as constant improvement in terms of major technical and economical indicators. Furthermore, the Group adjusted the debt structure to mitigate the impact of interest rate hikes, contained capital cost through means such as debt issuance, resulting in a substantial decrease in financial expenses, and bolstered up the operation capacity of commissioned projects whilst imposing strict control on project construction costs. Accordingly, the Company saw a steady increase in profits. During the reporting period, the net profit attributable to shareholders of the Group amounted to RMB 1,412 million, representing an increase of 66.5% over the corresponding period of 2010.

5. *Steady increase in tariffs attributable to the on-going expansion of project layout*

The average on-grid tariffs for wind power of the Group for the first half of 2011 amounted to RMB572 per MWh (value-added tax ("VAT") inclusive), representing an increase of RMB7 per MWh as compared with the average on-grid tariffs for wind power of RMB565 per MWh (VAT included) for the corresponding period of 2010, the year-on-year increase of which was due to a rise in the proportion of electricity sales of region with high tariffs. The average on-grid tariffs for coal power amounted to RMB431 per MWh (VAT inclusive), representing an increase of RMB9 per MWh as compared with the average on-grid tariffs for coal power of RMB422 per MWh (VAT inclusive) for the corresponding period of 2010, the year-on-year increase of which was due to: 1) an increase in planned output as well as its proportion; and 2) the on-grid tariff for alternative electricity hikes.

6. *Sustained reduction in equipment procurement costs and project construction costs*

The Group lowered its procurement costs further for the first half of 2011 by continuing to leverage on economies of scale and adopting centralised bidding and mass procurement of wind power generating units and ancillary equipment, resulting in a reduction in the Group's average procurement costs of wind turbines for the first half of 2011 by 7.0% as compared with the average level in 2010. Meanwhile, the Group had effectively lowered the procurement price of equipment by means of meticulous organisation, centralised procurement and joint invitation to tender, whilst bringing construction costs for wind power projects under effective control by design reviews and optimised design proposals, as well as management means such as exercising stringent cost control over the change in design during construction process. In the first half of 2011, the average construction cost per kW of wind power projects decreased by 3.9% as compared with the average level in 2010.

7. *Safeguarding business development through restructuring and diversifying financing channels*

On the condition that funds were safeguarded, the Group strived for capital cost reduction via centralised capital management and diversified financing systems. In the first half of 2011, the Company successfully issued fixed-rate corporate bonds of RMB3,000 million, RMB1,500 million of which had a term of five years and a coupon rate of 4.89% and the remaining RMB1,500 million of which had a term of ten years and a coupon rate of 5.04%. In addition, Jiangyin Sulong Heat and Power Generating Co., Ltd. (江陰蘇龍熱電有限公司) and Nantong Tianshenggang Power Generation Co., Ltd. (南通天生港發電有限公司), subsidiaries of the Company, issued short-term debentures of RMB600 million with a coupon rate of 4.82% and 4.35%, respectively. As of 30 June 2011, the value of bonds issued by the Group accumulated to RMB9,600 million, with an average ratio of cost to funding of 4.86%. Meanwhile, the Group adopted various financing ways to meet its demand for business development by raising funds from non-bank sources, including loans from trusts and institutional entrusted loans.

8. *Substantial increase in the number of registered CDM projects attributable to more vigorous development of such projects*

During the reporting period, the Group's CDM projects ran smoothly with much shorter time for project registration. As of 30 June 2011, an aggregate of 77 CDM projects of the Group were successfully registered with the CDM EB, involving a cumulative installed capacity of 4,235 MW. Those projects were comprised of 76 wind power projects with a cumulative installed capacity of 4,211 MW and one biomass project with the installed capacity of 24 MW, among which 22 CDM projects were successfully registered in the first half of 2011 with a total installed capacity of 1,381 MW. In the first half of 2011, the Group's net income from sales of CERs and VERs amounted to RMB381 million in total, representing an increase of 135.2% as compared with RMB162 million for the corresponding period of 2010.

9. *Coordinated development of other renewable energy sources*

In the first half of 2011, Phase I of the Group's 20 MW Photovoltaic Power Generation Project in Geermu, Qinghai Province (青海格爾木一期20兆瓦光伏發電項目) commenced full production. As of 30 June 2011, an aggregate of 30 MW photovoltaic power generation project of the Group commenced production and the consolidated installed capacity of the Group's solar energy pipeline projects amounted to 2,255 MW, spanning across regions such as Inner Mongolia, Gansu, Qinghai, Xinjiang, Ningxia, Tibet and Beijing. The Group also operated geothermal power generation project located at Yangbajing, Tibet and Zhejiang Wenling Jiangxia Pilot Tidal Power Station. Coupled with active participation in biomass power generation projects, the Group achieved coordinated development of various renewable energy sources.

II. Results of Operations and Analysis Thereof

Overview

In the first half of 2011, the Group recorded a net profit of RMB1,789 million, representing an increase of 42.9% from RMB1,252 million for the corresponding period of 2010. Net profit attributable to shareholders amounted to RMB1,412 million, representing an increase of 66.5% from RMB848 million for the corresponding period of 2010.

Operating revenue

Operating revenue of the Group amounted to RMB7,602 million in the first half of 2011, representing an increase of 21.7% from RMB6,244 million for the corresponding period of 2010. Such increase in operating revenue was primarily attributable to: 1) an increase of RMB1,005 million, or 46.7% in revenue from electricity sales of the wind power segment from RMB2,153 million for the corresponding period of 2010 to RMB3,158 million in the first half of 2011, primarily due to an increase in electricity sales resulting from the expansion in wind power production capacity; and 2) an increase of RMB310 million in revenue from coal sales of the coal power segment from RMB1,592 million in the first half of 2010 to RMB1,902 million in the first half of 2011. The operating revenue of each segment is set out as follows:

	For the six months ended 30 June		
Operating Revenue	**2011** **(*RMB million*)**	2010 (*RMB million*)	**Percentage of change**
Wind Power Segment	**3,206**	2,330	37.6%
Including: Revenue from electricity sales and others	**3,158**	2,153	46.7%
Revenue from service concession construction	**48**	177	-72.9%
Coal Power Segment	**4,143**	3,813	8.7%
Including: Revenue from electricity & steam sales and other revenues	**2,241**	2,221	0.9%
Revenue from coal sales	**1,902**	1,592	19.5%
Other Segments	**337**	203	66.0%
Elimination of Inter-segment revenue	**-84**	-102	-17.6%
Total	**7,602**	6,244	21.7%

Other net income

Other net income of the Group amounted to RMB587 million in the first half of 2011, representing an increase of 68.7% from RMB348 million for the corresponding period of 2010, primarily due to an increase of RMB219 million, or 135.2%, in net income from sales of CERs and VERs from RMB162 million for the corresponding period of 2010 to RMB381 million in the first half of 2011, as more wind power projects of the Group were successfully registered with the CDM EB in 2011, along with an increase in power generation of such registered projects.

Operating expenses

The operating expenses of the Group amounted to RMB5,513 million in the first half of 2011, representing an increase of 19.2% from RMB4,624 million for the corresponding period of 2010, primarily due to the increase in the depreciation and amortisation expenses of our wind power segment and the increase in the cost of coal sales of our coal power segment.

Depreciation and amortisation expenses

Depreciation and amortisation expenses of the Group amounted to RMB1,378 million in the first half of 2011, representing an increase of 33.8% from RMB1,030 million for the corresponding period of 2010, primarily due to an increase of RMB322 million, or 41.4%, in depreciation and amortisation expenses of our wind power segment over the corresponding period of 2010 as a result of expansion in the operating capacity of our wind power projects.

Coal consumption costs

The coal consumption costs of the Group amounted to RMB1,398 million in the first half of 2011, representing an increase of 3.5% from RMB1,351 million for the corresponding period of 2010, primarily due to: 1) an increase of 3.0% in the unit price of standard coal for power and steam generation over the corresponding period of 2010 following the increase in coal price in the first half of 2011 as compared with the corresponding period of 2010; and 2) an increase in coal consumption following the increase in power generation of the coal power segment.

Cost of coal sales

The cost of coal sales of the Group in the first half of 2011 amounted to RMB1,799 million, representing an increase of 22.5% from RMB1,468 million for the corresponding period of 2010, primarily due to: 1) an increase in the cost of coal sales arising from the growth of coal trading business; and 2) a moderate increase in the coal price.

Service concession construction costs

The Group's construction costs of service concession projects in the first half of 2011 amounted to RMB48 million, representing a decrease of 72.9% from RMB177 million for the corresponding period of 2010, primarily due to: 1) the successive completion of the existing service concession projects; and 2) no additional service concession projects in the first half of 2011.

Personnel costs

Personnel costs of the Group amounted to RMB348 million in the first half of 2011, representing an increase of 21.3% from RMB287 million for the corresponding period of 2010, primarily due to the increase in headcount as a result of the Group's expansion and the fact that a portion of the personnel costs were expensed as more projects commenced operation.

Materials costs

The materials costs of the Group amounted to RMB173 million in the first half of 2011, representing an increase of 96.6% from RMB88 million for the corresponding period of 2010, primarily due to the increase in relevant material costs as a result of the increase in external sales of Zhongneng Power-Tech Development Company Limited. (中能電力科技開發有限公司) and Longyuan (Beijing) Wind Power Projects Technology Co., Ltd. (龍源(北京)風電工程技術有限公司) (formerly known as Beijing Zhongneng Lianchuang Wind Power Technology Company Limited (北京中能聯創風電技術有限公司), subsidiaries of the Company.

Repair and maintenance expenses

The repair and maintenance expenses of the Group amounted to RMB104 million in the first half of 2011, representing an increase of 89.1% from RMB55 million for the corresponding period of 2010, primarily due to: 1) the increase in the projects commenced operation, leading to a growth in revenue as well as an increase of RMB27 million or 180% in the repair and maintenance expenses of the wind power segment from RMB15 million in the first half of 2010 to RMB42 million in the first half of 2011; and 2) an increase in the expenses for the major overhaul and technology reform of the coal power segment, leading to an increase of RMB27 million or 90% in the repair and maintenance expenses from RMB30 million in the first half of 2010 to RMB57 million in the first half of 2011.

Administrative expenses

The administrative expenses of the Group amounted to RMB87 million in the first half of 2011, representing an increase of 19.2% from RMB73 million for the corresponding period of 2010. Such increase was primarily due to the increase in office expenses, travelling fees and other expenses in line with the expansion of the Group's business and the growth in the number of subsidiaries.

