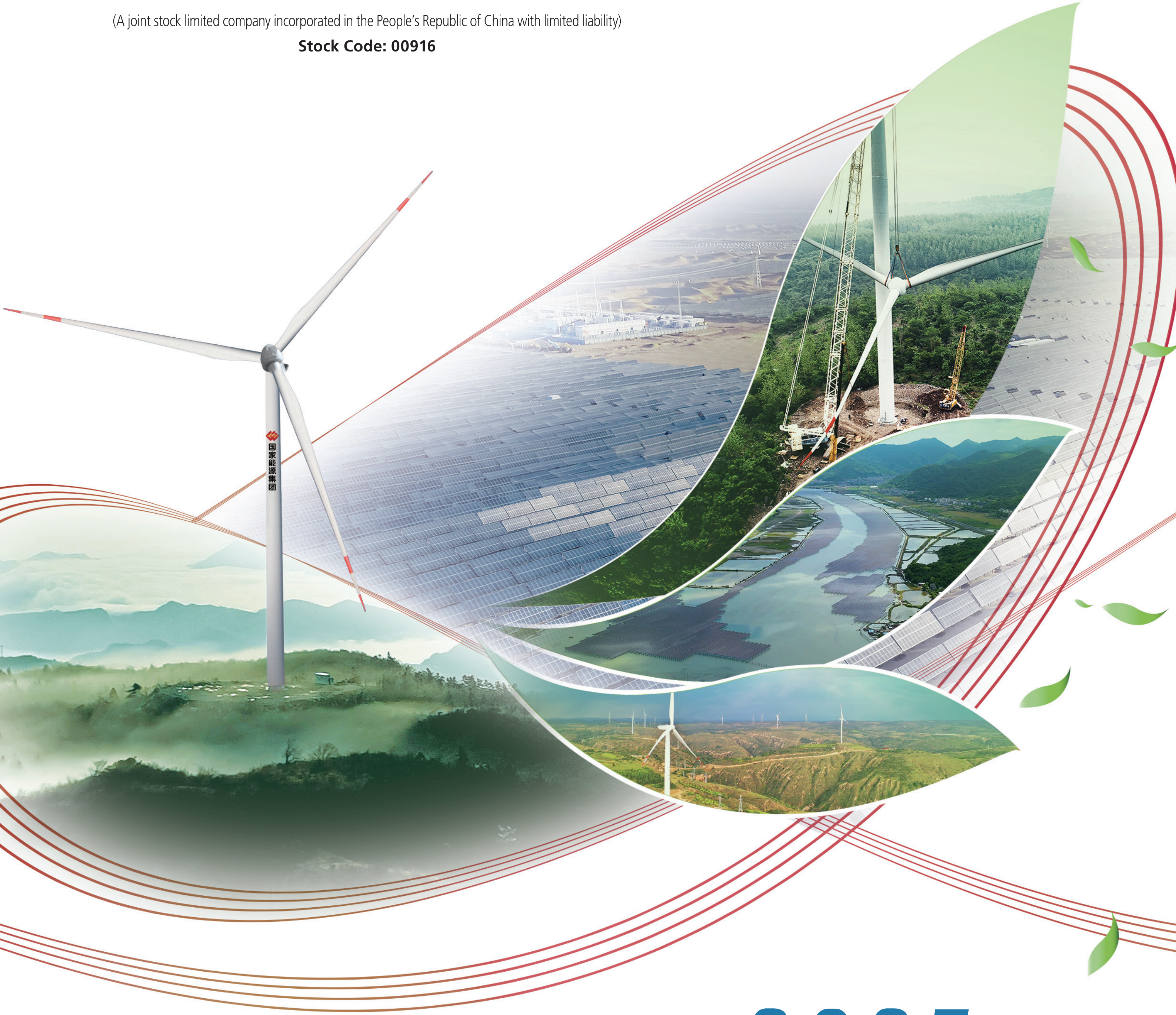
龍源電力集團股份有限公司
China Longyuan Power Group Corporation Limited*

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

Stock Code: 00916



2023
INTERIM REPORT

* For Identification Purpose Only

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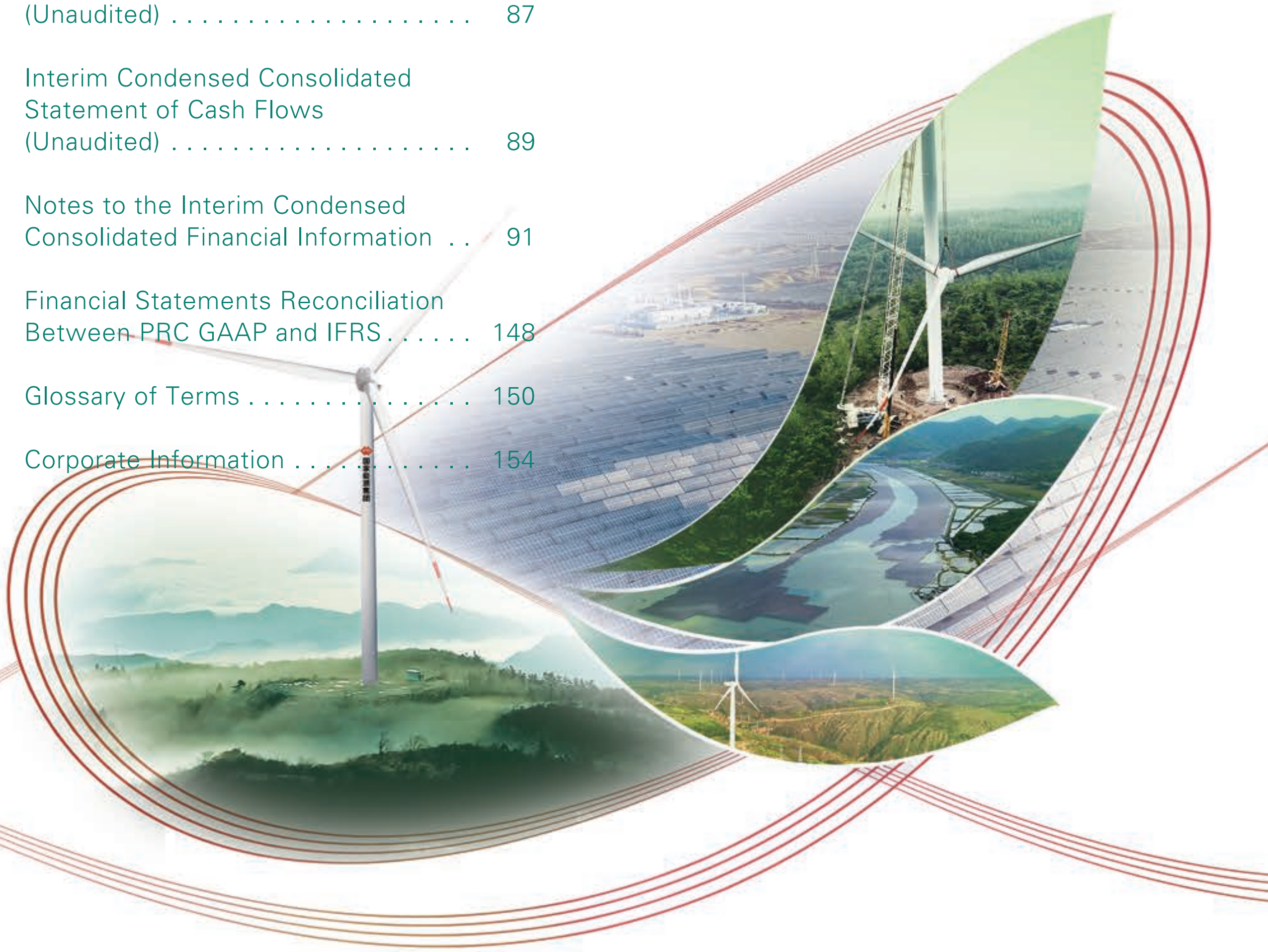
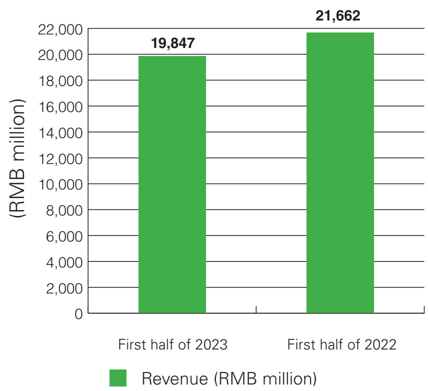


MAIN DATA OF INTERIM RESULTS

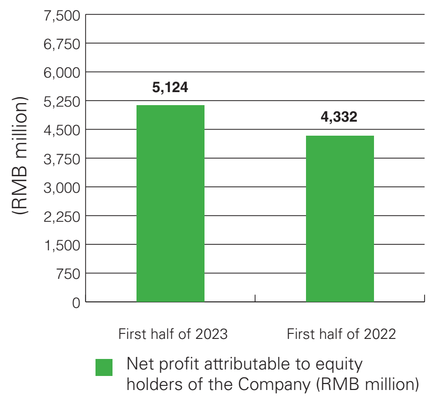
The Board of China Longyuan Power Group Corporation Limited* hereby announced the unaudited operating results for the six months ended 30 June 2023 and a comparison with the operating results for the six months ended 30 June 2022 (the "corresponding period of 2022"). For the six months ended 30 June 2023, the Group recorded consolidated operating revenue of RMB19,847 million, representing a decrease of 8.4% over RMB21,662 million for the corresponding period of 2022. Profit before taxation amounted to RMB6,999 million, representing an increase of 10.9% over RMB6,309 million for the corresponding period of 2022. Net profit attributable to equity holders of the Company amounted to RMB5,124 million, representing an increase of 18.3% from RMB4,332 million for the corresponding period of 2022. Basic earnings per share attributable to equity holders of the Company amounted to RMB0.5997, representing an increase of RMB0.0945 from RMB0.5052 for the corresponding period of 2022. As at 30 June 2023, net assets per share (excluding non-controlling interests) amounted to RMB8.05.

MAIN DATA OF INTERIM RESULTS

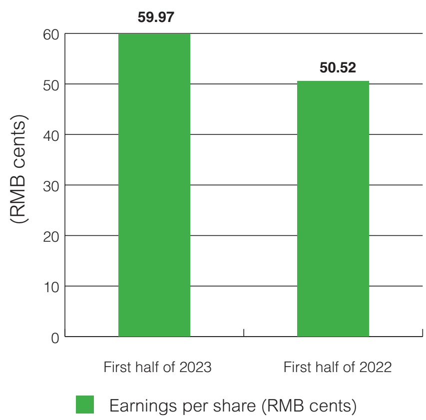
1. Revenue



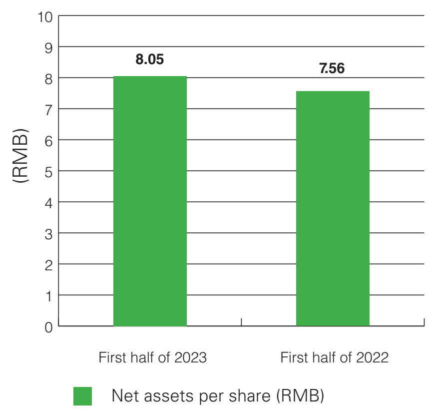
2. Net profit attributable to equity holders of the Company



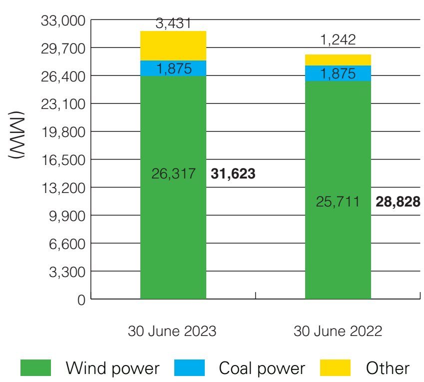
3. Earnings per share



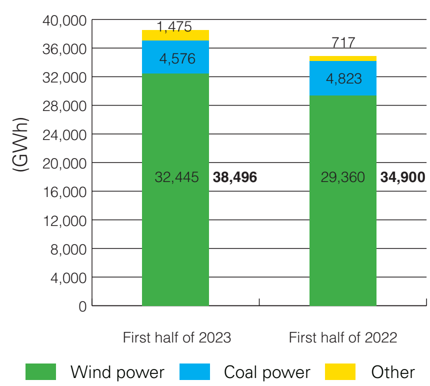
4. Net assets per share



5. Consolidated installed capacity



6. Electricity sales



MAIN DATA OF INTERIM RESULTS

Item	For the six months ended 30 June	
	2023	2022
	(RMB'000)	*(RMB'000)*
Revenue	**19,846,651**	21,662,351
Profit before taxation	**6,998,909**	6,309,247
Income tax	**(1,164,467)**	(1,168,960)
Profit for the period	**5,834,442**	5,140,287
Attributable to:		
Equity holders of the Company	**5,124,290**	4,332,145
Non-controlling interests	**710,152**	808,142
Basic and diluted earnings per share *(RMB cents)*	**59.97**	50.52
Total comprehensive income for the period	**5,837,869**	5,239,943
Attributable to:		
Equity holders of the Company	**5,125,675**	4,431,220
Non-controlling interests	**712,194**	808,723

MAIN DATA OF INTERIM RESULTS

	30 June 2023 *(RMB'000)*	31 December 2022 *(RMB'000)*
Total non-current assets	**176,413,578**	170,357,558
Total current assets	**56,926,797**	52,864,419
Total assets	**233,340,375**	223,221,977
Total current liabilities	**71,388,917**	74,026,735
Total non-current liabilities	**77,783,299**	69,450,149
Total liabilities	**149,172,216**	143,476,884
Net assets	**84,168,159**	79,745,093
Total equity attributable to the shareholders of the Company	**72,397,208**	68,449,461
Non-controlling interests	**11,770,951**	11,295,632
Total equity	**84,168,159**	79,745,093
Net assets per share *(RMB)*	**8.05**	7.56

MANAGEMENT DISCUSSION AND ANALYSIS

(Unless otherwise specified, the following information disclosure was based on financial information prepared in accordance with IFRSs)

I. INDUSTRY REVIEW

(I) Operational Environment

In the first half of 2023, in the face of the complex and severe international environment and the arduous task of domestic reform, development and stability, the CPC Central Committee and the State Council made decisions and deployment of various work measures, accelerated the construction of a new development pattern, and strived to promote high-quality development. The market demand was gradually restored, production supply continued to increase, employment and prices were generally stable, and resident income was steadily growing, showing that the overall economic operation was picking up.

According to the statistics from the National Energy Administration and China Electricity Council, in the first half of 2023, the electricity consumption in the PRC amounted to 4,307.6 billion kWh, representing a year-on-year increase of 5.0%. In the first half of the year, the national renewable energy power generation amounted to 1.34 trillion kWh, of which, wind power generation amounted to 462.8 billion kWh, representing a year-on-year increase of 20%, and photovoltaic power generation amounted to 266.3 billion kWh, representing a year-on-year increase of 30%.

During the period from January to June 2023, the accumulated average utilisation hours of power generation facilities across the country were 1,733 hours, representing a decrease of 44 hours as compared with the same period of the previous year. Among them, the national average utilisation hours of on-grid wind power equipment were 1,237 hours, representing an increase of 83 hours as compared with the same period of the previous year; the national average utilisation hours of solar power equipment were 658 hours, representing a decrease of 32 hours as compared with the same period of the previous year; the national average utilisation hours of coal power equipment were 2,142 hours, representing an increase of 84 hours as compared with the same period of the previous year.

As of 30 June 2023, the power generation installed capacity across the country was 2.71 billion kW, representing a year-on-year increase of 10.8%. Among them, the non-fossil energy power generation installed capacity was 1.39 billion kW, representing a year-on-year increase of 18.6%, accounting for 51.5% of the total installed capacity, up by 3.4 percentage points year-on-year; the wind power generation was 390 million kW, representing a year-on-year increase of 13.7%; the solar power generation was 470 million kW, representing a year-on-year increase of 39.8%; the hydroelectricity was 420 million kW, representing a year-on-year increase of 4.5%; the coal power generation was 1.36 billion kW, representing a year-on-year increase of 3.8%; and the nuclear power generation was 56.76 million kW, representing a year-on-year increase of 2.2%.

(II) Policy Environment

1. *Blueprints for dynamic industry development drawn, stimulating accelerated green and low-carbon transition of the whole society*

In January 2023, the National Government Offices Administration issued the Notice on the Arrangement of Energy Resource Conservation and Ecological Environment Protection Work in Public Institutions in 2023, proposing to continuously optimize the energy consumption structure and orderly implement coal consumption substitution; increase the utilisation of renewable energy; encourage market-oriented approaches to promote the construction of distributed photovoltaic and photothermal projects.

In February 2023, the NDRC, the Ministry of Finance and the National Energy Administration jointly issued the Circular on Matters Relating to the Participation in Green Power Trading of Green Power Projects Enjoying Subsidies from the Central Government, which proposes to facilitate green power projects that enjoy national subsidies for renewable energy to participate in green power trading, offer appropriate guidance to lead the prices of green power and green certificate to positive development and ensure the realization of green power's environmental value effectively, adding that the premium yields which green power projects that enjoy national subsidies for renewable energy derive from participation in green power and green certificate trading would be specially allocated to make up for the gap of renewable energy subsidies. For green power projects whose green power trading settlement power represented more than 50% of the on-grid power and was not lower than the average level of green power settlement power in the region, the power grid enterprises could give priority to the payment of the subsidy from the Central Government for renewable energy after review.

In April 2023, the National Energy Administration issued the 2023 Energy Work Guidance, pointing out the need to vigorously develop wind and solar power generation; to promote the full coverage of green certificate issuance, make a good connection with carbon emission trading, and improve the renewable energy power consumption guarantee mechanism based on green certificate; to strengthen energy construction to assist rural revitalization, steadily promote the pilot development of distributed rooftop photovoltaics throughout the county, and promote clean energy use in rural areas.

In April 2023, the National Energy Administration issued the Guiding Opinions on Strengthening the Stability of New Power Systems (Draft for Soliciting Opinions), which pointed out the need to improve a reasonable power structure, build a strong and flexible power grid platform, deeply tap into the flexibility of the power load side, and scientifically arrange energy storage construction; establish and improve market-oriented incentive mechanisms, and accelerate the construction of new power load management systems.

In April 2023, the National Energy Administration issued the "Interpretation of the Cases of the Implementation Plan for Promoting the High-quality Development of New Energy in the New Era" part of Chapters II and III. The Implementation Plan requires that "no unreasonable investment or cost of new energy enterprises shall be increased in any name", that is, in addition to fees stipulated by national laws and regulations, local governments at all levels shall not set up separate names to collect fees, nor shall they force enterprises to pay fees in the name of donations or the like.

2. ***Priorities for energy development clarified, proposing initiatives to further promote the construction of a unified power market nationwide***

In January 2023, the National Energy Administration issued the Notice on the Issuance of Key Points for Energy Regulatory Work in 2023, which pointed out the need to accelerate the construction of a unified national electricity market system, strengthen research on regional electricity market setup plans, and further leverage the role of electricity market mechanisms; fully leverage the decisive role of the market in resource allocation, continuously expand the scale of new energy participation in market-oriented transactions, and promote more industrial and commercial users to directly participate in transactions; accelerate the construction of the auxiliary service market, and study and formulate pricing methods for electric power auxiliary services.

In April 2023, the National Energy Administration issued the 2023 Energy Work Guidance, which proposed to accelerate the construction of a unified national electricity market system and continuously improve the marketization level of cross provincial and regional electricity trading; steadily increase the scale of medium and long-term power transactions, and actively and steadily promote the construction of the power spot market; strengthen the organic connection between the medium to long-term, spot, and auxiliary service markets in electricity, and actively promote the construction of auxiliary service markets.

In May 2023, the NDRC issued the Notice on Publicly Soliciting Opinions on the Electricity Demand Side Management Measures (Draft for Soliciting Opinions), which pointed out that non-operational power users with the ability to respond should be guided to participate in demand response in an orderly manner; encouraged demand response entities to participate in the corresponding energy market, auxiliary services market and capacity market; encouraged the consumption of green power by industry leaders, large state-owned enterprises and multinational companies; promoted the gradual increase in the proportion of green power consumption in regions with relatively more export-oriented enterprises and stronger economic capacity; enhanced the level of green power consumption in new infrastructure facilities and promoted the consumption of green power in the vicinity.

3. ***Supervision mechanism improved and approval procedures regulated, conducing to smoother project progress***

In May 2023, the National Energy Administration issued the Notice on Further Regulating the Management of Electricity Business Licenses for Renewable Energy Power Generation Projects (Draft for Soliciting Opinions), which pointed out that on the basis of existing license exemption policies, distributed wind power projects connected to 35kV and below voltage level power grids nationwide would be included in the scope of license exemption and would be no longer required to obtain an electricity business license.

In May 2023, the National Energy Administration issued the Interim Regulations on Quality Supervision and Management of Electric Power Construction Projects, which pointed out that power generation construction projects with an installed capacity of less than 6 MW, distributed and decentralized power generation construction projects as clearly defined by the energy regulatory department through filing or approval, and new energy storage power station construction projects with a power of less than 5 MW do not require quality supervision.

In June 2023, the National Energy Administration issued the Management Measures for Wind Farm Transformation, Upgrading, and Retirement, encouraging wind farms that have been connected to the grid for more than 15 years or have a single unit capacity of less than 1.5 MW to carry out transformation and upgrading, and the renovation and upgrading of the original grid connected capacity would not occupy the newly added consumption space; encouraging the new grid-connected capacity to be connected to the grid through market-oriented methods. The on-grid tariff for the subsidized electricity in the wind farm renovation and upgrading project shall be subject to the tariff policy before the renovation, while the on-grid tariff for other electricity shall subject to the tariff policy of the year when the project is approved for the change.

II. BUSINESS REVIEW

In the first half of 2023, the Group has thoroughly studied and implemented the spirit of the 20th National Congress of the Communist Party of China and the spirit of General Secretary Xi Jinping's important speech on his inspection of Huanghua Port, comprehensively implemented the development strategy of "One Goal, Three Orientations, Five Variations and Seven World-Class Competitiveness", resolutely fulfilled the "Six Commitments", comprehensively strengthened the "Six Mindsets", accelerated the construction of a world-class new energy company, and made all-out efforts to build a new Longyuan that embodies the values of "inherent safety, doubled scale, digital transformation, innovation-driven leadership, and proactive growth", and has maintained the favorable momentum of progress amidst stabilisation. In the first half of 2023, 36 new projects of the Group were put into operation with consolidated installed capacity of 515.41 MW, of which the consolidated installed capacity of four wind power projects was 125.20 MW; the consolidated installed capacity of 32 photovoltaic power projects was 390.21 MW. In the first half of 2023, the accumulated power generation of the Group amounted to 39,746,820 MWh, representing a year-on-year increase of 9.48%, of which wind power generation amounted to 33,108,421 MWh, representing a year-on-year increase of 9.57%; coal power generation amounted to 5,027,922 MWh, representing a year-on-year decrease of 4.61%; photovoltaic and other renewable energy power generation amounted to 1,610,476 MWh, representing a year-on-year increase of 96.75%.

(I) Safety management efficiency solidified, with a sound risk prevention mechanism established simultaneously

In the first half of 2023, the Group deeply implemented the important instructions of General Secretary Xi Jinping on safety production, fully implemented the action plan "Year of Safety Management Enhancement", formulated a special plan, established an action leadership group, and implemented the overall goal of "seven practical strengthenings" in four stages. Taking the implementation of the Group's No.1 document on safety and environmental protection as the main line, we focused on the "four special actions", "standardization of safety production", the creation of healthy enterprises, and ecological and environmental supervision and other key works to ensure high-quality completion of the annual safety and environmental protection goals. Tianjin Company and Anhui Company subordinated to the Group were awarded construction excellent cases of "National Healthy Enterprises".

In the first half of 2023, the Group comprehensively implemented the "Hundred Day Campaign" activity to treat "visible leadership, and visible on-site" as an effective method to ensure the safety of production engineering and intensify the assessment of online rate, further consolidating and improving the level of security management. Through the special action of safe and civilized production, the Group has achieved significant results in addressing system and equipment issues, and the number of continuously operating units for long periods increased by 23.80% year on year in the first half of the year.

In the first half of 2023, the total power generation of the Group was 39,746,820 MWh, of which the wind power generation was 33,108,421 MWh, representing a year-on-year increase of 9.57%, which was mainly due to the year-on-year increase in installed capacity of power generation, the year-on-year improvement in the reliability of units and the year-on-year increase in average wind velocity. In the first half of 2023, the average utilisation hours of wind power were 1,271 hours, representing an increase of 98 hours as compared with the same period of 2022, mainly due to the year-on-year improvement in the reliability of units and the year-on-year increase in average wind velocity.

Geographical breakdown of the consolidated power generation of the Group's wind farms for the first half of 2022 and the first half of 2023:

Region	**First half of 2023** ***(MWh)***	First half of 2022 *(MWh)*	**Percentage of change**
Heilongjiang	**1,721,283**	1,638,801	5.03%
Jilin	**1,112,142**	1,075,814	3.38%
Liaoning	**2,053,826**	1,680,293	22.23%
Inner Mongolia	**3,936,034**	3,511,740	12.08%
Jiangsu (onshore)	**1,321,753**	1,250,126	5.73%
Jiangsu (offshore)	**2,895,528**	2,753,465	5.16%
Zhejiang	**182,346**	175,644	3.82%
Fujian	**1,555,877**	1,790,796	-13.12%
Hainan	**58,475**	67,177	-12.95%
Gansu	**1,747,601**	1,525,225	14.58%
Xinjiang	**2,105,107**	2,007,941	4.84%
Hebei	**2,310,376**	2,114,493	9.26%
Yunnan	**1,945,575**	1,655,438	17.53%
Anhui	**969,878**	919,983	5.42%
Shandong	**876,248**	733,305	19.49%
Tianjin	**581,304**	578,150	0.55%
Shanxi	**1,466,928**	1,314,569	11.59%
Ningxia	**816,879**	763,197	7.03%
Guizhou	**856,051**	774,781	10.49%
Shaanxi	**944,223**	789,097	19.66%
Tibet	**8,570**	7,996	7.19%
Chongqing	**333,171**	275,711	20.84%
Shanghai	**61,717**	58,022	6.37%
Guangdong	**166,065**	160,881	3.22%
Hunan	**391,753**	300,387	30.42%

Region	**First half of 2023** ***(MWh)***	First half of 2022 *(MWh)*	**Percentage of change**
Guangxi	**1,238,195**	987,355	25.41%
Jiangxi	**249,942**	218,861	14.20%
Hubei	**123,045**	103,464	18.93%
Qinghai	**162,398**	154,978	4.79%
Henan	**311,937**	258,030	20.89%
Canada	**132,056**	155,029	-14.82%
South Africa	**377,492**	282,494	33.63%
Ukraine	**94,646**	132,283	-28.45%
Total	**33,108,421**	30,215,527	9.57%

Geographical breakdown of the average utilisation hours/load factor of wind power of the Group's wind farms for the first half of 2022 and the first half of 2023:

Region	**Average utilisation hours of wind power for the first half of 2023** ***(hour)***	**Average load factor of wind power for the first half of 2023**	Average utilisation hours of wind power for the first half of 2022 *(hour)*	Average load factor of wind power for the first half of 2022	**Percentage of change of the average utilisation hours of wind power**
Heilongjiang	**1,269**	**29%**	1,218	28%	4.19%
Jilin	**1,290**	**30%**	1,274	29%	1.26%
Liaoning	**1,425**	**33%**	1,165	27%	22.32%
Inner Mongolia	**1,292**	**30%**	1,239	29%	4.28%
Jiangsu (onshore)	**987**	**23%**	934	22%	5.67%
Jiangsu (offshore)	**1,320**	**30%**	1,256	29%	5.10%
Zhejiang	**795**	**18%**	771	18%	3.11%
Fujian	**1,432**	**33%**	1,707	39%	-16.11%
Hainan	**591**	**14%**	679	16%	-12.96%
Gansu	**1,039**	**24%**	852	20%	21.95%
Xinjiang	**1,288**	**30%**	1,224	28%	5.23%
Hebei	**1,303**	**30%**	1,195	27%	9.04%
Yunnan	**1,778**	**41%**	1,551	36%	14.64%
Anhui	**1,186**	**27%**	1,137	26%	4.31%
Shandong	**1,364**	**31%**	1,286	30%	6.07%
Tianjin	**1,192**	**27%**	1,075	25%	10.88%
Shanxi	**1,192**	**27%**	1,060	24%	12.45%
Ningxia	**1,090**	**25%**	985	23%	10.66%
Guizhou	**1,156**	**27%**	1,048	24%	10.31%
Shaanxi	**1,051**	**24%**	946	22%	11.10%
Tibet	**1,143**	**26%**	1,066	25%	7.22%
Chongqing	**1,149**	**26%**	952	22%	20.69%
Shanghai	**1,299**	**30%**	1,222	28%	6.30%
Guangdong	**1,317**	**30%**	1,279	29%	2.97%
Hunan	**1,207**	**28%**	974	22%	23.92%

Region	**Average utilisation hours of wind power for the first half of 2023** ***(hour)***	**Average load factor of wind power for the first half of 2023**	Average utilisation hours of wind power for the first half of 2022 *(hour)*	Average load factor of wind power for the first half of 2022	**Percentage of change of the average utilisation hours of wind power**
Guangxi	**1,436**	**33%**	1,230	28%	16.75%
Jiangxi	**1,273**	**29%**	1,114	26%	14.27%
Hubei	**1,306**	**30%**	1,098	25%	18.94%
Qinghai	**1,083**	**25%**	1,033	24%	4.84%
Henan	**1,475**	**34%**	1,486	34%	-0.74%
Canada	**1,333**	**31%**	1,564	36%	-14.77%
South Africa	**1,544**	**36%**	1,155	27%	33.68%
Ukraine	**1,237**	**28%**	1,729	40%	-28.46%
Total	**1,271**	**29%**	1,173	27%	8.35%

During the Reporting Period, the consolidated power generation from coal power segment of the Group was 5,027,922 MWh, representing a decrease of 4.61% as compared with the corresponding period of 2022. In the first half of 2023, the average utilisation hours of the Group's coal power segment were 2,682 hours, representing a decrease of 129 hours as compared with the corresponding period of 2022. The main reason for the year-on-year decrease in power generation and utilisation hours is the year-on-year decrease in generation load of coal power in Jiangsu Province in the first half of 2023.

(II) Remarkable achievements recorded in the new energy segment, attributed to specific plans and strong execution based on the "one province, one policy" concept

In the first half of 2023, the Group witnessed base-type, station-type and distribution-type project development after its unremitting efforts, which was achieved by the comprehensive consideration of strategic consistency and flexibility, the firm stance in carrying out the "one province, one policy" concept and the development spirit of "Troikas, Dual-core Development, Four Growth Engines". It gained the initiative for base development through enhancing the strategic synergy and leveraging the integration advantage of CHN Energy, the industrial support of cooperation partners and the professional advantage of its own. Seizing the opportunities arising from development of offshore new energy, the Group expanded its layout in offshore energy development and actively participated in the bidding for competitive allocation of offshore wind power and photovoltaic power projects. With measures for both centralised and distributed operations, the Group promoted photovoltaic businesses to develop efficiently and rapidly. Meanwhile, we advanced policy analysis and technology development further, and strengthened the development of new technologies of energy storage, hydrogen energy and ammonia energy and consolidated our leading position in these areas.

In the first half of 2023, the Group signed 29.34 GW of new development agreements, representing an increase of 77.94% as compared with the corresponding period of last year, which included 15.32 GW wind power and 14.02 GW photovoltaic power, all distributed in regions of rich resources. During the first half of the year, the development quota the Group obtained reached 4.01 GW cumulatively, of which 3.07 GW quota was obtained through bidding or with benchmark tariff, including 1.58 GW wind power and 1.49 GW photovoltaic power.

(III) "Visualisation" advanced further, witnessing higher level of technological standardisation

In the first half of 2023, the Group further promoted the "visibility" of project sites and accelerated construction of project development management system to achieve digitalisation of project development and visualisation of project sites, and effectively implemented the "Ten Initiatives" of 100-day Work Safety Campaign. It prepared 65 sets of technological standards for application within the organisation, covering towers, main transformers, box-type transformers, the GIS system (geographical information system), the high-voltage switch gear in respect of wind power; developed the typical design for prefabricated cabin substation, the manual for standard construction processes and the manual for content and depth of preliminary design; strengthened the "Three Simultaneities" management of projects under construction and promoted green projects by adopting strict measures in work commencement and construction process and enhancing inspection. The Wenling 100 MW solar-tidal intelligent power station project developed by the Group in Zhejiang Province was awarded the "2023 China Power Quality Project Award".