Other operating expenses

In the first half of 2011, other operating expenses of the Group increased by 87.4% from RMB95 million to RMB178 million over the corresponding period of 2010, primarily due to: 1) the increase in taxes as a result of the payment of urban maintenance and construction tax and education fee surcharges since 1 December 2010 by the Company's subsidiaries incorporated as foreign-invested enterprises in accordance with the Notice on Relevant Issues for Urban Maintenance and Construction Tax and Education Fee Surcharge Imposed on Foreign-invested Enterprises (Caishui [2010] No. 103)(《關於對外資企業徵收城市維護建設税和教育費附加有關問題的通知》(財税[2010]103號)), promulgated by the Ministry of Finance and State Administration of Taxation of the PRC. The taxes in the first half of 2011 amounted to RMB41 million, representing an increase of RMB31 million or 310% from RMB10 million for the corresponding period of 2010; 2) the increase in property insurance premium as a result of the increase in the projects commenced operation. The property insurance premium amounted to RMB42 million in the first half of 2011, representing an increase of RMB17 million or 68% from RMB25 million for the corresponding period of 2010; and 3) the increase in expenses for advisory services, low-value consumables and advertisement along with the growth of the Group's business.

Net finance expenses

The net finance expenses of the Group amounted to RMB734 million in the first half of 2011, representing an increase of 36.4% from RMB538 million for the corresponding period of 2010, primarily due to: 1) the substantial increase in external borrowings, debentures payable and other interest-bearing liabilities driven by the growing capital demand for the expansion of the Group's business, which led to an increase in finance expenses; and 2) the interest rate hikes.

Share of profits less losses of associates and jointly controlled entities

The Group's share of profits less losses of associates and jointly controlled entities amounted to RMB50 million in the first half of 2011, representing an increase of 35.1% from RMB37 million for the corresponding period of 2010, primarily due to the fact that the profits of the associates for the reporting period increased over the corresponding period of 2010.

Income tax

Income tax of the Group amounted to RMB204 million in the first half of 2011, representing a decrease of 5.1% from RMB215 million for the corresponding period of 2010, primarily due to the fact that: 1) the subsidiaries of the wind power segment, which enjoyed preferential tax exemption policies, had a substantial increase in the profit before taxation; and 2) the coal power segment, with a higher average tax rate, saw a decrease in profit before taxation in the first half of 2011.

Segment results of operations

Operating Profit	For the six months ended 30 June **2011** *(RMB million)*	2010 *(RMB million)*	Percentage of change
Wind Power Segment	**2,351**	1,540	52.7%
Coal Power Segment	**341**	447	-23.7%
Including: Sales of electricity & steam and others	**321**	402	-20.1%
Coal trading business	**20**	45	-55.6%
Other Segment	**66**	29	127.6%
Elimination and other corporate expenses	**-81**	-48	68.8%
Total	**2,677**	1,968	36.0%

In the first half of 2011, operating profit of the wind power segment of the Group amounted to RMB2,351 million, representing an increase of 52.7% from RMB1,540 million for the corresponding period of 2010, primarily due to the increase in installed capacity of our wind power business, which led to an increase in the revenue from electricity sales. Operating profit of our coal power business amounted to RMB341 million, representing a decrease of 23.7% from RMB447 million for the corresponding period of 2010, among which operating profit excluding coal trading business amounted to RMB321 million, representing a decrease of 20.1% from RMB402 million for the corresponding period of 2010, primarily due to the decrease in the operating profit in power generation business as a result of the increase in coal costs. Operating profit from our coal trading business amounted to RMB20 million, representing a decrease of 55.6% from RMB45 million for the corresponding period of 2010, primarily due to a reduction in profitability of our coal trading business as a result of a further increase of coal prices in the first half of 2011.

Assets and Liabilities

As of 30 June 2011, total assets of the Group amounted to RMB78,952 million, representing an increase of RMB4,277 million as compared with total assets of RMB74,675 million as of 31 December 2010. The increase was primarily due to: 1) the increase of RMB1,656 million in current assets which mainly included receivables, prepayments and other current assets; and 2) an increase of RMB2,620 million in non-current assets which mainly included property, plant and equipment. Total liabilities amounted to RMB50,516 million, representing an increase of RMB3,266 million as compared to total liabilities of RMB47,250 million as of 31 December 2010, primarily due to an increase of RMB4,833 million in non-current liabilities which mainly represented long-term borrowings used for construction, as well as a decrease of RMB1,567 million in current liabilities which mainly represented short-term borrowings.

Capital Liquidity

As of 30 June 2011, current assets of the Group amounted to RMB12,049 million, including bank deposits and cash of RMB3,480 million, trade debtors and bills receivable of RMB3,689 million (primarily consisted of receivables from sales of electricity and steam); as well as prepayments and other current assets of RMB3,262 million (primarily consisted of deductible value-added tax and receivables from sales of CERs). Current liabilities amounted to RMB23,379 million, including trade creditors and bills payable of RMB689 million (primarily consisted of payables for purchases of coal); other payables of RMB6,507 million (primarily consisted of payables for construction of wind power projects and retention); and short-term borrowings amounted to RMB16,024 million. Net current liabilities as of 30 June 2011 amounted to RMB11,330 million, representing a decrease of RMB3,223 million as compared to RMB14,553 million as of 31 December 2010. The liquidity ratio was 0.52 as of 30 June 2011, representing an increase of 0.10 as compared with 0.42 as of 31 December 2010. The decrease in net current liabilities and the increase in liquidity ratio were primarily due to the decrease in short-term interest-bearing borrowings, as a result of repayment of certain short-term borrowings in 2011 by using the proceeds from the issuance of long-term debentures.

Restricted deposits amounted to RMB84 million, mainly representing housing maintenance fund and deposits for bills payables.

As of 30 June 2011, the Group's borrowings amounted to RMB40,900 million, representing an increase of RMB3,725 million as compared to the balance of borrowing as of 31 December 2010. As of 30 June 2011, the Group's borrowings included short-term borrowings of RMB16,024 million (including long-term borrowings due within one year of RMB814 million), and long-term borrowings amounting to RMB24,876 million (including debentures of RMB8,540 million). Above-mentioned borrowings include borrowings denominated in Renminbi of RMB40,006 million, borrowings denominated in U.S. dollars of RMB874 million and borrowings denominated in other currencies of RMB20 million.

Capital expenditure

The capital expenditure of the Group amounted to RMB3,972 million in the first half of 2011, representing a decrease of 18.41% from RMB4,868 million for the corresponding period of 2010. Of the capital expenditure, the expenditure for the construction of wind power projects amounted to RMB3,691 million, and the expenditure for the construction of other renewable energy projects amounted to RMB241 million. The sources of funds mainly include external borrowings and bond issue.

Net gearing ratio

As of 30 June 2011, the net gearing ratio of the Group, which is calculated by dividing net debt (total borrowings less cash and cash equivalents) by the sum of net debt and total equity, was 57.0%, representing an increase of 2.3 percentage points over 54.7% as of 31 December 2010, primarily due to the increase in the total amount of borrowings along with the expansion of the Group's wind power projects.

Material investment

In the first half of 2011, the Group had acquired 90,000,000 shares of Huaneng Renewables Corporation Limited (華能新能源股份有限公司) at a price of HK$2.50 per share, representing 1.1% of its total shares, at a total consideration of approximately RMB190 million.

Material acquisition and disposal

In the first half of 2011, the Group disposed 0.89% equity interest of China Guodian Material Corporation (國電物資集團有限公司) at a consideration of RMB22.60 million through China Beijing Equity Exchange. Upon completion of the disposal, the Group no longer held any equity interest of the above company.

Pledged assets

The Group has pledged wind turbines equipment to secure certain bank loans. As of 30 June 2011, the aggregate net book value of the pledged assets was RMB292 million, representing a decrease of 5.5% as compared to RMB309 million as of 31 December 2010, primarily due to the decrease in the net book value of pledged assets as a result of depreciation of wind turbines.

Guarantee

As of 30 June 2011, the Group provided a RMB76 million guarantee for bank loans of an associated company, and issued a counter-guarantee of no more than RMB38 million to the controlling shareholder of an associated company. As of 30 June 2011, the bank loan balance for which the Group provided counter-guarantee amounted to RMB35 million.

Cash flows analysis

As of 30 June 2011, bank deposits and cash held by the Group amounted to RMB3,480 million, representing a decrease of RMB612 million as compared to RMB4,092 million as of 31 December 2010, primarily due to the successive use of proceeds for capital expenditure by the Group. The principal sources of funds of the Group included cash generated from operating activities, bank loans and proceeds raised in the bond market.

The net cash inflow of the Group's operating activities for the first half of 2011 amounted to RMB2,750 million, which was primarily attributable to the revenue from sales of electricity and steam, whereas cash outflow was primarily attributable to the procurement of fuels and spare parts, various taxation payments and expenditure for operational expenses. As the revenue from electricity sales increased, the Group had a relatively sufficient cash flow from operating activities. The net cash outflow of the Group's investing activities for the first half of 2011 amounted to RMB5,813 million, among which cash inflow of investment activities was primarily attributable to government subsidies relating to the purchase and construction of long-term assets, whereas cash outflow was primarily attributable to construction of wind power projects and increase in investment in trading securities, fixed-rate financial products and associates and jointly controlled entities. In the first half of 2011, the net cash inflow of the Group's financing activities amounted to RMB2,251 million, including primarily the obtaining and repayment of borrowings, bond issue and repayment of interest of borrowings.

III. BUSINESS OUTLOOK FOR THE SECOND HALF OF 2011

According to the latest forecast of the International Monetary Fund, the growth of the global economy will exceed 4% this year and will continue to support a moderate recovery. From now on to a period of time in the future, the growth momentum of China economy is still relatively strong. The nuclear leakage in Fukushima, Japan had, to a certain extent enhanced the world's reliance on wind power, solar power and other new energy. Recently, China's "Twelfth Five-Year Plan of the Development Plan for Renewable Energy" (Draft for Comment) (《可再生能源發展「十二五」規劃》(征求意見稿)) had already lifted the installed capacity targets of wind power and solar power to 100 million kW and 10 million kW respectively. With the "Twelfth Five-Year Plan", it is the golden era of our country for developing new energy. We shall continue to develop new energy unswervingly.

During the process of the global economic recovery, various countries have opened up their investment markets. For the time being, China is in the stage of accelerating foreign investment and cooperation, and the country encourages domestic enterprises to "go global". The Group has already set up overseas project preparatory offices in South Africa, the United States, Canada, Hungary and other countries and signed an acquisition agreement on a 100 MW wind power project in Canada. The Group takes it as a turning point, striving to achieve bigger breakthrough in overseas projects.

In general, the current situation provides favorable conditions for the Group to expand its business. In order to ensure the completion of operational targets of the year, the Group stresses on taking the following initiatives:

1. ***To strengthen capital management so as to cope with the impact of interest rate hikes***

   To improve capital management whilst paying close attention to changes in monetary policies, so as to cater to its capital requirement for this year; to reduce financing cost and assets to liabilities ratio through the utilisation of various financial instruments and measures such as issue of bonds; and to establish a capital risk emergency system based on debt restructuring and intensified cash flow management, in an attempt to enhance risk aversion capability of the Company.

2. ***To enhance production management so as to increase power generation***

   To gather pace in construction, intensify management on equipment operation and make reasonable arrangement for equipment maintenance and repair work, in a bid to boosting power generation during the seasons with strong winds; through proactive research on policy adjustments in respect of grid connection of wind power to reduce the losses arising from limitations on electricity output by means of policies, technologies and management initiatives; to strive for the construction of pilot projects through closer liaison with power grid companies; to conduct a technical overhaul relating to low voltage ride and estimation of the power of wind farms, so as to safeguard a safe and steady operation of the wind farms in a long term.

3. ***To improve operational management for higher profitability***

   To enhance the overall management over project construction, safety production and corporate operation with more rigid budget management; to collect the subsidy for tariff on renewable energy sources in a timely manner and step up efforts in registration and verification of CDM projects; to keep abreast of the changes in CDM policies and the market trends for higher profitability.

4. *To strive for sustainable development with sufficient preliminary preparation*

To proceed with project verification and liaise with National Development and Reform Commission and National Energy Board closely for more projects to be enlisted in another round of project planning; to expand project pipeline, especially wind power reserves in regions where we have not tapped into and off-shore areas; and to achieve a diversified project layout through coordinated development with other new energy.

5. *To ensure commissioning targets are met through strengthened project management*

To establish a routine mechanism of construction safety with emphasis on the management of project quality and on-site safety inspection; to lay a solid foundation for future production and operation with improved project quality; to ensure the completion of the commissioning project target of a capacity of 2,000 MW throughout the year through strict control on project quotation, reasonable schedule arrangement, proper handling of key sections in the project and strict compliance with the delivery time; and to proceed with the design and bidding for the projects next year in advance whilst ensuring the completion of the commissioning target of the current year, so as to achieve the commissioning target of power generation as scheduled next year.

6. *To promote the development of overseas businesses in a steady pace following the strategy of "going global".*

In adherence to the principle of expanding actively whilst progressing steadily, the Group stays vigilant to political, economic and legal risks, selected highly marketised regions with stable political and economic conditions, whilst drawing its experience and advantages in capital utilisation, development, operation and management to prop up development.

7. *To strengthen reform and innovation and to improve operational efficiency*

To improve the technology supporting system with strengthened efforts in technology innovation and keep abreast of the latest development of advanced new energy technologies at home and abroad, in a view to capturing the cutting edge in competitions. The Company shall further enhance the construction of a team of talents with an emphasis on its talent pipeline, especially the introduction of calibre talents with overseas background. Meanwhile, the Company will also study and adjust its appraisal and incentive scheme, stress on business obligations and attach great importance to an annual appraisal which is efficiency-led, so as to encourage input from the workplace. It will strengthen its reform on the investment regime and tighten control over investment management procedures, whilst promoting corporate culture to establish a brand new energy power generation brand.

The Company has committed to enhancing corporate governance standard and regarded it as an indispensable part to creating values for shareholders. The Company has established a modern corporate governance structure which comprises a number of independently operated and effectively balanced bodies including general meetings, the Board of Directors, the supervisory board and senior management with reference to the code provisions as set out in the Code on Corporate Governance Practices in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has also adopted the Code on Corporate Governance Practices as our own corporate governance practices.

Compliance with the Code on Corporate Governance Practices

The Company has strictly complied with the principles and code provisions, and some of the recommended best practices as set out in the Code on Corporate Governance Practices. During the reporting period, the Company has complied with the requirements as set out in the Code on Corporate Governance Practices without any deviation from the code provisions.

Compliance with the Model Code for Securities Transactions by Directors and supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules as the code of conduct and rules governing dealings by all of our Directors and supervisors in the securities of the Company. Having made specific enquiries of the Directors and supervisors of the Company, all Directors and supervisors have confirmed that they have strictly complied with the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers during the reporting period.

The Board of Directors will examine the corporate governance practices and operation of the Company from time to time so as to ensure the compliance with relevant requirements under the Listing Rules and to protect shareholders' interests.

Independent Non-executive Directors

The Company has appointed a sufficient number of independent non-executive Directors with appropriate professional qualifications, or appropriate accounting or related financial management expertise in accordance with the requirements of the Listing Rules. The Company appointed a total of three independent non-executive Directors, including Mr. Li Junfeng, Mr. Zhang Songyi and Mr. Meng Yan.

Audit Committee

The Company has established the audit committee in accordance with the requirements of the Listing Rules. The primary responsibilities of the audit committee are to review the annual internal audit plan of the Company, oversee the appointment, re-appointment and removal of external auditors, and make recommendations to the Board of Directors to approve the remuneration and terms of appointment of external auditors, review and oversee the independence and objectiveness of external auditors and effectiveness of audit procedures, formulate and implement policies in relation to non-audit services provided by external auditors, oversee the quality of internal audit and disclosure of financial information of the Company, review interim and annual financial statements before submission to the Board of Directors and oversee the financial reporting system and internal control procedures of the Company, evaluate the effectiveness of the internal control and risk management system to ensure co-ordination between the internal and external auditors and to ensure that the internal audit function is adequately resourced and the relevant staff have been trained with sufficient qualifications and experience and are provided with regular training programmes and other similar arrangement.

The audit committee of the Board of Directors consists of three Directors: Mr. Zhang Songyi (independent non-executive Director), Mr. Meng Yan (independent non-executive Director) and Mr. Luan Baoxing (non-executive Director). Mr. Meng Yan serves as the chairman of the audit committee.

On 23 August 2011, the audit committee reviewed and confirmed the announcement of interim results of the Group for the six months ended 30 June 2011, the 2011 interim report and the unaudited interim financial statements for the six months ended 30 June 2011 prepared under International Accounting Standards 34 “Interim Financial Reporting”.

Share Capital

As of 30 June 2011, the total share capital of the Company was RMB7,464,289,000 divided into 7,464,289,000 shares of RMB1.00 each. There has been no change in the share capital of the Company during the reporting period.

Interim Dividend

The Board of Directors has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2011.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2011.

Interests and Short Positions of the Directors, Supervisors and Senior Management in the Shares, Underlying Shares and Debentures

On 30 June 2011, none of the Directors, supervisors or senior management of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were 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.

Substantial Shareholders' Interests In Shares

On 30 June 2011, so far as known to the Directors, the following persons (other than the Directors, senior management or supervisors of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Class of Share	Capacity	Number of Shares/ Underlying Shares Held *(Share)*	Percentage in the Relevant Class of Share Capital *(Note 1)* *(%)*	Percentage in the Total Share Capital *(Note 1)* *(%)*
Guodian Group	Domestic shares	Interests of beneficial owner and controlled corporation	4,753,570,000 *(Note 2)* (Long position)	100%	63.68%
China Investment Corporation	H shares	Interests of controlled corporation	379,901,000 *(Note 3)* (Long position)	14.01%	5.09%
National Council for Social Security Fund (全國社會保障基金理事會)	H shares	Beneficial owner	246,430,000 (Long position)	9.09%	3.30%
China Life Insurance (Group) Company	H shares	Interests of beneficial owner and controlled corporation	190,191,000 *(Note 4)* (Long position)	7.02%	2.55%

Notes:

1. The percentage is based on the issued number of relevant class of shares/total issued shares of the Company as at 30 June 2011.

2. Among these 4,753,570,000 domestic shares, 4,658,498,600 shares were directly held by Guodian Group while the remaining 95,071,400 shares were held by Guodian Northeast Electric Power Co., Ltd., a wholly-owned subsidiary of Guodian Group. Accordingly, Guodian Group was deemed as the holder of the equity interests owned by Guodian Northeast Electric Power Co., Ltd..

3. Chengdong Investment Corporation was a wholly-owned subsidiary of China Investment Corporation. Accordingly, China Investment Corporation was regarded as the holder of the equity interests of 379,901,000 H shares owned by Chengdong Investment Corporation.

4. Among these 190,191,000 H shares, 29,488,000 H shares were directly held by China Life Insurance (Group) Company, 67,741,000 H shares were held by China Life Insurance (Overseas) Company Limited, a wholly-owned subsidiary of China Life Insurance (Group) Company, and 94,962,000 H shares were held by China Life Insurance Company Limited, a subsidiary of China Life Insurance (Group) Company. Accordingly, China Life Insurance (Group) Company was deemed as the holder of the H share equity interests owned by its aforesaid subsidiaries.

Employees

As of 30 June 2011, the Group had a total of 4,921 employees. The employee remuneration of the Group comprises basic salary and bonus payment, which is made with reference to the operating results of the Group and results of performance assessment on the employees.

Material Litigation

Save as disclosed below, as of 30 June 2011, the Company was not involved in any material litigation or arbitration. So far as the Directors are aware, no material litigation or claims are pending or threatened against the Company save as those disclosed as follows.

Part of the assets of China Fulin Wind Power Engineering Co., Ltd. (中國福霖風能工程有限公司), a wholly-owned subsidiary of the Group, had been frozen as of 30 June 2011 due to a dispute over guarantee obligations. The company has currently raised an objection to the court against the award rendered and is negotiating a settlement with the bank concerned for a waiver of its obligations under guarantees. For details, please refer to "Note 24(b) to the Unaudited Interim Financial Statements — Contingent liabilities in respect of legal claim".

Change of Director and Supervisor

The first extraordinary general meeting in 2011 had considered and approved Mr. Qiao Baoping as a supervisor and chief supervisor of the Company, effective from 10 August 2011 and until the expiration of the term of the first session of the supervisory board. Mr. Chen Bin has resigned as a supervisor of and chief supervisor of the Company since 10 August 2011, due to changes in work allocations.

The first extraordinary general meeting in 2011 had considered and approved Mr. Chen Bin as a non-executive Director of the Company, effective from 10 August 2011 until the expiration of the term of the first session of the Board of Directors. Mr. Wang Liansheng has resigned as an executive Director of the Company since 10 August 2011 due to changes in work allocations.

Upon election at the employee representatives' meeting of the Company, Mr. He Shen has served as an employee representative supervisor of the first session of the supervisory board since 21 June 2011, for a term commencing from 21 June 2011 and ending on the expiration of the term of the first session of the supervisory board. Due to changes in work allocations, Mr. Wang Jianting has ceased to be the employee representative supervisor of the Company since 21 June 2011.