In the first half of 2023, 36 new projects of the Group were put into operation with consolidated installed capacity of 515.41 MW, of which the consolidated installed capacity of four wind power projects was 125.20 MW; the consolidated installed capacity of 32 photovoltaic power projects was 390.21 MW. As of 30 June 2023, the Group recorded 31,623.25 MW consolidated installed capacity, among which, the wind power segment reported 26,317.04 MW consolidated installed capacity, the photovoltaic and other renewable energy segment reported 3,431.21 MW consolidated installed capacity, and the coal power segment reported 1,875 MW consolidated installed capacity.

Geographical breakdown of the consolidated installed capacity of the Group's wind farms as at 30 June 2022 and 30 June 2023 is set out as below:

Region	**30 June 2023** *(MW)*	30 June 2022 *(MW)*	**Percentage of Change**
Heilongjiang	**1,345.70**	1,345.70	0.00%
Jilin	**893.90**	844.40	5.86%
Liaoning	**1,441.70**	1,441.70	0.00%
Inner Mongolia	**3,034.30**	2,834.30	7.06%
Jiangsu (onshore)	**1,338.50**	1,338.50	0.00%
Jiangsu (offshore)	**2,191.60**	2,191.60	0.00%
Zhejiang	**227.90**	227.90	0.00%
Fujian	**1,049.10**	1,049.10	0.00%
Hainan	**99.00**	99.00	0.00%
Gansu	**1,690.80**	1,690.80	0.00%
Xinjiang	**1,640.30**	1,640.30	0.00%
Hebei	**1,770.10**	1,770.10	0.00%
Yunnan	**1,078.70**	1,067.50	1.05%
Anhui	**827.85**	809.10	2.32%
Shandong	**646.90**	570.40	13.41%
Tianjin	**538.00**	538.00	0.00%
Shanxi	**1,239.75**	1,239.75	0.00%
Ningxia	**774.70**	774.70	0.00%
Guizhou	**800.10**	789.00	1.41%
Shaanxi	**833.85**	833.85	0.00%
Tibet	**7.50**	7.50	0.00%
Chongqing	**289.50**	289.50	0.00%
Shanghai	**47.50**	47.50	0.00%
Guangdong	**125.74**	125.74	0.00%
Hunan	**308.35**	308.35	0.00%

Region	30 June 2023 (MW)	30 June 2022 (MW)	Percentage of Change
Guangxi	**991.35**	802.80	23.49%
Jiangxi	**196.40**	196.40	0.00%
Hubei	**94.20**	94.20	0.00%
Qinghai	**150.00**	150.00	0.00%
Henan	**223.65**	173.65	28.79%
Canada	**99.10**	99.10	0.00%
South Africa	**244.50**	244.50	0.00%
Ukraine	**76.50**	76.50	0.00%
Total	**26,317.04**	25,711.44	2.36%

(IV) Robust revenue and benefit growth, derived from stronger efforts in improving marketing management

In the first half of 2023, the Group made vigorous efforts to develop high-quality customers under the guidance of "integration, price, cost and profit" business philosophy, deepening businesses with major high-quality customers through bilateral negotiations, entering into framework agreements with Baowu Energy to have deeper cooperation in power trading, market-oriented inter-region resource allocation and other fields. Based on the "one plant, one policy" concept, it deepened the management of power curtailment and ensured power curtailment was controllable by strengthening the management of basic information, predicting the risk of regional power curtailment and the trend in a scientific manner and focusing on analysing the reasons for power curtailment and year-on-year changes of power curtailment. Following market development trends and trading rules, the Group further improved its power trading strategies, actively promoted high-quality transactions including wind-coal swap, green power and inter-provincial spot trading, and continuously enhanced capabilities of marketing and creating benefits.

In the first half of 2023, the average on-grid tariffs for overall power generation segments of the Group amounted to RMB457 per MWh (value added tax ("VAT") exclusive), representing a decrease of RMB21 per MWh as compared with RMB478 per MWh (VAT exclusive) in the corresponding period of 2022. The average on-grid tariffs for wind power amounted to RMB469 per MWh (VAT exclusive), representing a decrease of RMB17 per MWh as compared with RMB486 per MWh (VAT exclusive) in the corresponding period of 2022, which was mainly due to the expansion of trading scale of the wind power market, the increase in grid parity projects and structural factors. The average on-grid tariffs for photovoltaic power amounted to RMB313 per MWh (VAT exclusive), representing a decrease of RMB159 per MWh as compared with the average on-grid tariffs for photovoltaic power of RMB472 per MWh (VAT exclusive) in the corresponding period of 2022, which was mainly due to that the newly launched photovoltaic power projects were all grid parity projects, lowering the overall average tariff of the photovoltaic power generation business. The average on-grid tariffs for coal power amounted to RMB415 per MWh (VAT exclusive), representing a decrease of RMB8 per MWh as compared with the average on-grid tariffs for coal power of RMB423 per MWh (VAT exclusive) in the corresponding period of 2022, which was mainly due to the declining tariffs in market transaction.

(V) Greater industry influence, consolidated by extraordinary technological breakthroughs

In the first half of 2023, the Group achieved several technological breakthroughs, including completion and installation of the main structure of the floating wind and fishery integration platform "Shared Development" ("共享號"). The new energy power simulation platform, the first mains-side power system in China, completed grid-connected modeling and simulation for five wind and photovoltaic power stations. The software developed in the project titled Characteristics of Complicated Wind Farms for Wind Power Generation, Their Application and Verification, one of the key national technological development projects, recorded improvement of 7%-22% in terms of wind speed accuracy in the blind tests of third-party institutions, as compared with overseas mainstream calculation software. The data mining platform under the investment-construction-operation integration project provided greater value and recorded further improvement in user friendliness. The harmless recycling and resource utilisation of solid wastes produced by new energy businesses completed the preparation of feasibility study report; the key recipe for recycling waste blades (smashing and re-molding) was developed. The Alashan Wind, Solar, Hydrogen, and Ammonia Integration Project has passed the expert evaluation organized by the High-tech Department of the NDRC and has been included in the first batch of demonstration projects catalog.

In the first half of 2023, the Group submitted applications for 14 new invention patents; witnessed the release of Standards for Management of Control and Protection Parameters of Wind Turbines, an energy industry standard for which the Group played a leading role in the preparation; completed the preparation of another industry standard and submitted the same to the National Energy Administration for approval; had three industry standards pass the reviews of the National Energy Administration; applied for the establishment of national standard verification station for the field of new energy; completed acceptance of six projects including Analysis and Effectiveness Evaluation of CHN Energy Carbon Reduction Factors and Discussion of Energy Transition Strategies.

(VI) Capital security safeguarded by the full support of green credit policies utilised reasonably

In the first half of 2023, the Group obtained low-cost capitals through multiple channels as it closely followed policies announced by the government, made full use of green credit policies, made greater input in indirect financing and seized the opportunities of rate cut. While avoiding the debt risk by setting clear financing plans, leveraging subsidiaries' financing advantages for green projects and prudently adjusting the debt structure, the Group continuously adopted interest rate swaps for existing loans to further reduce capital costs. To maximise the time value of capitals, it further promoted the capital utilisation efficiency improvement campaign and the rigid capital plan management. For the purpose of financing, the Group aimed at both domestic and overseas capital markets to ensure smooth financing channels.

In the first half of 2023, the Group issued 11 tranches of ultra short-term debentures and withdrew over RMB30 billion low-cost loans from banks, maintaining an advantage of low capital costs in the industry.

(VII) Gradual expansion of overseas business landscape, boosted by further development of the international cooperation network

Taking strengthening strategic planning as the direction, the Group enhanced the research of key regions and countries and determined the development policy of "focus on key countries, enhancement of reserve and prudent development" in the first half of 2023. With high-level dialogues with government officials and distinguished guests from countries including South Africa and Brunei, the Group effectively promoted projects in Singapore, South Africa and Brunei and steadily advanced the preliminary work of over 3 GW key overseas projects, which included the photovoltaic power project in South Africa, trying hard to make new progress in overseas businesses.

In the first half of 2023, the Group maintained sound project operation by taking proactive measures to cope with complex and changing international situations and strengthening overseas asset management. As at 30 June 2023, Dufferin Wind Farm of the Group in Canada recorded total power generation of 132,056 MWh, with utilisation hours reaching 1,333 hours, and it has maintained safe production for 3,133 consecutive days. The wind power projects in De Aar of South Africa recorded power generation of 377,492 MWh in total, with utilisation hours reaching 1,544 hours, and maintained safe production for 2,068 consecutive days. The wind power projects in Yuzhnyy, Ukraine recorded accumulated power generation of 94,646 MWh, with utilisation hours reaching 1,237 hours, and maintained safe production for 687 consecutive days.

(VIII) Diversified sources of revenue and greater growth potential, enabled by the comprehensive carbon asset management

In the first half of 2023, the Group actively participated in the construction of carbon market, played a core role in the preparation of methodologies of distributed renewable energy power and offshore wind power, which was sponsored by China Electricity Council, and proactively presented the methodology of producing hydrogen with renewable energy for the purpose of emission reduction. It further advanced the development of technologies in several carbon segments, facilitated upgrading of carbon asset trading platform and promoted intelligence, informationization and digitalisation. Following the "Four Unifications" principles (unified management, unified accounting, unified development, unified trading) for management of carbon emission and carbon trading, the Group vigorously developed projects of CDM, CCER, VCS and green power certificates and materialised carbon emission and carbon trading plans, thereby shaping a green source of revenue. Several green certificate transactions have been completed, and so far, about 1.72 million green certificates have been acquired. By acquiring green certificates, the Group's headquarters and the Northern Training Base located in Yichun achieved the goal of 100% green power consumption for 2023.

III. CORE COMPETITIVENESS ANALYSIS

(I) Ample resources acquired despite severe difficulties

The Group comprehensively improved the resource acquisition capability and maintained a leading position in resource acquisition in a market of fierce competition by building an industry-leading service system that covered ten aspects including station design, power prediction, data analysis, modeling and simulation and preliminary advice, accumulating rich experience and core technologies in resource assessment, equipment selection and micro-perspective site selection, introducing industry clusters via the "New Energy+" pattern featuring agriculture-photovoltaic power integration and ecological management and developing new energy projects on a large scale.

(II) Quality and efficiency further improved with the empowerment of digitalisation

Advocating "ensuring safety through the means of technology" and "digital safety inspection", the Group unswervingly promoted digital transformation, building the "sensing+decision+execution" coordination system in accordance with the "three attainments within three years" strategy to achieve "comprehensive data collection, benchmarking management; predictive maintenance, equipment reliability; source and power grid coordination, unattended operation" by stages, thereby making contribution to the construction of new power system with renewable energy playing the key role and further improving the power grid's absorption and dispatching capacities to electricity generated by sources with high proportion of renewable energy. The Group established the world's largest digitalisation platform for new energy production, built the five-tier structure covering ubiquitous sensing, network transmission, data management, data application, assessment and appraisal, delivered services including intelligent production monitoring, standardised production management, alert, power prediction, remote monitoring, online vibration analysis, real-time positioning of people, vehicles and ships, and intelligent image and video recognition, shaping the digital operation support system to ensure safe production and operation, improving the standard of work safety intelligence and management intelligence, serving as a model of digitalisation and facilitating digital development of the new energy industry.

(III) Strong team reinvigorated under combined talent development policies

The Group valued talents and consolidated talent support by continuously enhancing team building. It improved the remuneration and incentive mechanism that focused on performance and contribution, fully implemented the tenure system and contract-based management for the management team, and revised the total remuneration, the special incentive policy for new energy businesses and other management rules, aiming to promote greater distribution to talents in frontline positions and those who have made significant contributions and to re-energize the ambition for greater achievements and innovation. As at 30 June 2023, the Group had 367 employees of senior titles and 1,961 employees of mid-level titles. The majority of the senior management team has been in the power industry for over 20 years, with extensive experience in new energy management and an international horizon. The Group had 471 chiefs of four levels and 10 "Innovation Workshops for Model Workers and Craftsmen", enabling model workers, craftsmen and other outstanding talents to fully play a leading role in advancing technological development; built the "1+2+N" training base system; preserved a talent pool of 459 members from five professional fields, internationalisation, technological innovation, law, directorship and supervisorship, and "certified professionals".

(IV) Higher efficiency delivered under the cost-effective centralised procurement standards

Strictly implementing the management philosophy highlighting "unified system, procedure and standard, universal design, equipment and cost estimate", the Group clarified the principles for work classification and the scope of standardised procure in respect of new energy farms and plants, and prepared 68 sets of standard requirements for equipment and construction projects, which started from the source of design and signified the standardisation of procurement requirements. On the basis of typical universal design, the Group actively promoted the centralised procurement pattern in which the framework agreement served as the frame and suppliers selected through tendering procedures prepared the inventory of core technologies in accordance with standard requirements, so as to control the cost of inventory shortage. For the service category, the Group adopted the three-year procurement management and encouraged high-quality suppliers to make long-term investments, achieving higher efficiency via large scale and further developing the cost reduction and efficiency improvement potential in the procurement process.

(V) Efficiency improvement achieved with the "Sharing" concept

As it incorporated the "Sharing" concept into corporate management and enjoyed the advantage of scale, the Group witnessed significant improvement in management standard and efficiency. In a deeper organisational reform, it established the financial service subsidiary to enable member companies to share the services offered thereby. The establishment of provincial-level operation branches at a faster pace further broke down the barriers among farms and plants and enabled member companies to share human resources. The Group established Law-based Longyuan Legal Working Group to better handle legal affairs in a centralised manner and enabled member companies to share the legal services offered by the professional group; set up the energy storage technology sharing subsidiary to develop a centralised and shared distribution and storage pattern and standardise the design of energy storage power station.

(VI) Defense line consolidated with the multi-dimension compliance management

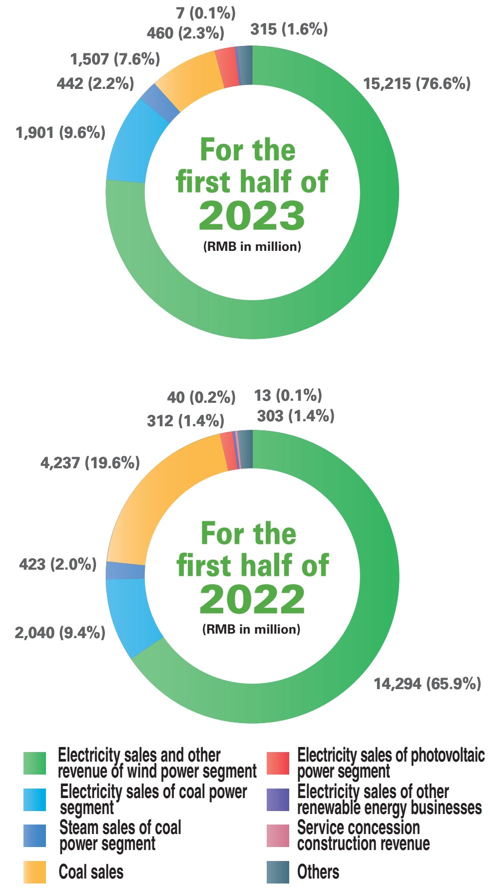
The Group further improved the compliance management system, clarified responsibilities for the three lines of defense of compliance management, built the "three-dimension" system incorporating risk, internal control and compliance, developed the "Law-based Longyuan" vigorously, prevented the compliance risk in all business processes and constructed the firewall by identification and monitoring, so as to ward off non-compliance and irregularities. In the meantime, the Group strengthened the capability of mitigating and resisting significant compliance risk by advancing compliance monitoring and investigation to business partners, key customers, target companies of investments, mergers and acquisitions and other third-party cooperators, thereby ensuring compliance, security and stability in business operation.

IV. ANALYSIS OF OPERATING RESULTS

In the first half of 2023, the Group achieved a net profit of RMB5,834 million, representing an increase of 13.5% as compared to RMB5,140 million in the corresponding period of 2022. The net profit attributable to equity holders of the Company was RMB5,124 million, representing an increase of 18.3% as compared to RMB4,332 million in the corresponding period of 2022. Earnings per share was RMB59.97 cents, representing an increase of RMB9.45 cents as compared to RMB50.52 cents in the corresponding period of 2022.

Operating revenue

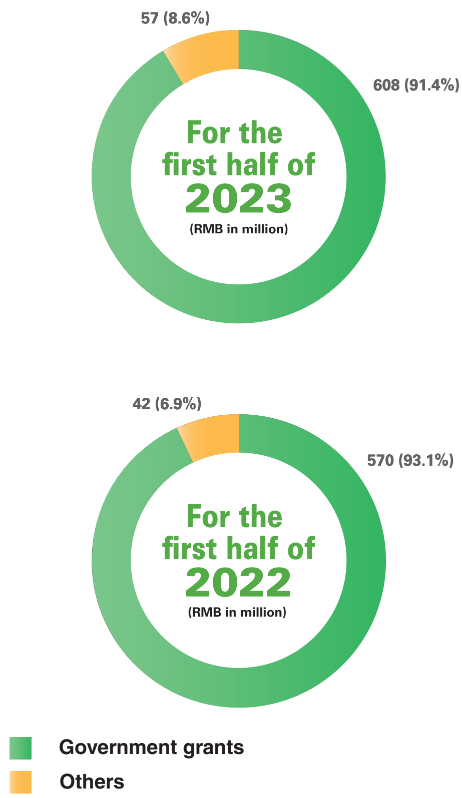
Operating revenue of the Group amounted to RMB19,847 million in the first half of 2023, representing a decrease of 8.4% as compared to RMB21,662 million in the corresponding period of 2022. The decrease of operating revenue was primarily due to: (1) an increase of RMB921 million, or 6.4%, in electricity sales and other revenue of wind power segment to RMB15,215 million in the first half of 2023 as compared to RMB14,294 million in the corresponding period of 2022, which was primarily due to the increases in electricity sales of wind power as compared to the corresponding period of 2022; (2) a decrease of RMB13 million in service concession construction revenue of wind power segment to nil in the first half of 2023 as compared to RMB13 million in the corresponding period of 2022; (3) a decrease of RMB139 million, or 6.8%, in electricity sales of coal power segment to RMB1,901 million in the first half of 2023 as compared to RMB2,040 million in the corresponding period of 2022, which was primarily due to the decreases in electricity sales of coal power as compared to the corresponding period of 2022; (4) a



decrease of RMB2,730 million, or 64.4%, in coal sales of coal power segment to RMB1,507 million in the first half of 2023 as compared to RMB4,237 million in the corresponding period of 2022, which was primarily due to the decreases in sales volume and unit selling price of coal as compared to the corresponding period of 2022; and an increase of RMB19 million, or 4.5%, in revenue from sales of steam to RMB442 million as compared to RMB423 million in the corresponding period of 2022, which was primarily due to the increase in the unit selling price of steam as compared to the corresponding period of 2022; and (5) an increase of RMB148 million, or 47.4%, in revenue from photovoltaic power segment to RMB460 million in the first half of 2023 as compared to RMB312 million in the corresponding period of 2022, which was primarily due to the increase of electricity sales of the photovoltaic power segment as compared to the corresponding period of 2022.

Other net income

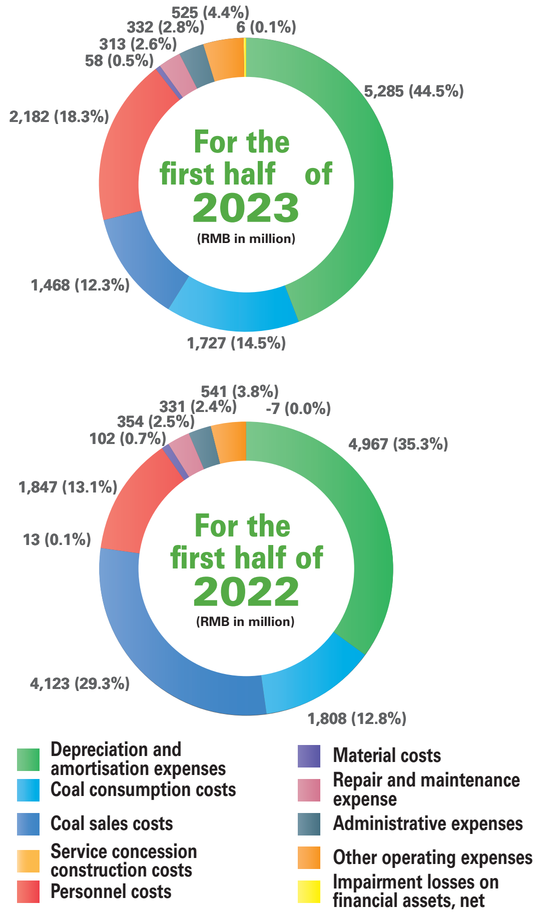
Other net income of the Group amounted to RMB665 million in the first half of 2023, representing an increase of 8.7% as compared to RMB612 million in the first half of 2022, primarily due to the increase in government grants and insurance claim income as compared to the corresponding period of 2022.



Operating expenses

Operating expenses of the Group amounted to RMB11,896 million in the first half of 2023, representing a decrease of 15.5% as compared to RMB14,079 million in the corresponding period of 2022, primarily due to: (1) a decrease of RMB2,655 million in coal sales costs and a decrease of RMB81 million in coal consumption costs in the coal power segment; and (2) an increase of RMB279 million in the depreciation and amortisation expenses, and the timing adjustment of remuneration resulted in the increase of RMB317 million in personnel costs of wind power segment.

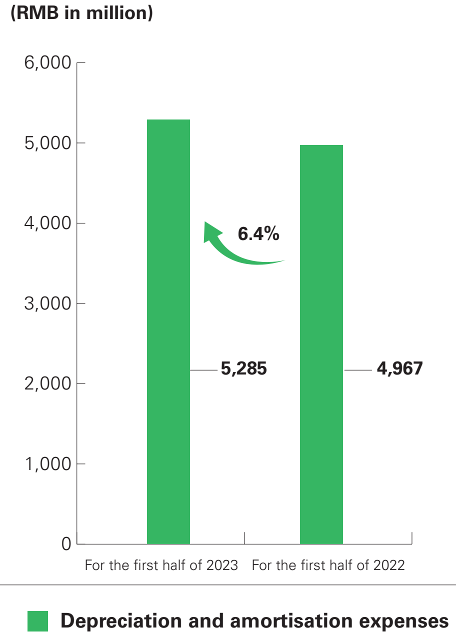
The breakdown of operating expenses items and their respective proportions are set out in the diagram below:



Depreciation and amortisation expenses

Depreciation and amortisation expenses of the Group amounted to RMB5,285 million in the first half of 2023, representing an increase of 6.4% as compared to RMB4,967 million in the corresponding period of 2022, primarily due to: (1) an increase of RMB279 million or 5.9% in depreciation and amortisation expenses in the wind power segment over the corresponding period of 2022; and (2) an increase of RMB38 million or 30.3% in depreciation and amortisation expenses in photovoltaic power segment over the corresponding period of 2022.

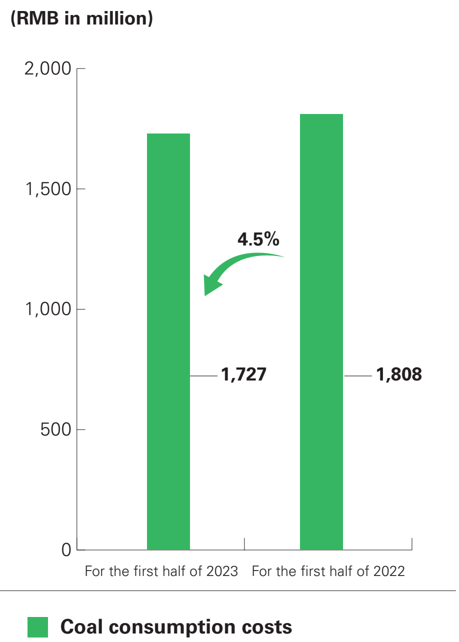
Depreciation and amortisation expenses are set out in the diagram below:



Coal consumption costs

Coal consumption costs of the Group amounted to RMB1,727 million in the first half of 2023, representing a decrease of 4.5% as compared to RMB1,808 million in the corresponding period of 2022, which was primarily due to the decrease in power generation causing the decrease in coal consumption of power generation and heat supply in the first half of 2023.

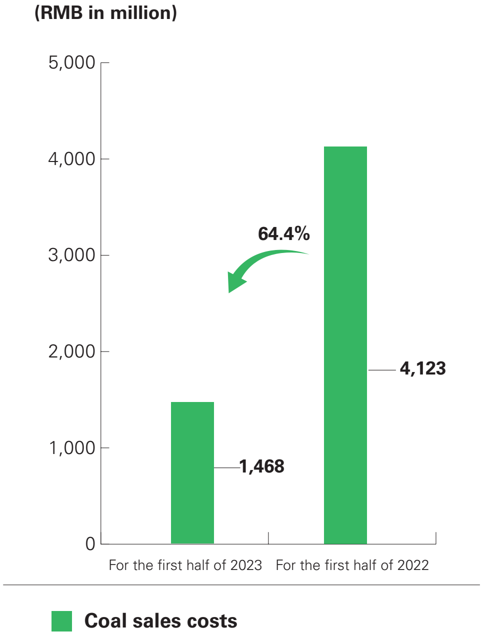
Coal consumption costs are set out in the diagram below:



Coal sales costs

Coal sales costs of the Group in the first half of 2023 amounted to RMB1,468 million, representing a decrease of 64.4% as compared to RMB4,123 million in the corresponding period of 2022, which was primarily due to: (1) a decrease of approximately 58.8% in the sales volume of coal as compared to the corresponding period of 2022; and (2) a decrease of approximately 13.6% in the average procurement unit price of coal as compared to the corresponding period of 2022.

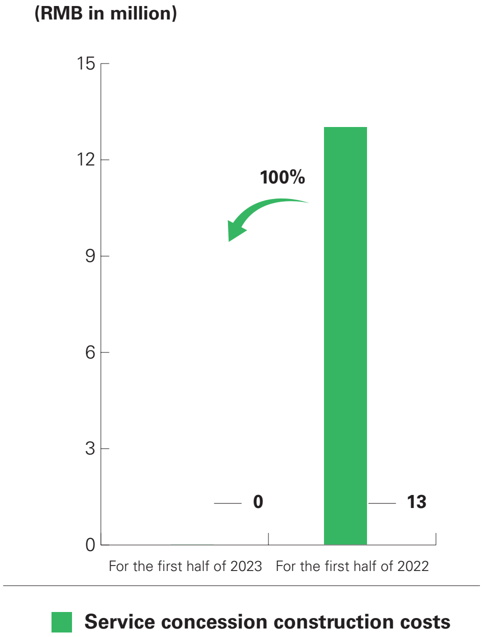
Coal sales costs are set out in the diagram below:



Service concession construction costs

The Group did not incur any costs of service concession construction in the first half of 2023, representing a decrease of RMB13 million as compared to RMB13 million in the corresponding period of 2022, primarily due to the absence of new service concession projects during the period.

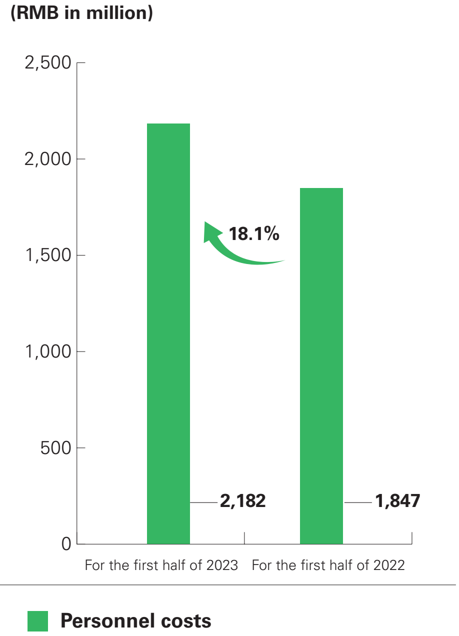
Service concession construction costs are set out in the diagram below:



Personnel costs

Personnel costs of the Group amounted to RMB2,182 million in the first half of 2023, representing an increase of 18.1% as compared to RMB1,847 million in the corresponding period of 2022, which was primarily due to: (1) an increase in headcounts as a result of expansion in the installed capacity of wind power project; (2) the timing adjustment of remuneration resulted in the significant phased increase in personnel costs; and (3) the fact that a portion of the personnel costs were expensed instead of being capitalised as more projects commenced operation.

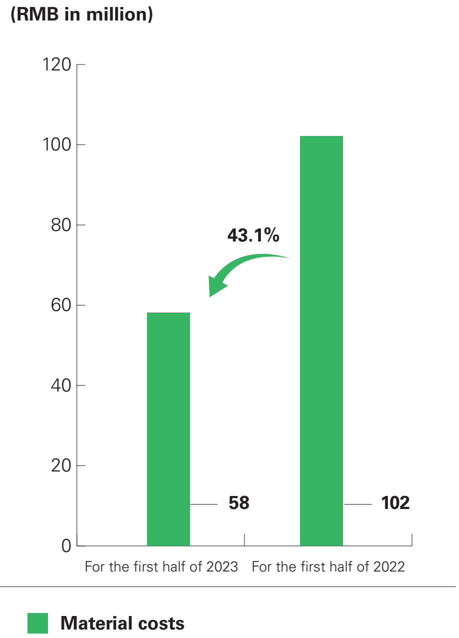
Personnel costs are set out in the diagram below:



Material costs

Material costs of the Group amounted to RMB58 million in the first half of 2023, representing a decrease of 43.1% as compared to RMB102 million in the corresponding period of 2022, which was primarily due to the decrease in external procurement of power generation by-products for coal power segment.

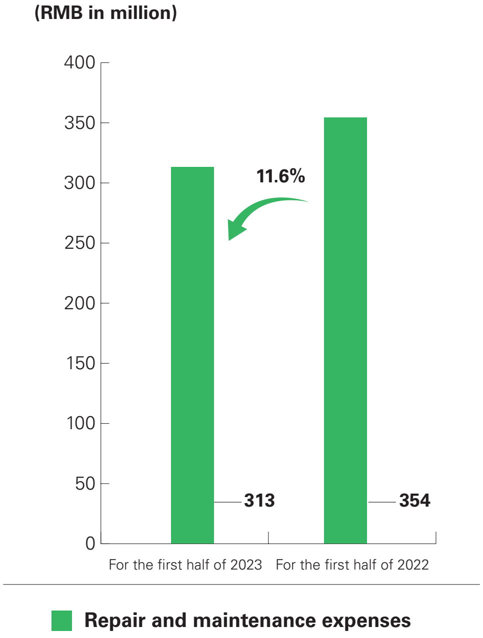
Material costs are set out in the diagram below:



Repair and maintenance expenses

The repair and maintenance expenses of the Group amounted to RMB313 million in the first half of 2023, representing a decrease of 11.6% as compared to RMB354 million in the corresponding period of 2022, primarily due to a decrease of large-scale maintenance and overhaul of the wind power segment in the first half of 2023.

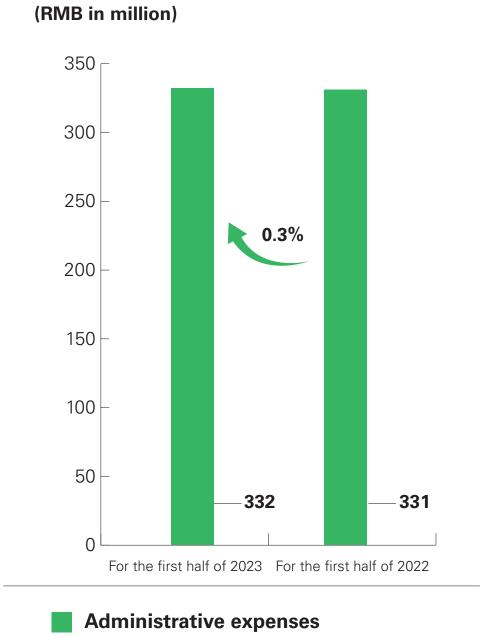
Repair and maintenance expenses are set out in the diagram below:



Administrative expenses

Administrative expenses of the Group amounted to RMB332 million in the first half of 2023, representing an increase of 0.3% as compared to RMB331 million in the corresponding period of 2022, which was primarily due to the slight increase in travel expenses in the period as compared to the corresponding period of 2022.