Review Report

Review report to the Board of Directors of
China Longyuan Power Group Corporation Limited
(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 35 to 79, which comprises the consolidated balance sheet of China Longyuan Power Group Corporation Limited as of 30 June 2011, the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standards on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as of 30 June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

23 August 2011

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2011 (unaudited) (Expressed in Renminbi)

	Note	Six months ended 30 June	
		2011	2010
		RMB'000	*RMB'000*
			(restated — note 26)
Revenue	5	**7,602,199**	6,243,990
Other net income	6	**587,289**	348,260
Operating expenses			
Depreciation and amortisation		**(1,378,446)**	(1,030,101)
Coal consumption		**(1,398,041)**	(1,351,482)
Coal sales costs		**(1,799,398)**	(1,467,839)
Service concession construction costs		**(47,928)**	(176,923)
Personnel costs		**(347,534)**	(286,660)
Material costs		**(173,233)**	(87,744)
Repairs and maintenance		**(103,763)**	(55,378)
Administration expenses		**(86,636)**	(73,032)
Other operating expenses		**(177,705)**	(95,316)
		(5,512,684)	(4,624,475)
Operating profit		**2,676,804**	1,967,775
Finance income		**59,753**	27,245
Finance expenses		**(793,494)**	(565,252)
Net finance expenses	7	**(733,741)**	(538,007)
Share of profits less losses of associates and jointly controlled entities		**49,790**	37,472
Profit before taxation	8	**1,992,853**	1,467,240
Income tax	9	**(203,754)**	(214,869)
Profit for the period, carried forward		**1,789,099**	1,252,371

The notes on pages 43 to 79 form part of this interim financial report.

	Note	Six months ended 30 June 2011 RMB'000	2010 RMB'000 (restated — note 26)
Profit for the period, brought forward		**1,789,099**	1,252,371
Other comprehensive income			
Available-for-sale financial assets: net movement in the fair value reserve		**(2,372)**	(5,620)
Exchange difference on net investment		**(4,016)**	—
Exchange difference on translation of financial statements		**(245)**	660
Other comprehensive income for the period, net of tax	10	**(6,633)**	(4,960)
Total comprehensive income for the period		**1,782,466**	1,247,411
Profit attributable to:			
Shareholders of the Company		**1,412,146**	848,102
Non-controlling interests		**376,953**	404,269
Profit for the period		**1,789,099**	1,252,371
Total comprehensive income attributable to:			
Shareholders of the Company		**1,405,513**	843,142
Non-controlling interests		**376,953**	404,269
Total comprehensive income for the period		**1,782,466**	1,247,411
Basic and diluted earnings per share *(RMB cents)*	11	**18.92**	11.36

The notes on pages 43 to 79 form part of this interim financial report.

Unaudited Consolidated Balance Sheet

At 30 June 2011 (unaudited) (Expressed in Renminbi)

	Note	**At 30 June 2011** *RMB'000*	At 31 December 2010 *RMB'000* (restated — note 26)
Non-current assets			
Property, plant and equipment	12	**53,284,747**	50,651,207
Investment properties	13	**99,637**	101,345
Lease prepayments		**906,262**	876,466
Intangible assets	14	**7,588,498**	7,661,059
Investments in associates and jointly controlled entities		**1,503,102**	1,314,571
Goodwill		**11,541**	11,541
Other assets	15	**3,303,512**	3,458,936
Deferred tax assets		**205,877**	207,754
Total non-current assets		**66,903,176**	64,282,879
Current assets			
Inventories		**952,547**	636,449
Trade debtors and bills receivable	16	**3,689,498**	3,496,176
Prepayments and other current assets	17	**3,262,295**	1,502,292
Tax recoverable		**17,043**	19,969
Trading securities		**346,103**	181,418
Assets held for sale		**217,363**	217,363
Restricted deposits		**84,110**	245,925
Cash at bank and on hand	18	**3,479,590**	4,092,489
Total current assets		**12,048,549**	10,392,081
Current liabilities			
Borrowings	19(b)	**16,023,563**	17,200,085
Trade creditors and bills payable	20	**688,783**	1,515,340
Other payables	21	**6,507,048**	6,034,214
Tax payable		**159,228**	195,658
Total current liabilities		**23,378,622**	24,945,297
Net current liabilities		**(11,330,073)**	(14,553,216)
Total assets less current liabilities		**55,573,103**	49,729,663

The notes on pages 43 to 79 form part of this interim financial report.

	Note	At 30 June 2011 RMB'000	At 31 December 2010 RMB'000 (restated — note 26)
Non-current liabilities			
Borrowings	19(a)	**24,876,053**	19,974,660
Deferred income		**2,158,467**	2,225,456
Deferred tax liabilities		**102,847**	104,307
Total non-current liabilities		**27,137,367**	22,304,423
NET ASSETS		**28,435,736**	27,425,240
CAPITAL AND RESERVES			
Share capital	22(b)	**7,464,289**	7,464,289
Reserves		**16,808,176**	15,817,045
Total equity attributable to the shareholders of the Company		**24,272,465**	23,281,334
Non-controlling interests		**4,163,271**	4,143,906
TOTAL EQUITY		**28,435,736**	27,425,240

The notes on pages 43 to 79 form part of this interim financial report.

Unaudited Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011 (unaudited) (Expressed in Renminbi)

	Note	Attributable to the shareholders of the Company								
		Share capital	Capital reserve	Statutory surplus reserve	Exchange reserve	Fair value reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
	Note	*RMB'000*	*RMB'000* *(note 22 (c)(i))*	*RMB'000* *(note 22 (c)(ii))*	*RMB'000* *(note 22 (c)(iii))*	*RMB'000* *(note 22 (c)(iv))*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2011 (as previously reported)		7,464,289	13,349,816	4,447	(6,723)	2,958	2,460,000	23,274,787	4,138,968	27,413,755
Effect on consolidation of a subsidiary under common control	26	–	2,850	–	–	–	3,697	6,547	4,938	11,485
At 1 January 2011 (as restated)		7,464,289	13,352,666	4,447	(6,723)	2,958	2,463,697	23,281,334	4,143,906	27,425,240
Changes in equity:										
Profit for the period		–	–	–	–	–	1,412,146	1,412,146	376,953	1,789,099
Other comprehensive income		–	–	–	(4,261)	(2,372)	–	(6,633)	–	(6,633)
Total comprehensive income		–	–	–	(4,261)	(2,372)	1,412,146	1,405,513	376,953	1,782,466
Capital contributions		–	–	–	–	–	–	–	36,857	36,857
Appropriation		–	–	143,724	–	–	(143,724)	–	–	–
Dividends by subsidiaries to non-controlling equity owners		–	–	–	–	–	–	–	(394,967)	(394,967)
Dividends to shareholders of the Company	22(a)	–	–	–	–	–	(403,072)	(403,072)	–	(403,072)
Acquisition of a subsidiary under common control	26	–	(11,310)	–	–	–	–	(11,310)	522	(10,788)
At 30 June 2011		7,464,289	13,341,356	148,171	(10,984)	586	3,329,047	24,272,465	4,163,271	28,435,736

The notes on pages 43 to 79 form part of this interim financial report.

		Attributable to the shareholders of the Company								
	Note	Share capital RMB'000	Capital reserve RMB'000 (note 22 (c)(i))	Statutory surplus reserve RMB'000 (note 22 (c)(ii))	Exchange reserve RMB'000 (note 22 (c)(iii))	Fair value reserve RMB'000 (note 22 (c)(iv))	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2010 (as previously reported)		7,464,289	13,349,816	–	(140)	7,923	1,077,919	21,899,807	3,780,167	25,679,974
Effect on consolidation of a subsidiary under common control	26	–	2,850	–	–	–	8,828	11,678	8,809	20,487
At 1 January 2010 (as restated)		7,464,289	13,352,666	–	(140)	7,923	1,086,747	21,911,485	3,788,976	25,700,461
Changes in equity:										
Profit for the period		–	–	–	–	–	848,102	848,102	404,269	1,252,371
Other comprehensive income		–	–	–	660	(5,620)	–	(4,960)	–	(4,960)
Total comprehensive income		–	–	–	660	(5,620)	848,102	843,142	404,269	1,247,411
Capital contributions		–	–	–	–	–	–	–	20,509	20,509
Appropriation		–	–	4,447	–	–	(4,447)	–	–	–
Dividends by subsidiaries to non-controlling equity owners		–	–	–	–	–	–	–	(246,685)	(246,685)
Special distribution to China Guodian Group Corporation ("Guodian Group")	22(a)	–	–	–	–	–	(632,042)	(632,042)	–	(632,042)
At 30 June 2010		7,464,289	13,352,666	4,447	520	2,303	1,298,360	22,122,585	3,967,069	26,089,654

The notes on pages 43 to 79 form part of this interim financial report.

	Note	Share capital RMB'000	Capital reserve RMB'000 (note 22 (c)(i))	Statutory surplus reserve RMB'000 (note 22 (c)(ii))	Exchange reserve RMB'000 (note 22 (c)(iii))	Fair value reserve RMB'000 (note 22 (c)(iv))	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
		Attributable to the shareholders of the Company								
At 30 June 2010		7,464,289	13,352,666	4,447	520	2,303	1,298,360	22,122,585	3,967,069	26,089,654
Changes in equity:										
Profit for the period		–	–	–	–	–	1,165,337	1,165,337	343,251	1,508,588
Other comprehensive income		–	–	–	(7,243)	655	–	(6,588)	–	(6,588)
Total comprehensive income		–	–	–	(7,243)	655	1,165,337	1,158,749	343,251	1,502,000
Capital contributions		–	–	–	–	–	–	–	105,281	105,281
Dividends by subsidiaries to non-controlling equity owners		–	–	–	–	–	–	–	(304,893)	(304,893)
Acquisition of non-controlling interests		–	–	–	–	–	–	–	(13,948)	(13,948)
Acquisition of subsidiaries		–	–	–	–	–	–	–	47,146	47,146
At 31 December 2010		7,464,289	13,352,666	4,447	(6,723)	2,958	2,463,697	23,281,334	4,143,906	27,425,240

The notes on pages 43 to 79 form part of this interim financial report.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2011 (unaudited) (Expressed in Renminbi)

		Six months ended 30 June	
		2011	2010
	Note	***RMB'000***	*RMB'000* (restated — note 26)
Cash generated from operations		**2,984,710**	1,324,025
Tax paid		**(234,711)**	(196,725)
Net cash generated from operating activities		**2,749,999**	1,127,300
Net cash used in investing activities		**(5,812,566)**	(6,529,633)
Net cash generated from/(used in) financing activities		**2,251,276**	(6,649,316)
Net decrease in cash and cash equivalents		**(811,291)**	(12,051,649)
Cash and cash equivalents at 1 January	18	**4,080,847**	16,517,724
Effect of foreign exchange rate changes		**(1,912)**	(35,746)
Cash and cash equivalents at 30 June	18	**3,267,644**	4,430,329

The notes on pages 43 to 79 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in thousands of Renminbi)

1 PRINCIPAL ACTIVITIES

China Longyuan Power Group Corporation Limited (the "Company") was established in the People's Republic of China (the "PRC") on 9 July 2009 as a joint stock company with limited liability. The Company and its subsidiaries (the "Group") are principally engaged in wind and coal power generation and sale, coal trading and other related business in the PRC.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorised for issuance on 23 August 2011.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2010 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2011 annual financial statements. Details of these changes in accounting policies are set out in note 3.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2010 annual financial statements. The condensed consolidated interim financial statements and notes thereto do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

2 BASIS OF PREPARATION *(CONTINUED)*

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information preformed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the Board of Directors is included.

The financial information relating to the financial year ended 31 December 2010 that is included in the interim financial report does not constitute the Company's annual financial statements prepared under IFRSs for that financial year but is derived from those financial statements and has been restated for a business combination under common control as disclosed in note 26. The annual financial statements for the year ended 31 December 2010 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 15 March 2011.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- IAS 24 (revised 2009), *Related party disclosures*
- Improvements to IFRSs (2010)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period with exception of the amendments to IAS1, *Presentation of financial statements – Presentation of items of other comprehensive income*. The amendments are effective for annual periods beginning on or after 1 July 2012, but as permitted by the amendments, the Group has decided to adopt the amendments early. As a result of the adoption of the amendments of IAS1, the Group has changed the title "Statement of comprehensive income" to "Statement of profit or loss and other comprehensive income". The items of other comprehensive income that may be reclassified to profit or loss in the future have been presented separately from that would never be reclassified to profit or loss.

The above developments related primarily to clarification of certain disclosure requirements applicable to the Group's financial statements. These developments have had no material impact on the contents of this interim financial report.

4 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by types of business. Consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments:

— Wind power: this segment constructs, manages and operates wind power plants and generates electric power for sale to external power grid companies.

— Coal power: this segment constructs, manages and operates coal power plants and generates electric power for sale to external power grid companies and coal trading business.

The Group combined other business activities that are not reportable in "All others". Revenue included in this category is mainly from manufacturing and sales of power equipment, and provision of consulting services, and maintenance and training services to wind power plants.

(a) Segment results, assets and liabilities

In accordance with IFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group's senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of investments in associates and jointly controlled entities, available-for-sale investments, unquoted equity investments, trading securities, deferred tax assets, tax recoverable and other corporate assets. Segment liabilities include trade creditors, bills payable, other payables and borrowings managed directly by the segments. Segment liabilities do not include deferred tax liabilities, tax payable and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment revenue and expenses do not include share of profits less losses of associates and jointly controlled entities, net finance expenses, service concession construction revenue and cost and unallocated corporate expenses.

4 SEGMENT REPORTING *(CONTINUED)*

(a) Segment results, assets and liabilities *(Continued)*

The measure used for reporting segment profit is the operating profit. Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2011 and 2010 is set out below:

For the six months ended 30 June 2011

	Wind power *RMB'000*	**Coal power** *RMB'000*	**All others** *RMB'000*	**Total** *RMB'000*
Revenue from external customers				
— Sales of electricity	3,158,400	1,939,639	49,174	5,147,213
— Others	90	2,203,689	203,279	2,407,058
Subtotal	3,158,490	4,143,328	252,453	7,554,271
Inter-segment revenue	—	—	84,516	84,516
Reportable segment revenue	**3,158,490**	**4,143,328**	**336,969**	**7,638,787**
Reportable segment profit (operating profit)	**2,350,938**	**341,335**	**65,952**	**2,758,225**

4 SEGMENT REPORTING *(CONTINUED)*

(a) Segment results, assets and liabilities *(Continued)*

For the six months ended 30 June 2011 *(Continued)*

	Wind power *RMB'000*	**Coal power** *RMB'000*	**All others** *RMB'000*	**Total** *RMB'000*
Depreciation and amortisation before inter-segment elimination	(1,100,294)	(252,140)	(24,675)	(1,377,109)
Impairment of trade and other receivables	—	—	(200)	(200)
Interest income	1,253	3,895	18,322	23,470
Interest expense	(660,116)	(79,969)	(12,236)	(752,321)
Reportable segment assets	**66,938,925**	**7,121,882**	**2,748,244**	**76,809,051**
Assets held for sale for reportable segment	—	217,363	—	217,363
Expenditures for reportable segment non-current assets during the period	3,739,332	39,293	196,622	3,975,247
Reportable segment liabilities	**47,821,084**	**5,074,736**	**3,995,683**	**56,891,503**

4 SEGMENT REPORTING *(CONTINUED)*

(a) Segment results, assets and liabilities *(Continued)*

For the six months ended 30 June 2010 (restated — note 26)

	Wind power *RMB'000*	Coal power *RMB'000*	All others *RMB'000*	Total *RMB'000*
Revenue from external customers				
— Sales of electricity	2,153,332	1,891,085	24,693	4,069,110
— Others	156	1,921,610	76,191	1,997,957
Subtotal	2,153,488	3,812,695	100,884	6,067,067
Inter-segment revenue	—	—	101,716	101,716
Reportable segment revenue	**2,153,488**	**3,812,695**	**202,600**	**6,168,783**
Reportable segment profit (operating profit)	**1,540,440**	**447,003**	**28,720**	**2,016,163**
Depreciation and amortisation before inter-segment elimination	(777,259)	(245,322)	(19,494)	(1,042,075)
Impairment of trade and other receivables	(739)	—	(299)	(1,038)
Interest income	976	8,198	15,572	24,746
Interest expense	(385,143)	(72,201)	(62,518)	(519,862)

For the year ended 31 December 2010 (restated — note 26)

	Wind power *RMB'000*	Coal power *RMB'000*	All others *RMB'000*	Total *RMB'000*
Reportable segment assets	**62,798,447**	**6,657,723**	**2,245,296**	**71,701,466**
Assets held for sale for reportable segment	—	217,363	—	217,363
Expenditures for reportable segment non-current assets during the year	16,999,161	169,877	266,232	17,435,270
Reportable segment liabilities	**45,879,236**	**4,530,108**	**3,084,190**	**53,493,534**

4 SEGMENT REPORTING *(CONTINUED)*

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
		(restated — note 26)
Revenue		
Reportable segment revenue	**7,638,787**	6,168,783
Service concession construction revenue	**47,928**	176,923
Elimination of inter-segment revenue	**(84,516)**	(101,716)
Consolidated revenue	**7,602,199**	6,243,990
Profit		
Reportable segment profit	**2,758,225**	2,016,163
Elimination of inter-segment profits	**(29,538)**	(8,502)
	2,728,687	2,007,661
Share of profits less losses of associates and jointly controlled entities	**49,790**	37,472
Net finance expenses	**(733,741)**	(538,007)
Unallocated head office and corporate expenses	**(51,883)**	(39,886)
Consolidated profit before taxation	**1,992,853**	1,467,240

4 SEGMENT REPORTING *(CONTINUED)*

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities *(Continued)*

	At 30 June 2011	At 31 December 2010
	RMB'000	*RMB'000*
		(restated — note 26)
Assets		
Reportable segment assets	**76,809,051**	71,701,466
Inter-segment elimination	**(500,400)**	(617,690)
	76,308,651	71,083,776
Investments in associates and jointly controlled entities	**1,503,102**	1,314,571
Available-for-sale investments	**13,880**	17,042
Unquoted equity investments in companies	**480,053**	455,323
Trading securities	**346,103**	181,418
Tax recoverable	**17,043**	19,969
Deferred tax assets	**205,877**	207,754
Unallocated head office and corporate assets	**33,432,417**	31,432,755
Elimination	**(33,355,401)**	(30,037,648)
Consolidated total assets	**78,951,725**	74,674,960
Liabilities		
Reportable segment liabilities	**56,891,503**	53,493,534
Inter-segment elimination	**(348,073)**	(471,555)
	56,543,430	53,021,979
Tax payable	**159,228**	195,658
Deferred tax liabilities	**102,847**	104,307
Unallocated head office and corporate liabilities	**27,065,885**	23,965,424
Elimination	**(33,355,401)**	(30,037,648)
Consolidated total liabilities	**50,515,989**	47,249,720

4 SEGMENT REPORTING *(CONTINUED)*

(c) Geographical information

As the Group does not have material operations outside the PRC, no geographic segment reporting is presented.

(d) Seasonality of operations

The Group's wind power business generally generated more revenue in the first and fourth quarters, comparing to the second and third quarters in the year, as the wind speed is more preferential for power generation in Spring and Winter. As a result, the revenue from wind power business fluctuates during the year.

5 REVENUE

The amount of each significant category of revenue recognised during the period is as follows:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Sales of electricity	**5,147,213**	4,069,110
Sales of steam	**169,024**	160,233
Service concession construction revenue	**47,928**	176,923
Sales of electricity equipment	**145,395**	37,535
Sales of coal	**1,902,464**	1,591,667
Others	**190,175**	208,522
	7,602,199	6,243,990

6 OTHER NET INCOME

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000* (restated — note 26)
Government grants		
— Sales of Certified Emission Reductions ("CERs") and Voluntary Emission Reductions ("VERs")	**380,961**	161,699
— Others	**186,667**	176,624
Rental income from investment properties	**8,749**	10,122
Net gain/(loss) on disposal of plant, property and equipment	**54**	(1,165)
Others	**10,858**	980
	587,289	348,260

7 FINANCE INCOME AND EXPENSES

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000* (restated — note 26)
Interest income on financial assets	**23,470**	24,746
Gain on disposal of unquoted equity investments	**19,691**	—
Foreign exchange gains	**16,592**	2,499
Finance income	**59,753**	27,245
Interest on bank and other borrowings	**971,667**	682,219
Less: interest expenses capitalised into property, plant and equipment and intangible assets	**(219,346)**	(162,357)
	752,321	519,862
Foreign exchange losses	**3,084**	38,905
Net unrealised losses on trading securities	**17,881**	—
Impairment losses on trade and other receivables	**200**	1,038
Bank charges and others	**20,008**	5,447
Finance expenses	**793,494**	565,252
Net finance expenses recognised in profit or loss	**(733,741)**	(538,007)

The borrowing costs have been capitalised at rates of 3.72% to 6.80% for the period ended 30 June 2011 (six months ended 30 June 2010: 3.72% to 5.35%).

8 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000* (restated — note 26)
Amortisation		
— lease prepayment	**14,033**	9,948
— intangible assets	**165,395**	126,272
Depreciation		
— investment properties	**1,708**	3,891
— property, plant and equipment	**1,197,310**	889,990
Operating lease charges		
— hire of plant and machinery	**490**	353
— hire of properties	**2,221**	2,753
Cost of inventories	**3,441,949**	2,934,067

9 INCOME TAX

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000* (restated — note 26)
Current tax		
Provision for the period	**203,739**	196,410
Over provision in respect of prior period	**(1,192)**	(8,004)
	202,547	188,406
Deferred tax		
Origination and reversal of temporary differences	**1,207**	26,463
	203,754	214,869

9 INCOME TAX *(CONTINUED)*

(b) Reconciliation between tax expense and accounting profit at applicable tax rate:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000* (restated — note 26)
Profit before taxation	**1,992,853**	1,467,240
Applicable tax rate	**25%**	25%
Notional tax on profit before taxation	**498,213**	366,810
Tax effect of non-deductible expenses	**5,827**	6,434
Tax effect of share of profits less losses of associates and jointly controlled entities	**(12,447)**	(9,368)
Effect of differential tax rate of certain subsidiaries of the Group *(note (i)&(ii))*	**(285,502)**	(171,693)
Tax effect of unused tax losses and timing differences not recognised	**18,641**	31,680
Tax credits for purchase of domestic equipment	**(19,667)**	(1,160)
Others	**(1,311)**	(7,834)
Income tax	**203,754**	214,869

Notes:

(i) The provision for income tax of the Group is calculated based on a statutory rate of 25% of the assessable profit of the Group as determined in accordance with the relevant PRC income tax rules and regulations for the six months ended 30 June 2011 and the six months ended 30 June 2010, except for certain subsidiaries of the Group, which are taxed at preferential rates of 0% to 24% according to relevant tax authorities' approvals.