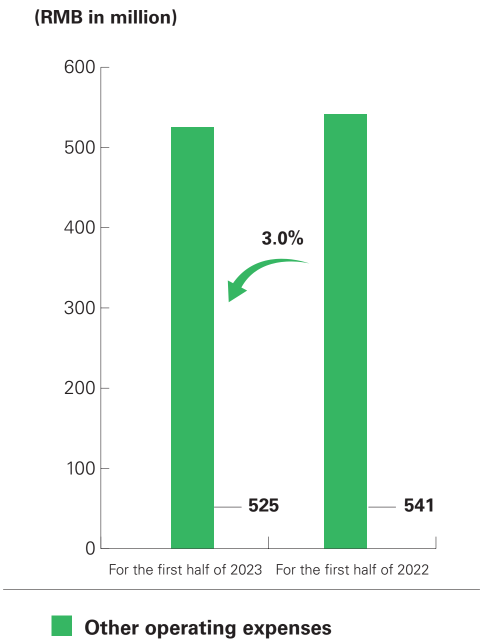
Administrative expenses are set out in the diagram below:



Other operating expenses

Other operating expenses of the Group amounted to RMB525 million in the first half of 2023, representing a decrease of 3.0% as compared to RMB541 million in the corresponding period of 2022, which was primarily due to the impairment provision of RMB57 million made for the suspended projects in the corresponding period of 2022 as compared to nil in the period.

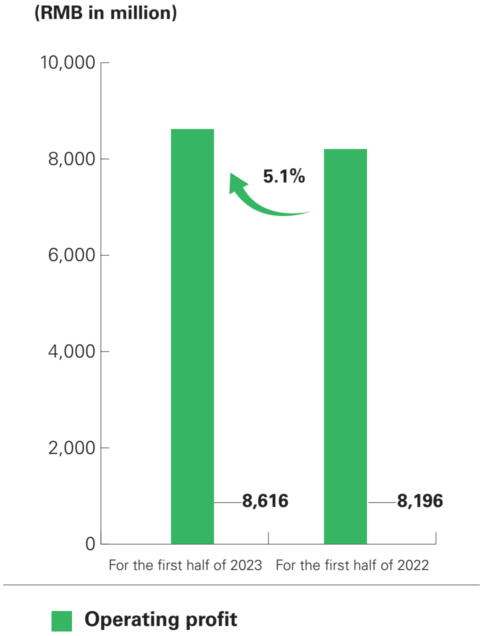
Other operating expenses are set out in the diagram below:



Operating profit

In the first half of 2023, the operating profit of the Group amounted to RMB8,616 million, representing an increase of 5.1% as compared to RMB8,196 million in the corresponding period of 2022, which was primarily due to: (1) an increase of RMB364 million in the operating profits of the wind power segment as a result of the increase in operating income from electricity sales greater than the increase in operating expenses such as depreciation and amortisation in the wind power segment; (2) a decrease of RMB100 million in operating profits of coal power segment with the scaling down of coal sales business in the coal power segment; and (3) an increase of RMB90 million in the operating profit of photovoltaic power segment due to the increase in revenue and decrease in costs of photovoltaic power segment.

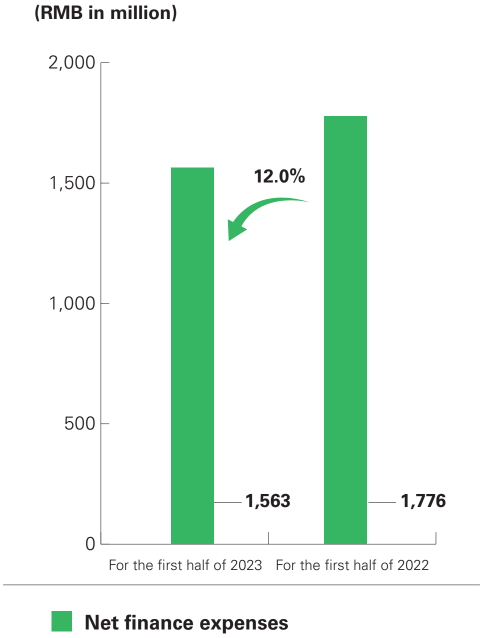
Operating profit is set out in the diagram below:



Net finance expenses

Net finance expenses of the Group amounted to RMB1,563 million in the first half of 2023, representing a decrease of 12.0% as compared to RMB1,776 million in the corresponding period of 2022, which was primarily due to: (1) a decrease of RMB183 million in interest expenses as compared to the corresponding period of 2022 under the combined effect of increase in the interest-bearing liabilities and decrease in fund cost of the Group; (2) an increase of RMB102 million in the unrealised gains recognised for trading securities held in the first half of 2023 as compared to the corresponding period of 2022; (3) an increase of RMB102 million in the Group's net foreign exchange loss in the first half of 2023 as compared to the corresponding period of 2022; (4) an increase of RMB90 million in interest and dividend income on financial assets in the first half of 2023 as compared to the corresponding period of 2022; (5) a decrease of RMB80 million in profit from changes in fair value of the interest rate swap contracts as compared to the corresponding period of 2022; (6) a decrease of RMB14 million in other service charges in the first half of 2023 as compared to the corresponding period of 2022; and (7) a decrease of RMB6 million in the service charge for declining business volume of securitisation of the trade receivables of the Group in the first half of 2023 as compared to the corresponding period of 2022.

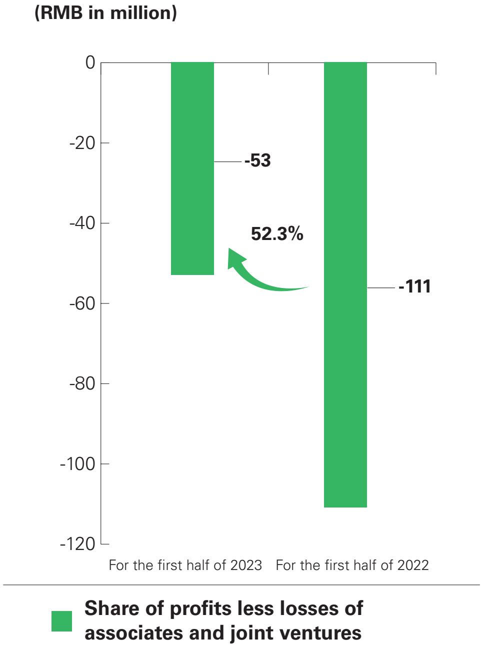
Net finance expenses are set out in the diagram below:



Share of profits less losses of associates and joint ventures

The Group's share of losses of associates and joint ventures amounted to RMB53 million in the first half of 2023, representing a decrease of RMB58 million, or 52.3% as compared to the share of losses of RMB111 million in the corresponding period of 2022, which was mainly due to the increase in net profit of Jiangsu Nantong Power Generation Co., Ltd., a joint venture, in the first half of 2023 as compared to the corresponding period of 2022.

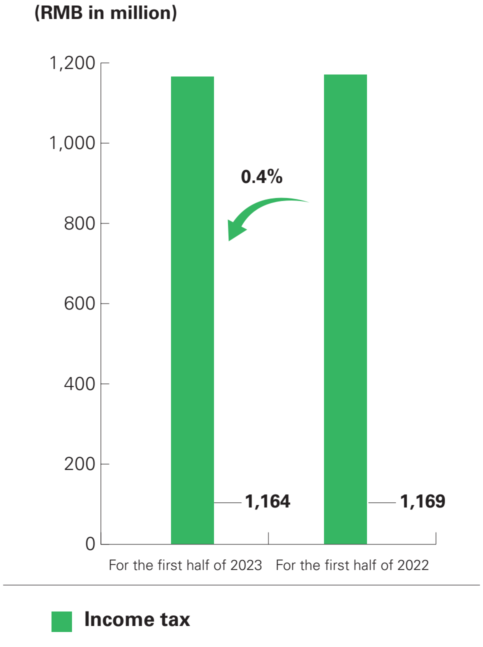
The share of profits less losses of associates and joint ventures is set out in the diagram below:



Income tax

In the first half of 2023, the income tax of the Group amounted to RMB1,164 million, representing a decrease of 0.4% as compared to RMB1,169 million in the corresponding period of 2022. Profit before taxes in the period increased by 10.9% compared to the corresponding period of the last year, but the income tax expense was basically the same as the corresponding period of the last year, which was mainly due to that the profit of photovoltaic sector was improving in the period, and multiple newly launched photovoltaic power projects were currently in the exemption period of income tax.

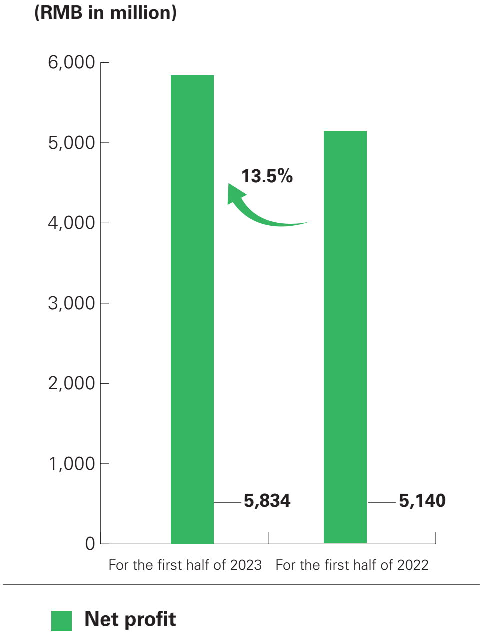
The income tax is set out in the diagram below:



Net profit

In the first half of 2023, the net profit of the Group amounted to RMB5,834 million, representing an increase of 13.5% as compared to RMB5,140 million in the corresponding period of 2022, which was mainly due to the increase in net profit of wind power and photovoltaic power segments.

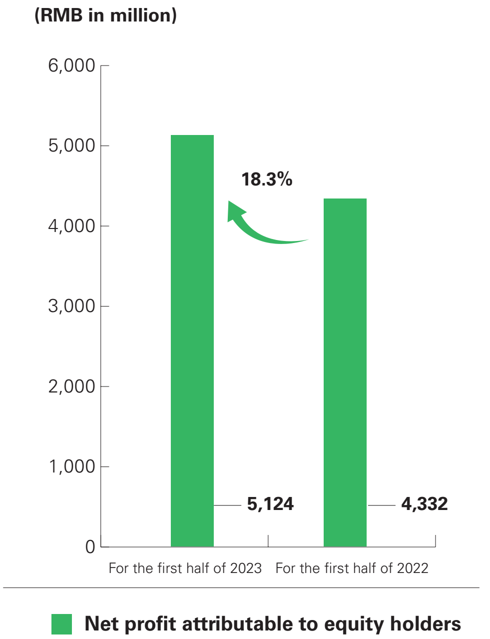
The net profit is set out in the diagram below:



Net profit attributable to equity holders of the Company

In the first half of 2023, the net profit attributable to equity holders of the Company amounted to RMB5,124 million, representing an increase of 18.3% as compared to RMB4,332 million in the corresponding period of 2022, which was mainly due to the increase in net profit of wind power and photovoltaic power segments.

The net profit attributable to equity holders of the Company is set out in the diagram below:



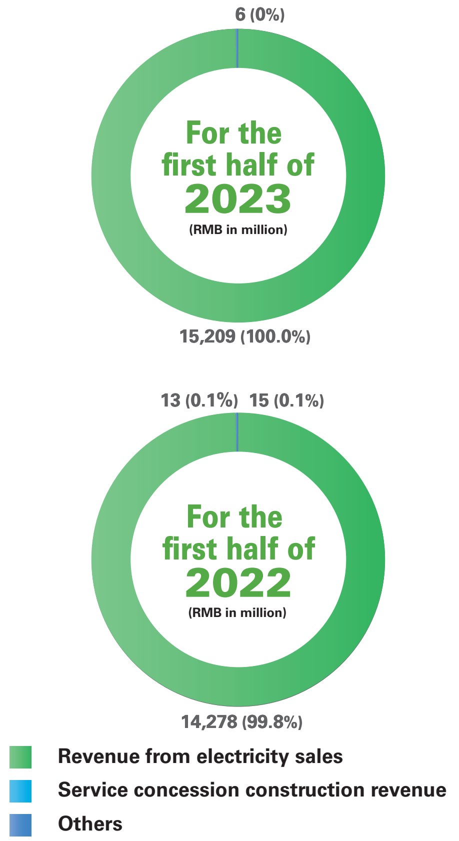
Segment Results of Operations

Wind power segment

Operating revenue

In the first half of 2023, the operating revenue of the wind power segment of the Group amounted to RMB15,215 million, representing an increase of 6.4% from RMB14,306 million in the corresponding period of 2022, which was mainly due to the increase in the revenue from electricity sales in the wind power segment resulting from the increase in installed capacity and utilisation hours.

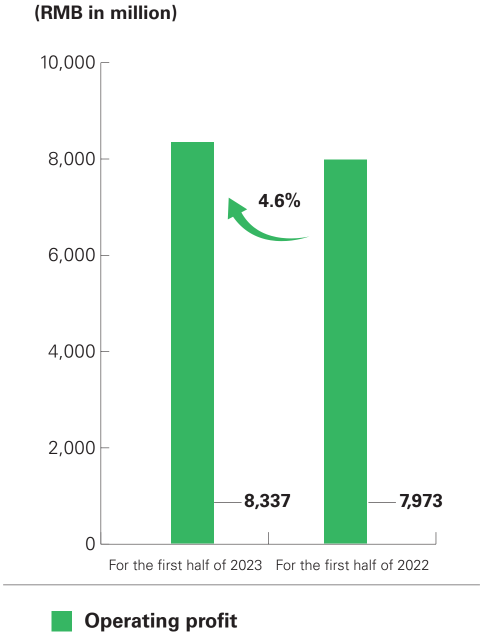
Operating revenue in the wind power segment and proportions are set out in the table below:



Operating profit

In the first half of 2023, the operating profit of the wind power segment of the Group amounted to RMB8,337 million, representing an increase of 4.6% from RMB7,973 million in the corresponding period of 2022, which was mainly due to the increase in operating income from electricity sales greater than the increase in operating expenses such as depreciation and amortisation in the wind power segment.

Operating profit in the wind power segment is set out in the table below:

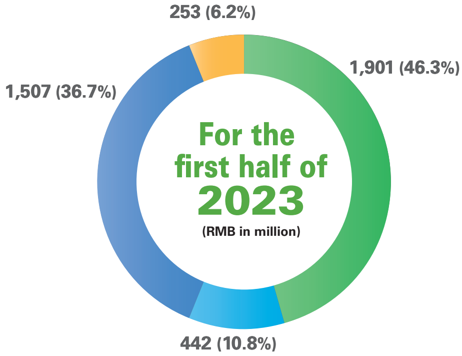


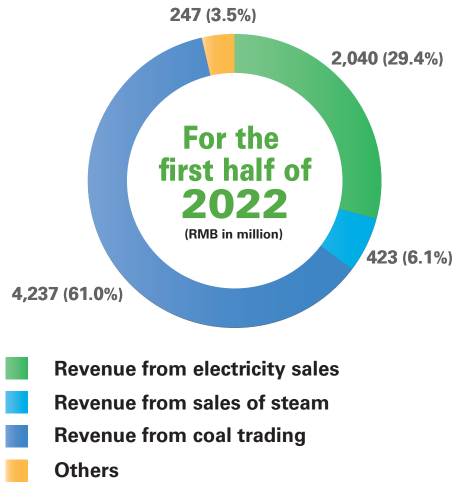
Coal Power Segment

Operating revenue

In the first half of 2023, the operating revenue of the coal power segment of the Group amounted to RMB4,103 million, representing a decrease of 40.9% as compared to RMB6,947 million in the corresponding period of 2022, which was mainly due to: (1) a decrease of RMB2,730 million in coal sales in the first half of 2023 as compared to the corresponding period of 2022 as the result of decreases in sales volume and the unit selling price of coal; and (2) a decrease of RMB139 million in the revenue from electricity sales of coal power segment in the first half of 2023 as compared to the corresponding period of 2022 as the result of decreasing quantity of electricity sales and electricity price.

Operating revenue of the coal power segment and proportions are set out in the table below:

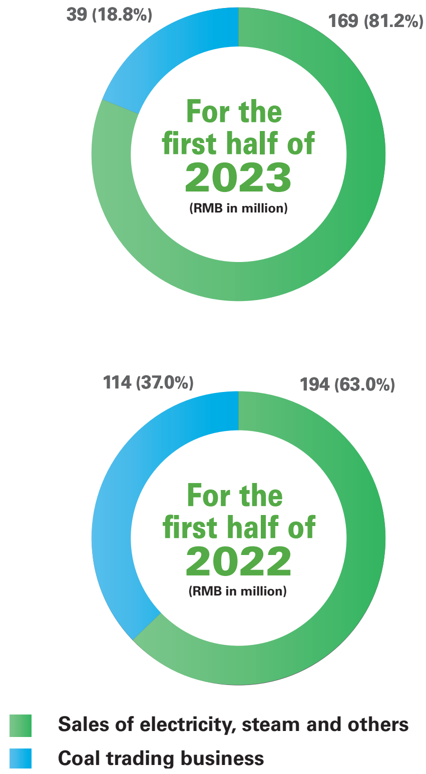




Operating profit

In the first half of 2023, the operating profit of the coal power segment of the Group amounted to RMB208 million, representing a decrease of 32.5% as compared to RMB308 million in the corresponding period of 2022, which was mainly due to the scaling down of coal sales business of coal power segment.