(ii) Certain subsidiaries of the Group, being enterprises engaged in state encouraged industries located in the Western Regions of the PRC were taxed at a preferential income tax rate of 15%. Pursuant to Zhongfa [2010] No.11, Opinions on In-depth implementation of the Western Development Strategy (中共中央國務院關於深入實施西部大開發戰略的若干意見) and Caishui [2011] No. 58, Notice of the relevant taxation policies on In-depth implementation of the Western Development Strategy (關於深入實施西部大開發戰略有關稅收政策問題的通知), management of the Group is of the opinion that those subsidiaries will continue to enjoy the preferential rate in 2011.

10 OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Items that may be reclassified subsequently to profit or loss		
Available-for-sale financial assets:		
Net movement in fair value reserve		
— Before tax amount		
Change in fair value recognised during the period	**(3,162)**	(7,493)
— Tax expense	**790**	1,873
Net of tax amount	**(2,372)**	(5,620)
Translation of financial statements		
— Before and net of tax amount	**(245)**	660
Exchange difference on net investment		
— Before tax amount	**(5,355)**	—
— Tax expense	**1,339**	—
Net of tax amount	**(4,016)**	—
Other comprehensive income	**(6,633)**	(4,960)

11 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the six months ended 30 June 2011 of RMB1,412,146,000 (six months ended 30 June 2010 (restated — note 26): RMB848,102,000) and the number of shares in issue during the six months ended 30 June 2011 and 2010 of 7,464,289,000.

There was no difference between the basic and diluted earnings per share as there were no diluted potential shares outstanding for the periods presented.

12 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2011, the Group acquired items of property, plant and equipment of approximately RMB3,838,251,000 (six months ended 30 June 2010 (restated — note 26): approximately RMB4,624,875,000). Items of property, plant and equipment with net book value of approximately RMB1,744,000 were disposed of during the six months ended 30 June 2011 (six months ended 30 June 2010 (restated — note 26): approximately RMB28,479,000), resulting in a gain on disposal of approximately RMB54,000 (six months ended 30 June 2010 : a loss of RMB1,165,000).

13 INVESTMENT PROPERTIES

All the investment properties owned by the Group are located in the PRC, which comprise a number of commercial properties that are leased to third parties. The leases typically run for a short initial period of 1 to 2 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually adjusted periodically to reflect market rentals. None of these leases includes contingent rentals. All lease contracts could be terminated with an insignificant penalty.

According to the Property Valuation Reports issued by Jones Lang LaSalle Sallmanns Limited, a firm of independent qualified valuer in Hong Kong, on 19 August and 25 February 2011, the fair values of the Group's investment properties as of 30 June 2011 and 31 December 2010 are RMB334,046,000 and RMB318,528,000, respectively.

14 INTANGIBLE ASSETS

Intangible assets mainly represent service concession assets of approximately RMB7,537,779,000 (31 December 2010 : approximately RMB7,654,970,000), software and others assets of approximately RMB50,719,000 (31 December 2010 (restated — note 26): approximately RMB6,089,000).

During the six months ended 30 June 2011, the additions of intangible assets mainly represent service concession assets of approximately RMB47,928,000 (six months ended 30 June 2010 : approximately RMB174,932,000) and acquisition of feed-in-tariff contracts amounting to RMB44,378,000 (six months ended 30 June 2010: nil).

15 OTHER ASSETS

	At 30 June 2011	At 31 December 2010
	RMB'000	*RMB'000*
Other financial assets:		
Available-for-sale investments, measured at fair value	**13,880**	17,042
Unquoted equity investments in non-listed companies, at cost	**480,053**	455,323
Loans and advances to		
— associates *(note (i))*	**66,790**	66,790
— third parties	**7,583**	86,030
Subtotal	**568,306**	625,185
Deductible Value-added Tax ("VAT") *(note (ii))*	**2,735,206**	2,833,751
	3,303,512	3,458,936

Notes:

(i) The loans to associates are designated loans and are unsecured, not past due as of balance sheet dates, and bear interest at the rates of 6.12% per annum for the period ended 30 June 2011 (31 December 2010: 5.35%). The current portion is recorded in other current assets.

(ii) Deductible VAT mainly represents the input VAT relating to acquisition of property, plant and equipment and intangible assets.

16 TRADE DEBTORS AND BILLS RECEIVABLE

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000* (restated — note 26)
Amounts due from third parties	**3,673,217**	3,427,698
Amounts due from Guodian Group	**2,168**	—
Amounts due from fellow subsidiaries	**21,889**	76,463
Amounts due from associates	**3,263**	2,854
	3,700,537	3,507,015
Less: allowance for doubtful debts	**(11,039)**	(10,839)
	3,689,498	3,496,176

The ageing analysis of trade debtors and bills receivable of the Group is as follows:

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000* (restated — note 26)
Current	**3,689,509**	3,496,468
Past due within 1 year	**6,088**	5,902
Past due between 1 to 2 years	**858**	563
Past due between 2 to 3 years	**3,816**	3,816
Past due over 3 years	**266**	266
	3,700,537	3,507,015
Less: allowance for doubtful debts	**(11,039)**	(10,839)
	3,689,498	3,496,176

Trade debtors are generally due within 15 – 30 days from the date of billing. Certain wind power projects collect part of receivables representing 20% to 60% of total electricity sales in 6 to 18 months from the date of recognition of sales as agreed in the electricity sales contracts signed between the Group and local grid companies.

17 PREPAYMENTS AND OTHER CURRENT ASSETS

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000* (restated — note 26)
Loans and advances to *(note (i))*:		
— associates	**80,872**	77,014
— Guodian Group	**3,295**	2,805
— fellow subsidiaries	**2,281**	1,353
— third parties	**485,235**	142,177
Investment in a financial institution *(note (ii))*	**1,000,000**	—
Government grant and CERs receivables	**693,360**	496,912
Dividend receivable from fellow subsidiaries	**18,118**	3,600
Deductible VAT	**742,307**	557,670
Prepayments and others	**291,092**	275,029
	3,316,560	1,556,560
Less: allowance for doubtful debts	**(54,265)**	(54,268)
	3,262,295	1,502,292

Notes:

(i) Included in the loans and advances are interest bearing loans to associates amounting to RMB16,505,000 with annum interest rates of 4.35%~6.40% as of 30 June 2011 (31 December 2010: RMB17,210,000, 4.35%~5.35%).

(ii) The balance represented an investment with fixed interest rate to be matured at 21 December 2011.

18 CASH AT BANK AND ON HAND

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000* (restated — note 26)
Cash on hand	**4,053**	20,729
Cash at bank and other financial institutions	**3,475,537**	4,071,760
	3,479,590	4,092,489
Representing:		
Cash and cash equivalents	**3,267,644**	4,080,847
Time deposits with original maturity over three months	**211,946**	11,642
	3,479,590	4,092,489

As of 30 June 2011, the Group's placed deposits with a fellow subsidiary of Guodian Group amounted to RMB504,518,000 (31 December 2010 (restated — note 26) : RMB1,633,848,000).

19 BORROWINGS

(a) The long-term interest-bearing borrowings comprise:

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Bank loans		
— Secured	**4,376,680**	3,040,264
— Unsecured	**11,773,392**	11,237,670
Loan from government		
— Unsecured	**—**	2,000
Loans from Guodian Group		
— Unsecured	**1,000,000**	1,000,000
Other borrowings *(note 19(c)(i))*		
— Secured	**6,951,037**	3,968,242
— Unsecured	**1,588,667**	1,587,478
	25,689,776	20,835,654
Less: Current portion of long-term borrowings *(note 19(b))*		
— Bank loans	**(813,723)**	(858,994)
— Loan from government	**—**	(2,000)
	24,876,053	19,974,660

As of 30 June 2011, the Group's bank loans guaranteed by Guodian Group amounted to RMB441,746,000 (31 December 2010: RMB463,065,000).

19 BORROWINGS *(CONTINUED)*

(b) The short-term interest-bearing borrowings comprise:

	At 30 June 2011 ***RMB'000***	At 31 December 2010 *RMB'000*
Bank loans		
— Secured	**1,897,870**	2,065,020
— Unsecured	**3,409,453**	3,933,071
Loans from other financial institutions and others		
— Unsecured	**5,100,699**	6,741,000
Loans from Guodian Group		
— Unsecured	**3,300,000**	3,000,000
Loans from fellow subsidiaries		
— Unsecured	**500,000**	—
Other borrowings *(note 19(c)(ii))*		
— Secured	**400,000**	—
— Unsecured	**600,000**	600,000
Loan from government		
— Unsecured	**1,818**	—
Current portion of long-term borrowings *(note 19(a))*		
— Bank loans	**813,723**	858,994
— Loan from government	**—**	2,000
	16,023,563	17,200,085

19 BORROWINGS *(CONTINUED)*

(c) Significant terms of other borrowings

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Long-term		
Corporate bonds *(note (i))*	**8,539,704**	5,555,720
Short-term		
Debentures *(note (ii))*	**1,000,000**	600,000

Notes:

(i) On 9 February 2010, the Company issued unsecured corporate bonds of RMB1,600,000,000 at par with a coupon rate of 4.52% per annum. The effective interest rate is 4.67% per annum. The bonds will be mature in seven years and are redeemable after five years of issuance at the option of the bond holders.

On 10 December 2010, the Company issued a five-year corporate bond of RMB2,000,000,000 at par with a coupon rate of 4.89% per annum and a ten-year corporate bond of RMB2,000,000,000 at par with a coupon rate of 5.05% per annum, both guaranteed by Guodian Group. The effective interest rates of above bonds are 5.08% and 5.15%, respectively.

On 21 January 2011, the Company issued a five-year corporate bond of RMB1,500,000,000 at par with a coupon rate of 4.89% per annum and a ten-year corporate bond of RMB1,500,000,000 at par with a coupon rate of 5.04% per annum, which are guaranteed by Guodian Group. The effective interest rates of above bonds are 5.08% and 5.14%, respectively.