Operating profit of the coal power segment and proportions are set out in the table below:

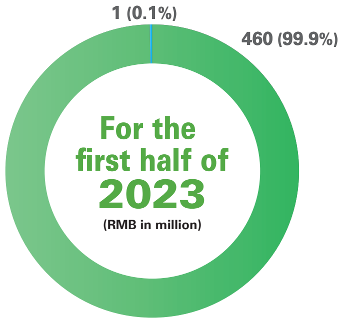


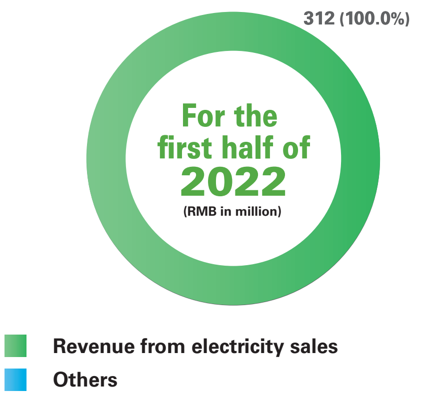
Photovoltaic Power Segment

Operating revenue

In the first half of 2023, the operating revenue of the photovoltaic power segment of the Group amounted to RMB461 million, representing an increase of 47.8% as compared to RMB312 million in the corresponding period of 2022, which was mainly due to the increase in the revenue from electricity sales in the photovoltaic power segment resulting from the increase in installed capacity.

Operating revenue of the photovoltaic power segment and proportions are set out in the table below:

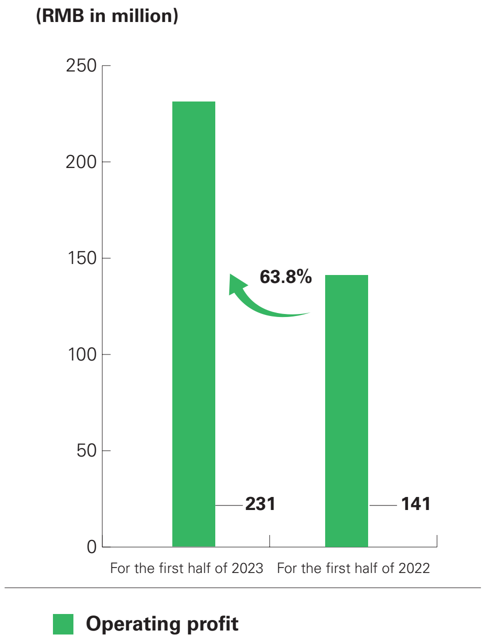




Operating profit

In the first half of 2023, the operating profit of the photovoltaic power segment of the Group amounted to RMB231 million, representing an increase of 63.8% as compared to RMB141 million in the corresponding period of 2022, which was mainly due to the combined effect of increase in revenue and decrease in engineering cost of photovoltaic power segment.

The operating profit of the photovoltaic power segment is set out in the table below:

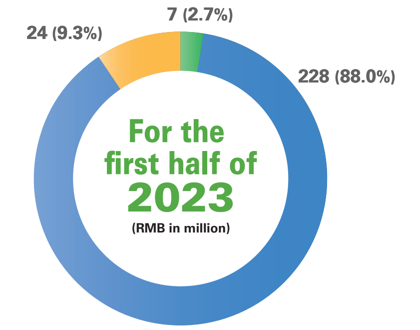


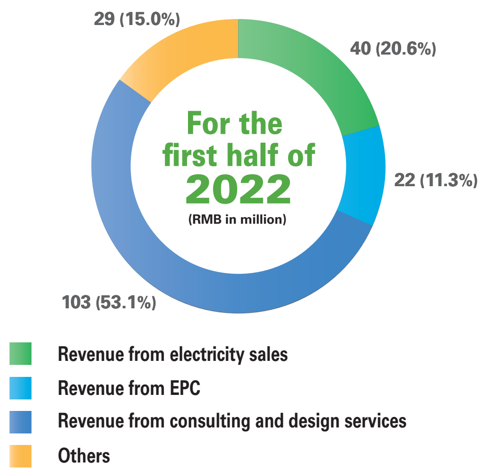
Other Segments

Operating revenue

In the first half of 2023, the operating revenue of other segments of the Group amounted to RMB259 million, representing an increase of 33.5% as compared to RMB194 million in the corresponding period of 2022, which was mainly due to the increase in revenue from consulting and design services.

Operating revenue of other segments and proportions are set out in the table below:

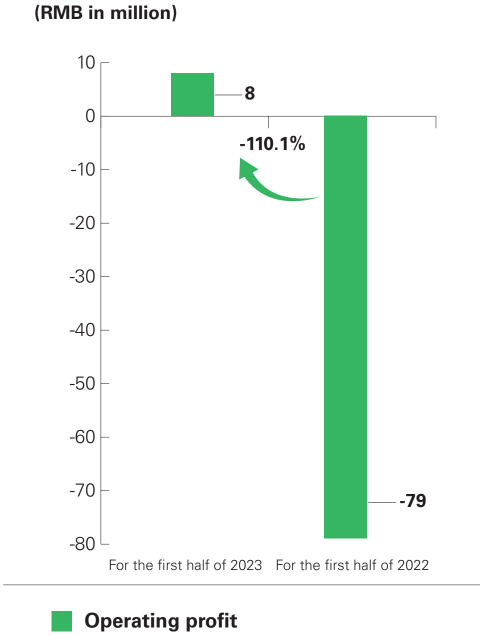




Operating profit

In the first half of 2023, the operating profit of other segments of the Group amounted to RMB8 million, representing an increase of RMB87 million compared to the corresponding period of 2022, which was mainly due to the increase in revenue from consulting and design services.

Operating profit of other segments is set out in the table below:



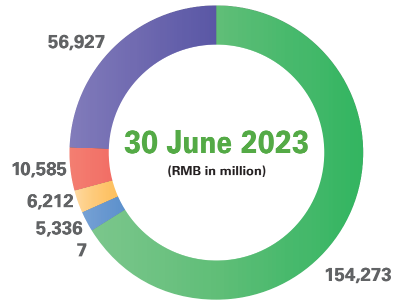
Assets and Liabilities

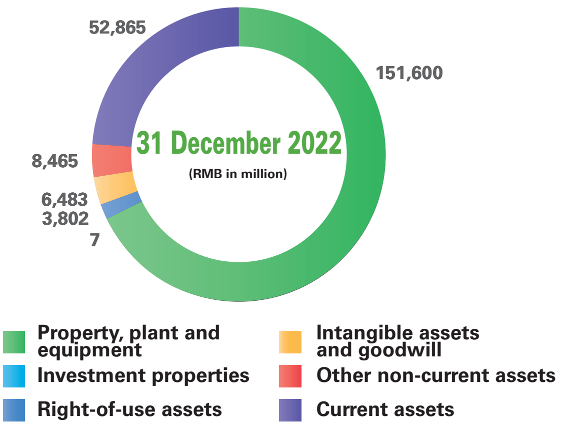
As at 30 June 2023, the total assets of the Group amounted to RMB233,340 million, representing an increase of RMB10,118 million as compared with total assets of RMB223,222 million as at 31 December 2022. This was primarily due to: (1) an increase of RMB4,062 million in current assets including trade and bills receivables; and (2) an increase of RMB6,056 million in non-current assets including property, plant and equipment.

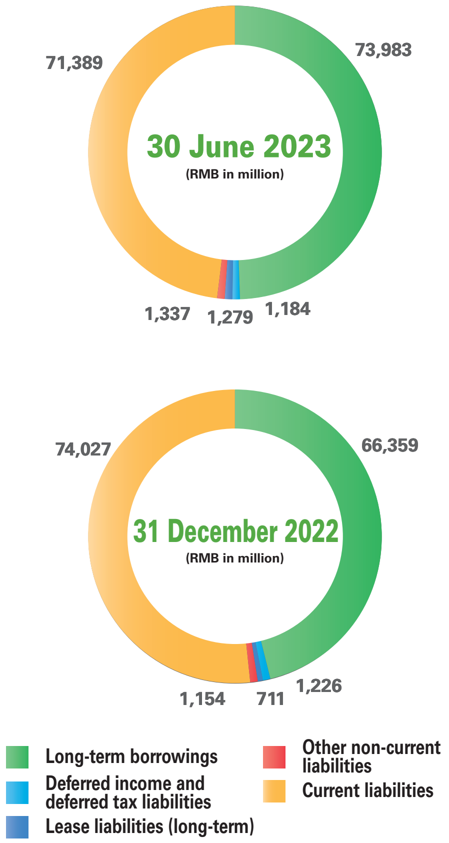
As at 30 June 2023, the total liabilities of the Group amounted to RMB149,172 million, representing an increase of RMB5,695 million as compared to total liabilities of RMB143,477 million as at 31 December 2022. This was primarily due to: (1) an increase of RMB8,333 million in non-current liabilities including long-term borrowings; and (2) a decrease of RMB2,638 million in current liabilities including short-term borrowings.

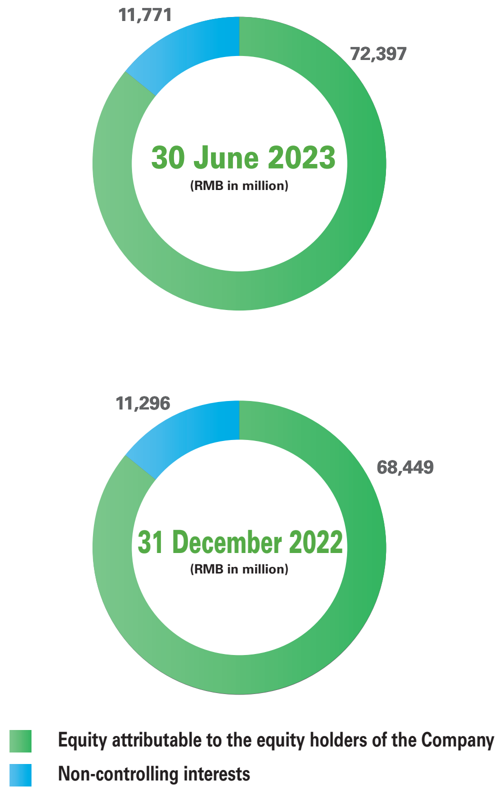
As at 30 June 2023, the equity attributable to equity holders of the Company amounted to RMB72,397 million, representing an increase of RMB3,948 million as compared with RMB68,449 million as at 31 December 2022, which was mainly due to the increase in earnings from business in the first half of 2023.

Details of assets, liabilities and equity are set out in the table below:





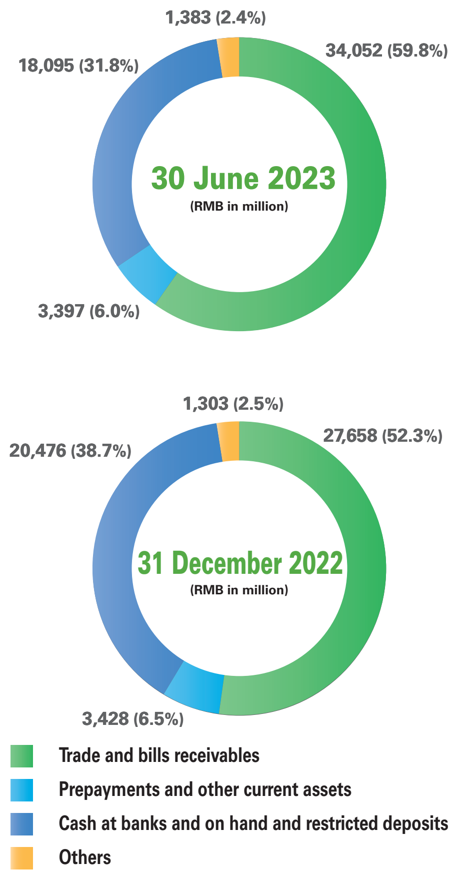

30 June 2023
(RMB in million)
73,983
71,389
1,337
1,279
1,184
31 December 2022
(RMB in million)
66,359
74,027
1,154
711
1,226
Long-term borrowings
Deferred income and deferred tax liabilities
Lease liabilities (long-term)
Other non-current liabilities
Current liabilities


30 June 2023
(RMB in million)
11,771
72,397
31 December 2022
(RMB in million)
11,296
68,449
Equity attributable to the equity holders of the Company
Non-controlling interests

Capital Liquidity

As at 30 June 2023, the current assets of the Group amounted to RMB56,927 million, representing an increase of RMB4,062 million as compared with the current assets of RMB52,865 million as at 31 December 2022, which was mainly attributable to the increase in trade and bills receivables.

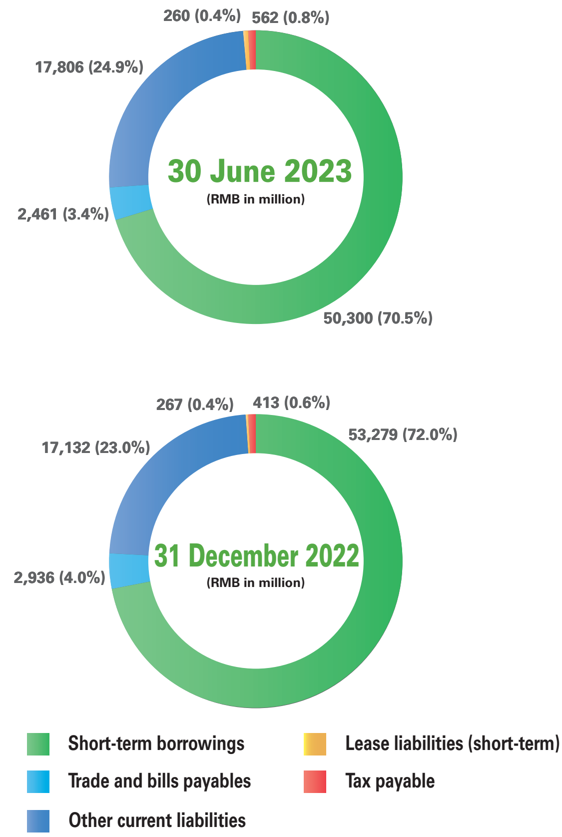
Current assets by item and proportions are set out in the table below:



As at 30 June 2023, the current liabilities of the Group amounted to RMB71,389 million, representing a decrease of RMB2,638 million as compared with the current liabilities of RMB74,027 million as at 31 December 2022, which was mainly attributable to the decrease in short-term borrowings.

As at 30 June 2023, the net current liabilities of the Group amounted to RMB14,462 million, representing a decrease of RMB6,700 million as compared with the net current liabilities of RMB21,162 million as at 31 December 2022. The liquidity ratio was 0.80 as at 30 June 2023, representing an increase of 0.09 as compared with the liquidity ratio of 0.71 as at 31 December 2022. The increase in liquidity ratio was mainly attributable to the increase in the current assets such as trade receivables. The restricted deposits amounted to RMB425 million, which mainly represent monetary funds used for repaying bank loans and deposits for land rehabilitation.

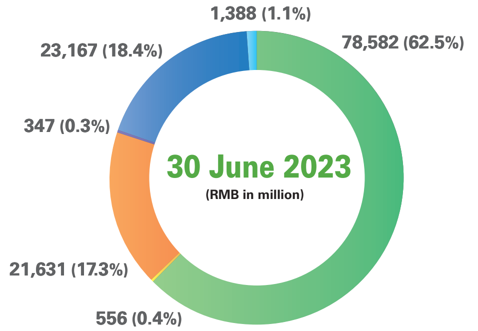
Current liabilities by item and proportions are set out in the table below:

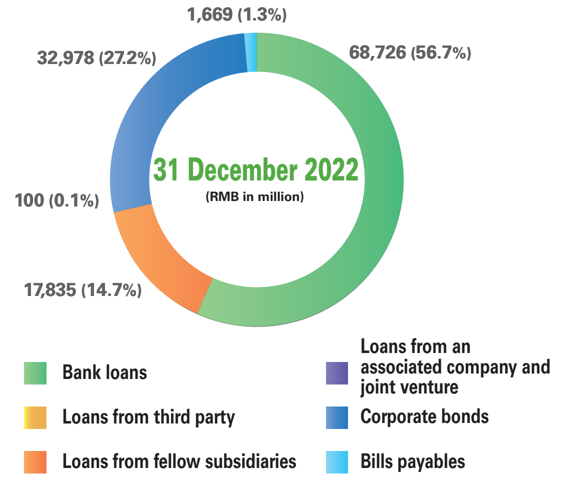


Borrowings and Bills Payables

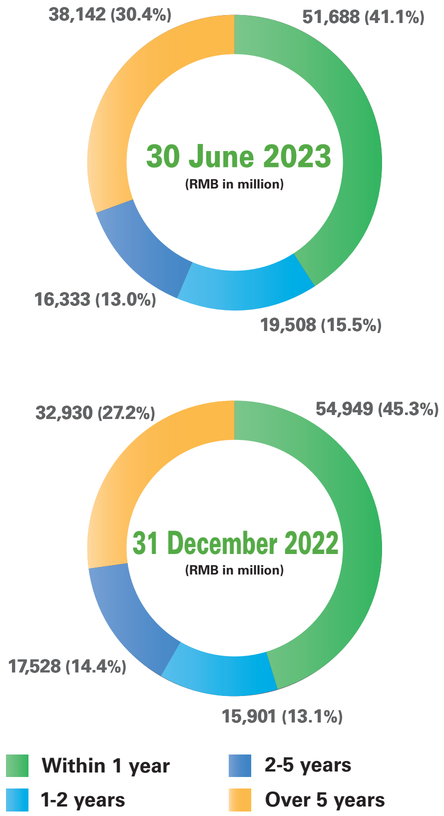
As at 30 June 2023, the Group's balance of the borrowings and bills payables amounted to RMB125,671 million, representing an increase of RMB4,363 million as compared with the balance of RMB121,308 million as at 31 December 2022. As at 30 June 2023, the Group's outstanding borrowings and bills included short-term borrowings and bills payables of RMB51,688 million (including long-term borrowings due within one year of RMB15,234 million, debentures payables due within one year of RMB2,238 million and bills payables of RMB1,388 million) and long-term borrowings amounting to RMB73,983 million (including debentures payables of RMB10,929 million). The abovementioned borrowings included borrowings denominated in Renminbi of RMB117,710 million, borrowings denominated in U.S. dollars of RMB2,735 million and borrowings denominated in other foreign currencies of RMB3,838 million. As at 30 June 2023, the long-term liabilities with fixed interest rates of the Group included long-term borrowings with fixed interest rates of RMB1,766 million and corporate bonds with fixed interest rates of RMB10,929 million. As at 30 June 2023, the balance of bills payables issued by the Group amounted to RMB1,388 million.

Borrowings and bills payables by type and proportions are set out in the table below: (Items set out in the table below can be adjusted according to the actual situation)

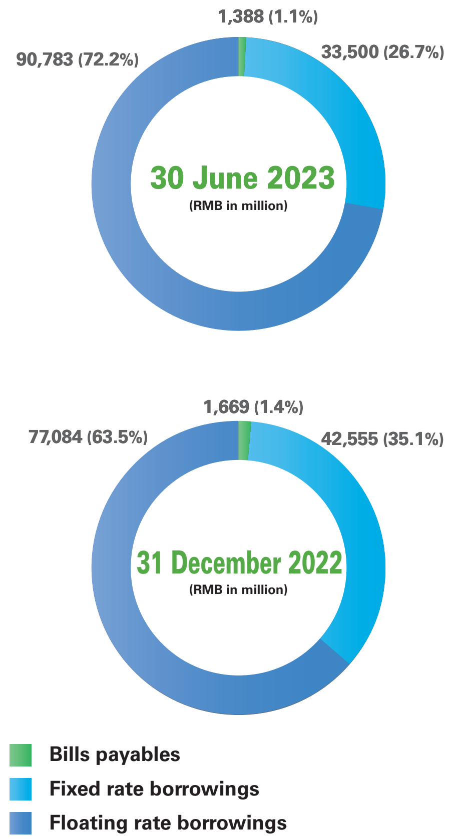




Borrowings and bills payables by term and proportions are set out in the table below:



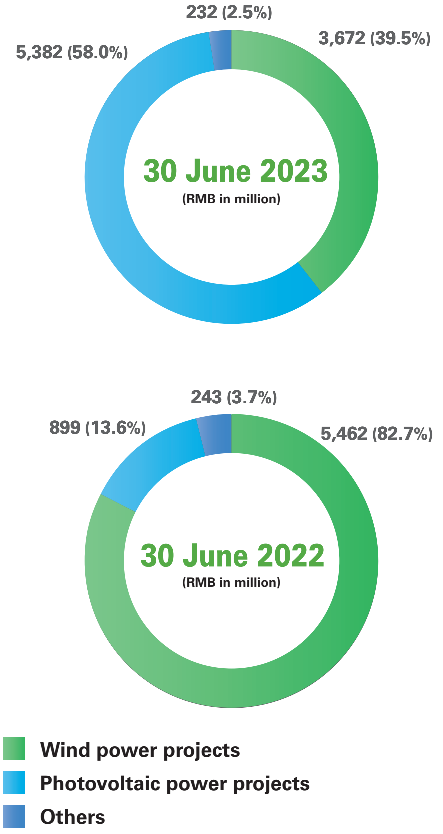
The types of interest rate structure of borrowings and bills payables and their respective proportions are set out in the table below:



Capital Expenditure

The capital expenditures of the Group amounted to RMB9,286 million as at 30 June 2023, representing an increase of 40.6% as compared to RMB6,604 million as at 30 June 2022, among which, the expenditures for the construction of wind power projects amounted to RMB3,672 million, and the expenditures for the construction of other renewable energy projects amounted to RMB5,382 million. The sources of funds mainly included self-owned funds, the borrowings from banks and other financial institutes and the proceeds from the issuance of bonds.

Capital expenditures classified by use and proportions are set out in the table below:



Net Gearing Ratio

As at 30 June 2023, the net gearing ratio of the Group, which is calculated by dividing net debt (the sum of borrowings and lease liabilities less cash and cash equivalents) by the sum of net debt and total equity, was 56.24%, representing an increase of 0.05 percentage points from 56.19% as at 31 December 2022. This was primarily due to the increase in debts being slightly higher than the increase in total equity in the first half of 2023.

Major Investments

In the first half of 2023, the Group had no major investments.

Material Acquisitions and Disposals

The Group made no material acquisitions and disposals in the first half of 2023.

Pledged Assets

As at 30 June 2023, the general bank loans and bonds of the Group amounting to RMB13,258 million were secured by equipment with a carrying amount of RMB3,633 million and inventories with a carrying amount of RMB4 million and the usufruct of accounts receivable generated from future electricity sales of the Group.

Contingent Liabilities/Guarantees

As of 30 June 2023, the Group provided a counter-guarantee of not more than RMB15 million to the controlling shareholder of an associate, and the bank loan balance for which the Group provided the counter-guarantee amounted to RMB7 million.

Cash Flow Analysis

As at 30 June 2023, the bank deposits and cash held by the Group amounted to RMB17,669 million, representing a decrease of RMB669 million as compared to RMB18,338 million as at 31 December 2022, which was mainly due to the investment in wind power and photovoltaic power projects. The principal sources of funds of the Group mainly included self-owned funds and external borrowings. The Group mainly used the funds for replenishing working capital and the construction of projects.

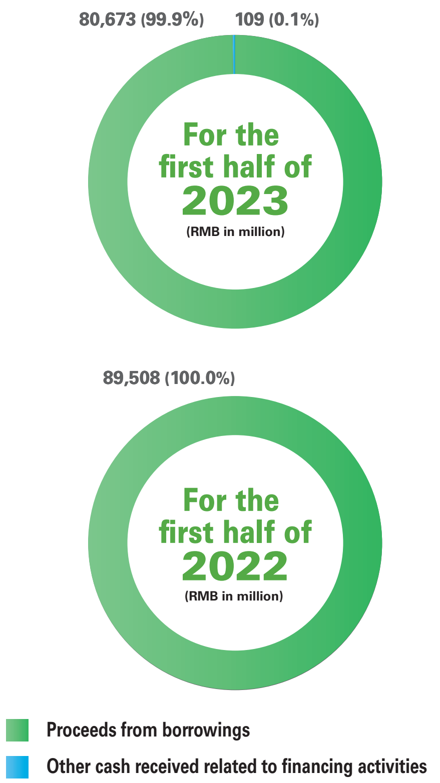
The net cash inflow from the Group's operating activities amounted to RMB7,998 million in the first half of 2023, representing a decrease of RMB8,049 million as compared to RMB16,047 million in the corresponding period of 2022, which was mainly due to the decrease in the amount of subsidy funds for tariff premium received.

The net cash outflow from investing activities of the Group was RMB11,179 million in the first half of 2023. The cash outflow from investing activities was mainly used for the construction of wind power and photovoltaic power projects.

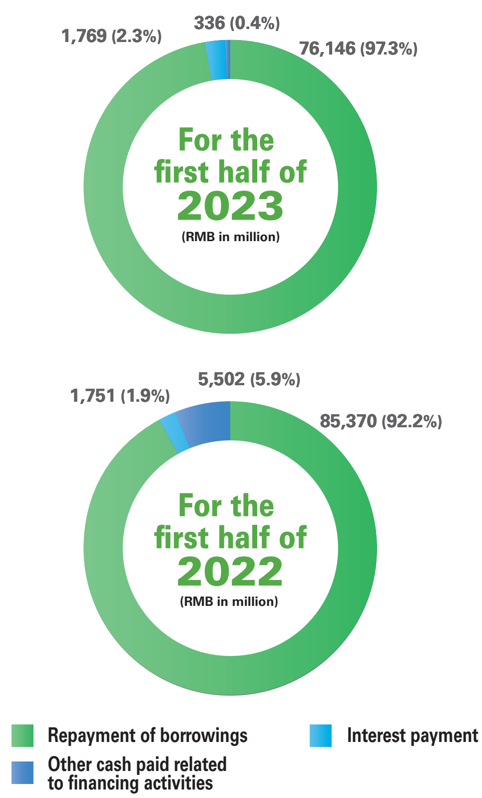
The net cash inflow from financing activities of the Group was RMB2,530 million in the first half of 2023. The cash inflow from financing activities was mainly generated from the proceeds from the issuance of corporate bonds and bank loans. The cash outflow from financing activities was primarily used for the repayment of borrowings and payments of interest of borrowings.

Cash inflows from financing activities and cash outflows from financing activities are set out in the diagrams below:

Cash inflows from financing activities



Cash outflows from financing activities



V. RISK FACTORS AND RISK MANAGEMENT

1. Policy Risk and Countermeasures

In accordance with the Guiding Opinions on Accelerating the Building of a Nationwide Unified Electricity Market System, by 2025, the nationwide unified electricity market system will be preliminarily built, and the trading scale of green electricity will significantly increase, which will be conducive to the preliminary development of market transactions and price mechanisms for new energy and energy storage. In terms of top-level design, the policy direction for further participation of renewable energy in market-based trading has been clearly defined, and provinces and regions have also carried out varying degrees of market-based construction and experimentation. The trading scale of new energy market will continue to expand, and the proportion of new energy market transactions will further increase, which may lead to the risk of a decrease in electricity prices in the future. In addition, with the decrease in coal prices in 2023, the cost of coal power decreased, leading to a reduction in the marginal cost for enterprises. It is expected that the quotation in the spot market will decrease, and the decrease in coal power prices will further drive down the electricity prices of new energy transactions, and the decrease in spot trading electricity prices will further drive down medium to long-term trading prices. The Group will track relevant national policies, conduct analysis on the new energy power market and research on transaction policies, analyse the situation, opportunities and the impact of the policies, take effective measures to guide the implementation of favourable policies and overcome the downward pressure on electricity prices. In line with the characteristics and trading rules of new energy power transactions, the Group will strengthen the management of the entire process of market-based trading decision-making, declaration and settlement, proactively adapt to external changes, and stimulate endogenic driving force.

2. Climatic Risk and Countermeasures

The major climatic risk confronted by the wind and solar power industry is the annual fluctuation of wind and solar energy resources, which is represented by the higher power generation in years of high wind velocity and abundant solar irradiation and the lower power generation in years of low wind velocity and scarce solar irradiation than that in normal years. On the vast territory of our nation which covers a wide span of areas, there is a great variation in climate conditions in different regions. To be specific, the regions have different climatic characteristics of the years of high and low wind velocity and abundant and scarce sunshine in the same period. In the first half of 2023, the average wind velocity and solar irradiation of most provinces (autonomous regions and municipalities) in our nation was close to the normal annual level, and the power generation was on the normal condition. In response to different climate conditions in different regions, the Group carried out the nationwide dispersed layout to reduce investment risks. As of the end of June 2023, the Group had substantial projects in 31 provincial-level administrative regions in China, formulating an increasingly optimised and rational project layout. In the future, the Group will further balance the project development ratio in the regions subject to the impact of different climates.

3. Risks Relating to Power Grids and Countermeasures

Under the dual carbon target, the installed capacity of new energy continues to increase. However, compared with the development speed of new energy, the construction of grid is relatively lagging behind, and the problem of weak local grid structure and insufficient external transmission channels still exists. In some areas such as Gansu, Inner Mongolia, Jilin, Shaanxi and Hebei, the constraints of local grid structure exacerbate the risk. On the other hand, large-scale wind power and photovoltaic power base projects focusing on desert, gobi, and desert areas have been successively on-grid and put into production. The consumption of the wind power and photovoltaic power bases requires both the addition of ultra-high voltage and the improvement of the utilisation efficiency of existing ultra-high voltage transmission channels, however, the construction progress of new ultra-high voltage channels does not match that of power source. With the increase in the concentration of new energy projects, the pressure on consumption in some western and northern regions also increased. Based on different characteristics and situations in each region, the Group will continue to enhance the communications with the competent government authorities and power grid dispatching, and actively promote the improvement of local grid, and meanwhile expand consumption channels and strive for favorable policies and power generation spaces.

4. Risk in Interest Rate and Countermeasures

Changes in macro-economic environment at home and abroad, national economic policies and other factors cause the change in market interest rate, and the fluctuation of market interest rate will have a certain impact on loans of the Group and the issuance interest rate of relevant bonds. Through establishing financial market information sharing mechanism with several financial institutions, the Group keeps a watchful eye on macro environment, fiscal and monetary policies, specific operations of the central bank, and market risk events, and selects favorable issue windows to avoid the risk in interest rate resulting from the acute market volatility; the Group continues to increase the type of financing, does well in setting product terms and quotas, and matches long-term and short-term so as to ensure the stabilities of overall interest rate; the Group keeps close cooperation with the financial institutions, to guarantee that issuance interest rate can be at a comparable low level in the degree of marketization.

5. Risk in Currency Exchange Rate and Countermeasures

The Group's foreign exchange management is based on the principle of risk avoidance, foreign exchange risk management runs through its whole lifetime cycle and the Group is not involved in any speculative arbitrage. For new overseas projects, Hero Asia Company, a member of the Group, intervenes in the preliminary investigation and preparation stage, proposes suggestions on prevention and control of foreign exchange risk according to relevant data such as new project feasibility report, after consulting with professional financial institutions for external opinions, taking into consideration local overall social and economic situation, so as to avoid the potential foreign exchange risk that may appear in the construction period. In the start-up stage of new projects, Hero Asia Company reviews the relevant foreign exchange risk items mainly through the fund plan and financial statements data reported by overseas subsidiaries of the Group. Meanwhile, Hero Asia Company keeps in close daily working contact with financial personnel of the new projects. Once the foreign exchange risk exposure caused by currency mismatch and other factors of overseas subsidiaries is found, it will immediately summon the overseas financial personnel to verify the relevant potential risks. Upon confirmation, it will report to the Group and a temporary risk control team will be set up to study and judge, and put forward relevant hedging plans, to ensure that foreign exchange risks are under control.