19 BORROWINGS *(CONTINUED)*

(c) Significant terms of other borrowings *(Continued)*

Notes: (Continued)

(ii) On 16 May 2011, Jiangyin Sulong Heat and Power Generating Co., Ltd. (江陰蘇龍熱電有限公司) (formerly Jiangyin Sulong Power Generation Co., Ltd. (江陰蘇龍發電有限公司)) issued short-term debentures of RMB600,000,000 at par with a maturity period of 365 days in the PRC inter-bank debenture market. The effective interest rate of the debentures is 5.22%.

On 21 January 2011, Nantong Tianshenggang Power Generating Co., Ltd. (南通天生港發電有限公司) issued short-term debentures of RMB400,000,000 at par with a maturity period of 365 days in the PRC inter-bank debenture market, which are guaranteed by Jiangsu Communication Holding Co., Ltd (江蘇交通控股有限公司), a non-controlling equity owner of Nantong Tianshenggang Power Generating Co., Ltd. (南通天生港發電有限公司). The effective interest rate of the debentures is 4.35%.

On 12 March 2010, Jiangyin Sulong Heat and Power Generating Co., Ltd. (江陰蘇龍熱電有限公司) issued short-term debentures of RMB600,000,000 at par with a maturity period of 365 days in the PRC inter-bank debenture market. The effective interest rate of the debentures is 3.42%.

20 TRADE CREDITORS AND BILLS PAYABLE

	At 30 June 2011	At 31 December 2010
	RMB'000	*RMB'000*
Bills payable	**113,714**	960,725
Creditors and accrued charges	**575,069**	486,986
Amounts due to associates	**—**	67,629
	688,783	1,515,340

As of 30 June 2011 and 31 December 2010, all trade creditors and bills payable are payable and expected to be settled within one year.

21 OTHER PAYABLES

	At 30 June 2011 **_RMB'000_**	At 31 December 2010 _RMB'000_ (restated — note 26)
Payables for acquisition of property, plant and equipment	**3,895,736**	3,974,964
Payables for staff related costs	**214,772**	179,796
Payables for other taxes	**67,465**	133,450
Dividends payable		
— Guodian Group	**251,559**	—
— Non-controlling equity owners	**400,130**	276,744
Receipts in advance	**205,061**	191,046
Amounts due to associates and jointly controlled entities *(note (i))*	**739,085**	789,306
Amounts due to fellow subsidiaries	**73,058**	66,347
Amounts due to Guodian Group	**110,494**	51,540
Other accruals and payables	**549,688**	371,021
	6,507,048	6,034,214

Notes:

(i) The amounts due to associates and jointly controlled entities mainly represent payables to an associate for wind turbines purchased by the Group.

(ii) All other payables are expected to be settled or recognised as income within one year or are repayable on demand.

22 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to shareholders attributable to the interim period:

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: RMB nil).

(ii) Dividends payable to shareholders attributable to the previous financial year, approved and paid during the interim period:

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Final dividend in respect of the financial year ended 31 December 2010, approved during the following interim period, of RMB0.054 per share (year ended 31 December 2009: Special distribution to Guodian Group)	**403,072**	632,042

On 17 July 2009, a resolution was passed by the shareholders to make a distribution to Guodian Group, which represents an amount equal to the net profit attributable to the equity holder of the Company, generated during the period from 30 September 2008 to 9 July 2009 (the "Special Distribution").

In the directors' meeting held on 30 March 2010, a resolution was passed to pay the Special Distribution to Guodian Group amounting to RMB632,041,658.

22 CAPITAL, RESERVES AND DIVIDENDS *(CONTINUED)*

(b) Share capital

	At 30 June 2011 *RMB'000*	At 31 December 2010 *RMB'000*
Issued and fully paid:		
4,753,570,000 domestic state-owned ordinary shares of RMB1.00 each	**4,753,570**	4,753,570
2,710,719,000 H shares of RMB1.00 each	**2,710,719**	2,710,719
	7,464,289	7,464,289

(c) Nature and purpose of reserves

(i) Capital reserve

Capital reserve includes share premium and other capital reserve.

Share premium represents the difference between the total amount of the par value of shares issued and the amount of the net proceeds received from the initial public offering in December 2009.

Other capital reserve mainly represents the difference between the total amount of the nominal value of shares issued and the amount of the net assets injected by Guodian Group and the cash injection in excess of the nominal value of shares issued to Guodian Northeast Electric Power Co., Ltd. upon the establishment of the Company.

22 CAPITAL, RESERVES AND DIVIDENDS *(CONTINUED)*

(c) Nature and purpose of reserves *(Continued)*

(ii) Statutory surplus reserve

According to the Company's Article of Association, the Company is required to transfer 10% of its net profit as determined in accordance with the PRC Accounting Rules and Regulations to its statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the Company and is non-distributable other than in liquidation.

(iii) Exchange reserve

The Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations that have functional currency other than the RMB and the foreign exchange difference on the net investment in foreign operations of the Group.

(iv) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the balance sheet date.

23 CAPITAL COMMITMENTS

Capital commitments outstanding at the period/year end not provided for in the interim financial report were as follows:

	At 30 June 2011	At 31 December 2010
	RMB'000	*RMB'000*
Contracted for	**20,180,854**	8,777,318
Authorised but not contracted for	**22,748,642**	34,191,557
	42,929,496	42,968,875

24 CONTINGENT LIABILITIES

(a) Financial guarantees issued

At 30 June 2011, the Group issued the following guarantees:

(i) Guarantees to banks in respect of the bank loans granted to certain related parties are set forth below:

	At 30 June 2011 ***RMB'000***	At 31 December 2010 *RMB'000*
Associates and jointly controlled entities	**76,116**	82,458

(ii) The Company issued a counter-guarantee to Hubei Energy Group Co., Ltd. (湖北能源集團股份有限公司), the controlling equity owner of Hubei Jiugongshan Wind Power Co., Ltd. (湖北省九宮山風力發電有限責任公司) which is an associate of the Company, in respect of a guarantee issued by Hubei Energy Group Co., Ltd. (湖北能源集團股份有限公司) for a banking facility granted to the associate, amounting to RMB32,640,000 on 22 July 2008, which was subsequently adjusted to RMB42,240,000 in November 2009 and RMB38,400,000 in January 2011. As of 30 June 2011, the balance counter-guaranteed by the Company amounted to RMB35,400,000 (31 December 2010: RMB36,000,000). The directors of the Company are of the opinion that the default of repaying the bank loans by Hubei Jiugongshan Wind Power Co., Ltd. (湖北省九宮山風力發電有限責任公司) is remote.

24 CONTINGENT LIABILITIES *(CONTINUED)*

(b) Contingent liability in respect of legal claim

In May 2011, the Beijing court issued a notice ordering China Fulin Wind Power Engineering Co., Ltd. (中國福霖風能工程有限責任公司), a subsidiary of the Company, to repay a bank for loans guaranteed by it in 1997, and took enforcement actions by freezing part of its assets. This subsidiary is currently preparing documentation to raise objections to the court against the enforcement actions. It is also negotiating with the bank to reach a settlement to release it from the guarantee liabilities. The final negotiation results are unpredictable, but expected not to be significant to the consolidated financial statements of the Group. Due to the uncertainty of the above issue, the Group has not made any provision on this.

(c) Contingent liability in respect of taxes on CDM revenue

Up to date, there have been no rules issued on whether the revenue from sales of CERs and VERs is subject to any value-added tax or business tax. Based on the discussions with local tax authorities, the directors of the Company are of the opinion that no such taxes will be applicable to the revenue from sales of CERs and VERs. Therefore, the Group has not made any provision on such contingencies.

25 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transaction with related parties

The Group is part of a larger group of companies under Guodian Group and has significant transactions and relationships with the subsidiaries of Guodian Group.

The principal transactions which were carried out in the ordinary course of business are as follows:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Sales of goods to		
Guodian Group	**3,752**	4
Fellow subsidiaries	**128,940**	90,473
Associates and jointly controlled entities	**1,291**	6,235
Purchase of goods and receive service from		
Fellow subsidiaries	**—**	342,884
Associates and jointly controlled entities	**356,397**	689,242
Working capital provided to		
Guodian Group	**489**	1,521
Associates and jointly controlled entities	**4,563**	51,889
Loan guarantees provided/(revoked) by		
Guodian Group	**2,978,681**	(3,398)
Loan guarantees revoked to		
Associates and jointly controlled entities	**6,342**	—

25 MATERIAL RELATED PARTY TRANSACTIONS *(CONTINUED)*

(a) Transaction with related parties *(Continued)*

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Loans repayment from		
Associates and jointly controlled entities	**705**	—
Loans received from/(repayment to)		
Guodian Group	**300,000**	—
Associates and jointly controlled entities	**—**	(988)
Fellow subsidiaries	**500,000**	—
Interest income		
Fellow subsidiaries	**6,316**	—
Associates and jointly controlled entities	**1,445**	1,805
Interest expense		
Guodian Group	**58,605**	—
Fellow subsidiaries	**622**	—
Deposits withdrawn from		
Fellow subsidiaries	**1,129,330**	—
Investments in		
Associates and jointly controlled entities	**163,860**	—

25 MATERIAL RELATED PARTY TRANSACTIONS *(CONTINUED)*

(b) Outstanding balances with related parties

Details of outstanding balances with related parties are set out in notes 15, 16, 17, 18, 19, 20, and 21.

(c) Transactions with other state-controlled entities in the PRC

The Group is a state-controlled entity and operates in an economic regime currently dominated by entities directly or indirectly owned or controlled by the PRC government and numerous government authorities and agencies (collectively referred to as "state-controlled entities").

Apart from transactions mentioned above, the Group conducts a majority of its business activities with state-controlled entities in the ordinary course of business. These transactions are carried out at terms similar to those that would be entered into with non-state-controlled entities. Transactions with other state-controlled entities included but are not limited to the following:

— Sales of electricity;

— Depositing and borrowing money;

— Purchase of materials and receiving construction work services; and

— Service concession arrangements.

The tariff of electricity is regulated by relevant government. The Group prices its other services and products based on the commercial negotiations. The Group has also established its approval process for sales of electricity, purchase of products and services and its financing policy for borrowing. Such approval process and financing policy do not depend on whether the counterparties are state-controlled entities or not.

25 MATERIAL RELATED PARTY TRANSACTIONS *(CONTINUED)*

(c) Transactions with other state-controlled entities in the PRC *(Continued)*

Having considered the potential for transactions to be impacted by related party relationships, the Group's approval processes and financing policy, and what information would be necessary for an understanding of the potential effect of the relationship on the financial statements, the directors are of the opinion that the following transactions require disclosure as other state-controlled entities transactions:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000* (restated — note 26)
Sales of electricity	**5,197,242**	4,063,099
Sales of other products	**370,584**	161,168
Interest income	**21,360**	11,967
Interest expenses	**549,563**	569,700
Loans repayment	**(4,054,204)**	(7,324,765)
Deposits withdrawn	**(1,732,495)**	(11,601,303)
Purchase of materials and receiving construction service	**896,236**	1,388,997
Service concession construction revenue	**47,928**	176,923

25 MATERIAL RELATED PARTY TRANSACTIONS *(CONTINUED)*

(c) Transactions with other state-controlled entities in the PRC *(Continued)*

The balances with other state-controlled entities transactions are as follows:

	At 30 June 2011 RMB'000	At 31 December 2010 RMB'000 (restated — note 26)
Receivables from sales of electricity	**2,674,454**	2,631,021
Receivables from sales of other products	**33,636**	47,742
Bank deposits (including restricted deposits)	**2,434,188**	4,166,683
Borrowings	**25,713,100**	29,767,304
Payable for purchase of materials and receiving construction work service	**1,387,681**	1,534,813

(d) Key management personnel remuneration

Remuneration for key management personnel is as follows:

	Six months ended 30 June	
	2011 *RMB'000*	2010 *RMB'000*
Salaries and other emoluments	**1,070**	802
Discretionary bonus	**3,659**	2,480
Retirement scheme contributions	**246**	243
	4,975	3,525

25 MATERIAL RELATED PARTY TRANSACTIONS *(CONTINUED)*

(e) Contributions to defined contribution retirement plans

The Group and its staff participate in a retirement plan managed by Guodian Group to supplement the defined contribution retirement schemes organised by the local government authorities. The Group has no other material obligation to make payments in respect of pension benefits associated with the supplementary retirement plan other than the annual contributions.

(f) Commitment with related parties

Commitment with related parties is as follows:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Sales commitment with		
Guodian Group	**3,359**	650
Fellow subsidiaries	**23,388**	8,542
Associates and jointly controlled entities	**210**	11
Capital commitment with		
Fellow subsidiaries	**12,340**	—
Associates and jointly controlled entities	**756,895**	674,688

26 ACQUISITION OF SUBSIDIARY

Pursuant to a share purchase agreement, the Company acquired 51% equity interests in Shandong Longyuan Environment Co., Ltd. ("Shandong Longyuan") from Beijing Guodian Longyuan Environmental Engineering Co., Ltd., at a cash consideration of RMB10,787,640 on 29 June 2011, the acquisition date.

As the Company and Shandong Longyuan are under common control of Guodian Group, the above acquisition has been recorded as a business combination under common control. The assets and liabilities of Shandong Longyuan have been recognised at the carrying amounts recognised previously in Guodian Group's consolidated financial statements. The consolidated financial statements of the Group have been restated as if the combination had occurred prior to the start of the earliest period presented.

(a) Details of the restatement of the Group's consolidated financial statements are as follows:

	The Group (as previously reported) *RMB'000*	Shandong Longyuan *RMB'000*	Elimination *RMB'000*	The Group (as restated) *RMB'000*
Results of operations for the six months ended 30 June 2010:				
Operating profit	1,974,101	(6,326)	–	1,967,775
Profit for the period	1,258,695	(6,324)	–	1,252,371
Profit attributable to:				
– Shareholders of the Company	851,707	(3,605)	–	848,102
– Non-controlling interests	406,988	(2,719)	–	404,269
Basic and diluted earnings per share (RMB cents)	11.41	(0.05)	–	11.36
Balance sheet as of 31 December 2010:				
Non-current assets	64,271,402	11,477	–	64,282,879
Current assets	10,362,136	29,945	–	10,392,081
Current liabilities	24,915,360	29,937	–	24,945,297
Total equity attributable to the shareholders of the Company	23,274,787	11,485	(4,938)	23,281,334
Non-controlling interests	4,138,968	–	4,938	4,143,906

26 ACQUISITION OF SUBSIDIARY *(CONTINUED)*

(b) The aggregate assets and liabilities at the date of acquisition are as follows:

	Shandong Longyuan *RMB'000*
Net assets as of the acquisition date	
Non-current assets	10,930
Current assets	26,009
Current liabilities	28,234
Net assets	8,705

27 SUBSEQUENT EVENTS

On 19 July 2011, the Company received a notice of acceptance of registration dated 14 July 2011 from the National Association of Financial Market Institutional Investors for a private issue of debt financing instruments up to RMB5,000,000,000 in inter-bank market of the PRC. Up to the date of the interim financial report, the Company has not yet issued the above debt financing instruments.

"approved capacity"	the capacity of our projects approved by NDRC or the relevant provincial Development and Reform Commission based on the estimated capacity to be reached after construction work of the projects is completed and the projects become fully operational
"attributable installed capacity" or "attributable installed capacity under construction"	the aggregate installed capacity or capacity under construction (as the case may be) of our project companies or individual projects under one project company in which we have an interest in proportion to the level of our ownership in each of those companies. It is calculated by multiplying our percentage ownership in each project company in which we have an interest, whether or not such interest is a controlling interest, by its total installed capacity or total capacity under construction (as the case may be). Both attributable installed capacity and attributable installed capacity under construction include the capacity of both our subsidiaries and associated companies but only to the extent of our equity ownership
"availability factor"	the amount of time that a wind turbine or a power plant is able to produce electricity over a certain period, divided by the amount of time in such period
"average utilisation hours"	the consolidated gross power generation in a specified period (in MWh or GWh) divided by the average consolidated installed capacity in the same period (in MW or GW)
"Board of Directors"	the board of directors of the Company
"biomass"	plant material, vegetation, or agricultural waste used as a fuel or energy source

"capacity factor"	the ratio (expressed as a percentage) of the gross amount of electricity generated by a power plant in a given period to the product of the number of hours in the given period multiplied by the plant's installed capacity
"CDM"	the Clean Development Mechanism, an arrangement under the Kyoto Protocol allowing industrialised countries to invest in projects that reduce greenhouse gas emissions in developing countries in order to earn emission credits
"CDM EB"	the CDM Executive Board, which supervises the clean development mechanism under the authority and guidance of the Conference of the Parties to the United Nation Framework Convention on Climate Change
"CERs"	certified emission reductions, which are carbon credits issued by CDM EB for emission reductions achieved by CDM projects and verified by a DOE under the Kyoto Protocol
"our Company", "Company", "we" or "us"	龍源電力集團股份有限公司(China Longyuan Power Group Corporation Limited)
"consolidated gross power generation" or "consolidated net power generation"	the aggregate gross power generation or net power generation (as the case may be) of our project companies that we fully consolidate in our financial statements for a specified period

"consolidated installed capacity"	the aggregate installed capacity or capacity under construction (as the case may be) of our project companies that we fully consolidated in our consolidated financial statements only. It is calculated by including 100% of the installed capacity or capacity under construction of our project companies that we fully consolidate in our consolidated financial statements and are deemed as our subsidiaries. Both consolidated installed capacity and consolidated capacity under construction do not include the capacity of our associated companies
"Director(s)"	the directors of the Company
"electricity sale"	the actual amount of electricity sold by a power plant in a particular period of time, which equals gross power generation less comprehensive auxiliary electricity
"Group"	China Longyuan Power Group Corporation Limited and its subsidiaries
"Guodian Finance"	國電財務有限公司(Guodian Finance Corporation Ltd.)
"Guodian Group"	中國國電集團公司(China Guodian Corporation)
"GW"	unit of energy, gigawatt. 1GW = 1,000MW
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"kW"	unit of energy, kilowatt. 1 kW = 1,000 watts
"kWh"	unit of energy, kilowatt-hour. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour

"MW"	unit of energy, megawatt. 1 MW = 1,000 kW. The installed capacity of power plants is generally expressed in MW
"NDRC"	中華人民共和國國家發展和改革委員會(National Development and Reform Commission of the People's Republic of China)
"pipeline projects"	wind power projects that have been identified and reserved for future development pursuant to the wind energy investment and development agreements that we entered into with various levels of local governments under which we are authorised to develop wind farms at specified sites with certain estimated total production capacity
"projects under construction"	projects for which the construction work on the roads, foundations or electrical infrastructure has commenced, and the project company has received the project approval of the NDRC or provincial development and reform commissions and detailed engineering and construction blueprints have been completed
"renewable energy sources"	sustainable sources that are regenerative or, for all practical purposes, cannot be depleted, such as wind, water or sunlight
"VERs" or "VER"	Voluntary Emission Reductions that are carbon credits which are not mandated by any law or regulation, but originate from an organisation's desire to take active part in climate change mitigation efforts

THE COMPANY'S OFFICIAL NAME

龍源電力集團股份有限公司

THE COMPANY'S NAME IN ENGLISH

China Longyuan Power Group Corporation Limited*

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* *For identification purpose only*

BOARD OF DIRECTORS

Executive Directors
Mr. Xie Changjun
Mr. Tian Shicun
Mr. Wang Liansheng (resigned on 10 August 2011)

Non-executive Directors
Mr. Zhu Yongpeng *(Chairman)*
Mr. Wang Baole
Mr. Luan Baoxing
Mr. Chen Bin (appointed on 10 August 2011)

Independent Non-executive Directors
Mr. Li Junfeng
Mr. Zhang Songyi
Mr. Meng Yan

THE COMPANY'S LEGAL REPRESENTATIVE

Mr. Zhu Yongpeng

AUTHORISED REPRESENTATIVES

Mr. Xie Changjun
Mr. Jia Nansong
Mr. Zhang Songyi
(as Mr. Xie Changjun's alternate)
Ms. Soon Yuk Tai
(as Mr. Jia Nansong's alternate)

JOINT COMPANY SECRETARIES

Mr. Jia Nansong
Ms. Soon Yuk Tai

AUDITORS

KPMG
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

RSM China Certified Public Accountants Co., Ltd.
8-9th Floor, Block A Corporation Building
No.35, Financial Street,
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PRC

LEGAL ADVISERS

as to Hong Kong law

Clifford Chance
28th Floor, Jardine House
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Central
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as to PRC law

Beijing Jiayuan Law Firm
F407-F408, Ocean Plaza
158 Fuxingmennei Avenue
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PRC

Beijing Tianchi Law Firm
14th Floor, Tower A
Huixin Plaza
Asian Games Village
No.8, Beishihuan Middle Road
Chaoyang District
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PRINCIPAL BANKERS

China Development Bank
No. 29 Fuchengmenwai Avenue
Xicheng District
Beijing
PRC

China Construction Bank
Corporation Beijing Branch
Building 28
Xuanwumenxi Street
Xuanwu District
Beijing
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Bank of Communications Co., Ltd.
Beijing Branch
No.33 Financial Street
Xicheng District
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H SHARE REGISTRAR OF THE COMPANY

Computershare Hong Kong Investor Services Limited
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183 Queen's Road East
Wanchai
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STOCK CODE

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FOR INVESTOR ENQUIRIES

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龍源電力集團股份有限公司
China Longyuan Power Group Corporation Limited*