6. Risk in Fuel Prices and Countermeasures

The Group has two coal power plants with a consolidated installed capacity of 1,875 MW. In the first half of 2023, facing the volatility of the coal market, the Group proactively took multiple measures and continuously adjusted the fuel procurement plan and strategy to ensure more than 15 days' coal inventory, effectively guaranteeing the fuel supply. The Group strengthened communication with its existing long-term suppliers such as CHN Energy, China Coal Group and Yitai Group to ensure that the contracted coal was delivered on time and in sufficient quantities. At the same time, the Group kept a close eye on market trends, enhanced market analysis, and scientifically grasped fuel procurement strategies and strength. While ensuring the heating value of coal as fired across generating units, the Group actively explored coal types with relatively low market prices, fully utilising activeness to ensure that both the heating value and price of coal as fired were under control. With the effective countermeasures mentioned above, the power generation cost of the Group's coal power plants has gradually decreased compared with the previous two years.

7. Risk in Overseas Projects and Countermeasures

The current external environment is complex and ever-changing, characterized by both competition and cooperation in the Sino-US relationship in the new era; the conflict between Russia and Ukraine continues, geopolitical risks in Europe and Central Asia are increasing, and globalization is experiencing a reversal; competition for national projects in key regions such as Southeast Asia and South Africa is becoming increasingly fierce. With high global inflation, exchange rates and interest rates are fluctuating intensively.

In the first half of 2023, the Group improved management efficiency, took overall measures to prevent risks of overseas projects in operation and new development projects, and continued to perfect compliance system construction; intensified tracking analysis of the conflict between Russia and Ukraine as well as the risk prevention of Ukrainian projects, maintained close communication with relevant ministries and commissions, and ensured the local operation and maintenance of projects in operation and the equipment safety of projects under construction and supplier relationship maintenance, laying a solid foundation for subsequent resumption of work and production; strengthened personnel safety awareness avoid the occurrence of safety incidents, and conducted emergency drills and safety risk assessment for companies in South Africa and Canada according to the plan, while continuously enhancing overall safety protection capabilities by implementing information collection and analysis mechanisms.

VI. BUSINESS OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of 2023, the Group will deeply carry out the education on the theme of studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, closely focus on the annual work tasks and the "14th Five-Year Plan" goals, effectively implement the "two ways" of improving the core competitiveness and enhancing core functions of enterprises, fully play the "three roles" of technological innovation, industrial control, and security support, and highlight the importance of ensuring safety, seeking development, stabilizing growth, having the courage to innovate, promoting reform and strengthen Party building, and efficiently coordinate all work, so as to ensure high-quality completion of annual goals and tasks.

In the second half of 2023, the Group will focus on the following tasks:

1. Adhere to strengthening responsibility as well as addressing both symptoms and root causes, and strive to improve the level of intrinsic safety;
2. Adhere to independent development as well as diversified and rapid development, and strive to improve the quality and efficiency of new energy development;
3. Adhere to optimizing operations as well as improving quality and efficiency, and strive to enhance value creation capabilities;
4. Adhere to innovation driven as well as achievement transformation, and strive to enhance the role of technology support;
5. Adhere to deepening reform as well as implementing precise policies, and strive to improve enterprise management capabilities;
6. Adhere to the guidance of Party building as well as promotion in depth, and strive to improve the effectiveness of guidance and guarantee.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

I. ENVIRONMENTAL PROTECTION

Environmental protection related policies and industry standards

The Group has always adhered to the path of green and low-carbon development, strictly adhered to the red and bottom lines of ecological and environmental protection, coordinated and promoted various work to ensure the stability of the ecological and environmental protection situation. In daily production and operation, the Group strictly adheres to laws and regulations such as the Environmental Protection Law, Water Pollution Prevention and Control Law, Air Pollution Prevention and Control Law, and Solid Waste Pollution Prevention and Control Law of the People's Republic of China, and firmly implements the Opinions on Comprehensively Strengthening Ecological Environment Protection and Resolutely Fighting the Battle of Pollution Prevention and Control of the Central Committee of the Communist Party of China and the State Council.

During the Reporting Period, the environmental protection facilities such as dust removal, desulfurization, and denitrification of the coal power enterprises under the Group operated normally, and the main pollutant emission indicators met Jiangsu Province's Comprehensive Emission Standards for Air Pollutants(DB 32/4041-2021).

Environmental protection administrative licensing situation

The two coal power enterprises under the Group have organized and carried out environmental impact assessment work in accordance with the Classification and Management List of Construction Project Environmental Impact Assessment and obtained approval from relevant departments. The environmental impact report for the terminal transfer renovation project Jiangyin Sulong Heat and Power Generating Co., Ltd. obtained approval from relevant departments on 20 June 2023.

Industry emission standards and specific situations of pollutant emissions involved in production and operation activities

Name of company or subsidiary	Type of major pollutants and specific pollutants	Name of major pollutants and specific pollutants	Mode of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration *(mg/m³)*	Pollutant discharge standards implemented *(mg/m³)*	Total amount of discharge *(t)*	Total amount of discharge approved *(t)*	Excessive discharge
Jiangyin Sulong Heat and Power Generating Co., Ltd.	Air pollutant	Sulfur dioxide	Continuously	3	Unit discharge outlet	12.25	35	213.67	1,597.29	Nil
Jiangyin Sulong Heat and Power Generating Co., Ltd.	Air pollutant	Nitrogen oxide	Continuously	3	Unit discharge outlet	25.05	50	439	3,072.71	Nil
Jiangyin Sulong Heat and Power Generating Co., Ltd.	Air pollutant	Smoke	Continuously	3	Unit discharge outlet	1.19	10	20.77	178.12	Nil
Nantong Tianshenggang Power Generating Co., Ltd.	Air pollutant	Sulfur dioxide	Continuously	2	Unit discharge outlet	6.58	35	39.79	462	Nil
Nantong Tianshenggang Power Generating Co., Ltd.	Air pollutant	Nitrogen oxide	Continuously	2	Unit discharge outlet	25.12	50	152	660	Nil
Nantong Tianshenggang Power Generating Co., Ltd.	Air pollutant	Smoke	Continuously	2	Unit discharge outlet	1.43	10	8.68	132	Nil

Treatment of pollutants

The Group strictly controls the management of pollutant emissions in accordance with relevant national and local regulations and standards. The 8 coal-fired units of the two coal power enterprises under the Group have all been equipped with environmental protection facilities such as desulfurization, denitrification, and dust removal, and completed ultra-low emission transformation for three pollutants (sulfur dioxide, nitrogen oxides, and smoke) and passed environmental acceptance.

Contingency plan for environmental emergencies

The Group conducts ecological environment risk assessment and emergency resource investigation to dynamically grasp ecological environment risks, improve emergency measures, and reserve sufficient emergency supplies. Both of two coal power enterprises under the Group have formulated the Contingency Plan for Environmental Emergencies in accordance with environmental protection regulations, and regularly make amendments to it.

Investment in environmental governance and protection and payment of environmental protection taxes

The Group starts from the source of project development, deepens the concept of "doing it all at once", and strictly implements the "Three Simultaneities" policy of water conservation and environmental protection. In January 2023, the Group issued the Outline of Ecological Environment Protection Inspection for New Energy Enterprises, and carried out comprehensive inspections on all subsidiaries and branches in combination with daily video inspections, on-site project supervision, spring inspection and other work. The Group strictly implements the national major strategic deployment of the Two Rivers Basin, invests funds to carry out remote sensing monitoring of soil and water conservation for enterprises in the Yangtze River Basin and the Beijing-Tianjin-Hebei region, and develops renewable energy according to local conditions to expand the new natural economy model of "new energy +".

The Group implements the green development concept contained in environmental protection tax, practices the concept of "more emissions and more payments, less emissions and less payments, and no emissions and no payments" in the Environmental Protection Tax Law, and consciously takes the initiative to remove "pollution". In the first half of 2023, the Group paid a total of RMB4.1518 million of environmental protection tax, representing a decrease of RMB1.5691 million or 27.43% compared to the corresponding period of last year, which was mainly due to the significant decrease in pollutants such as nitrogen oxides, carbon dioxide, and sulfur dioxide emitted in this period compared to the corresponding period of last year.

Environmental self-monitoring plan

Two coal power enterprises under the Group have prepared the "Self Monitoring Plan of Jiangyin Sulong Heat and Power Generating Co., Ltd." and "Self Monitoring Plan of Nantong Tianshenggang Power Generating Co., Ltd." based on documents such as the "Measures for Self Monitoring and Information Disclosure of National Key Monitoring Enterprises" and the "Technical Guidelines for Self Monitoring of Pollutant Discharge Units – Coal Power Generation and Boilers". In the first half of 2023, two coal power enterprises effectively monitored various monitoring projects according to the monitoring plan, and the monitoring frequency and results met the relevant national and industry standards.

Any administrative penalties caused by environmental issues during the Reporting Period

During the Reporting Period, the Group was not under any administrative punishment for environmental issues.

Other disclosable environmental information

The environmental monitoring information of the two coal power enterprises under the Group is publicly available on the self monitoring information release platform of Jiangsu Province's pollutant discharge units.

Measures taken to reduce carbon emissions during the Reporting Period and effects

The coal power enterprises under the Group attach great importance to ecological and environmental protection work, actively respond to national decisions and requirements, clarify environmental protection objectives and responsibilities, establish a comprehensive environmental management system, fulfill the management functions of environmental protection and energy-saving technology supervision, and timely revise the management system related to ecological and environmental protection based on the actual situation of the power plant. Among them, in terms of environmental protection renovation projects, No. 1 Unit of Nantong Tianshenggang Power Generating Co., Ltd. completed efficiency improvement renovation in November 2022. After the renovation, the coal consumption for power supply decreased by about 13.8 g/kWh under experimental conditions, saving about 20,000 tons of standard coal annually and reducing about 50,000 tons of carbon dioxide emissions annually. In terms of energy-saving technology transformation, both of two coal power enterprises attach great importance to it, and effectively reduce carbon dioxide emissions by increasing the construction of distributed photovoltaic systems on plant roofs and roofs of heat consumer plants.

Other environmental related information

Two coal power enterprises attach great importance to ecological and environmental protection work, actively respond to national policy requirements, clarify environmental protection goals and responsibilities, establish a comprehensive environmental management system, strictly control the quality of carbon emission data, conscientiously fulfill environmental responsibilities, and timely revise ecological and environmental protection management systems based on the actual situation of the power plants. The CNAS laboratory of Nantong Tianshenggang Power Generating Co., Ltd. has passed on-site evaluation, and Jiangyin Sulong Heat and Power Generating Co., Ltd. has been actively promoting the construction and evaluation of the CNAS laboratory.

In the first half of 2023, two coal power enterprises under the Group operated with ultra-low emissions. By strengthening the management of effective environmental protection facilities, optimizing operation, and continuously implementing energy-saving and consumption reduction measures, pollutants such as carbon dioxide, sulfur dioxide, and nitrogen oxides significantly decreased compared to the corresponding period of last year.

The emissions of two coal power enterprises under the Group are as follows:

		Data in the first half of 2023	
Items		**Total** *(t)*	**Density** *(g/kWh)*
Emission of pollutants	Carbon dioxide	4,838,055	859
	Sulfur dioxide	253	0.045
	Nitrogen oxide	591	0.105
	Dust	29	0.005
Energy consumption	Water *(t)*	4,486,013	796
	Fuel *(t)*	115	0.02
	Standard coal *(t)*	1,709,978	340

II. PERFORMANCE OF SOCIAL RESPONSIBILITIES

In the first half of 2023, the Group thoroughly implemented the spirit of the work on agriculture, rural areas and farmers and the central rural work conference in the report of the 20th National Congress of the Communist Party of China, effectively carried out the key work of rural revitalization and high-quality development based on the current achievements of Youyu County in Shanxi Province in consolidating and expanding poverty alleviation, invested RMB45.25 million of paid assistance funds to build and expand Youyu wind power projects; invested RMB18 million of free assistance funds, and solidly promoted rural revitalization work around ecological assistance, industrial development, education and people's livelihood. Up to now, we have completed the allocation of RMB9.5 million for the first batch of assistance projects; helped 191 people out of poverty for re-employment; introduced a free assistance fund of RMB849,400, including a donation of RMB500,000 from Siemens Energy Public Welfare Forest Project, and a donation of RMB349,400 from Shanxi Nongdaojia Food Co., Ltd. and Shanxi Hong Carpenter Crafts Factory.

In the first half of 2023, the Group completed 5 external donations totaling RMB64.32 million, of which, donations to the Guoneng Foundation totaled RMB62 million; through a letter requesting funding from the Guoneng Foundation, donated RMB2 million to the water conservation irrigation project in Yingshuiqiao Town, Shapotou District, Zhongwei City, to help address local water difficulties; donated RMB200,000 to the pilot project for new energy generation and water network construction in Binchuan County, Dali Autonomous Prefecture, Yunnan Province, to assist in solving drinking water problems; donated RMB100,000 to the Education Foundation of Damao United Banner, Inner Mongolia, to support the improvement of local education quality; donated RMB20,000 for computer equipment to the Red Army Primary School in Loushanguan, Huichuan District, Zunyi City, Guizhou Province, to facilitate science popularisation and rural revitalization activities, earning high social reputation.

In the first half of 2023, the Board of the Company established a Sustainable Development Committee to improve the ESG governance structure, designed the ESG system, and organized training to enhance the Group's ESG awareness; developed a three-year plan for ESG construction, served the Group's strategic goal of "being driven by ESG and committed to become a leader in low-carbon and high-quality development of the entire industry chain of the new energy industry", and clarified annual work tasks and implementation paths that are refined year by year; for the first time participated in and was selected among the 2023 Fortune China ESG Influence List and the "2023 Golden Bee Corporate Social Responsibility • China List".

CORPORATE GOVERNANCE

The Company has committed itself to enhancing corporate governance standard and regarded corporate governance as an indispensable part to create 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, the Supervisory Board and senior management with reference to the code provisions as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules. The Company has also adopted the Corporate Governance Code as its own corporate governance practices.

COMPLIANCE WITH THE REQUIREMENTS OF APPENDIX 14 TO THE LISTING RULES

During the period from 1 January 2023 to 30 June 2023, the Company has fully complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules and had complied with most of the recommended best practises as set out in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code 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. Upon specific enquiries to 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 during the period from 1 January 2023 to 30 June 2023. The Board will examine the corporate governance 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 relevant financial management expertise in accordance with the requirements of the Listing Rules. The Company appointed a total of three independent non-executive Directors, namely, Mr. Michael Ngai Ming Tak, Mr. Gao Debu and Ms. Zhao Feng.

AUDIT COMMITTEE

The Company has established the Audit Committee in accordance with the requirements of the Listing Rules. The primary duties of the Audit Committee include, but not limited to: to oversee the financial reporting system of the Group; to monitor and review the annual and interim reports and results announcements; to oversee the Company's risk management and internal control systems (unless such matters are handled by a separate risk committee or the Board itself), and to monitor and review the Company's internal inspect and audit functions and the effectiveness of the audit process; to review the Company's annual internal audit work plan, significant risks and the Company's ability to respond to risks; to supervise the appointment, re-appointment and replacement of external auditors, and make recommendations to the Board on the remuneration and terms of engagement of external auditors; to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process; to develop and implement policy on engaging an external auditor to supply non-audit services; to monitor the quality of the Company's internal audit and disclosure of financial information, and review the interim and annual financial statements before submission to the Board; to review and monitor the effectiveness of the Company's financial reporting system, risk management and internal control procedures and the procedures for compliance with the relevant requirements under the Listing Rules; to review significant failures or weaknesses in internal control (if any), and the resulting and potential impact; evaluating the effectiveness of the internal control and risk management framework, ensuring the coordination between the internal audit personnel and the independent accountant, and ensuring that the internal audit function is adequately resourced and has sufficient capability and working experience, as well as regular training programmes or similar arrangements; to organise and promote the development of the rule of law in the Company, and to receive reports on the work on the development of the rule of law in the Company.

The Audit Committee consists of three Directors: Mr. Tang Chaoxiong (non-executive Director), Mr. Michael Ngai Ming Tak (independent non-executive Director) and Ms. Zhao Feng (independent non-executive Director). Ms. Zhao Feng serves as the chairman of the Audit Committee.

On 29 August 2023, the Audit Committee reviewed and confirmed the announcement of interim results of the Group for the six months ended 30 June 2023, 2023 interim report, the unaudited interim condensed consolidated financial information for the six months ended 30 June 2023 prepared under IAS 34, Interim Financial Reporting and the disclosure requirements under the Listing Rules.

OTHER INFORMATION

SHARE CAPITAL

As of 30 June 2023, the total share capital of the Company amounted to RMB8,381,963,164, divided into 8,381,963,164 shares with a par value of RMB1.00 each, comprising 5,041,934,164 A shares and 3,340,029,000 H shares in total. There was no change in the share capital of the Company during the Reporting Period.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2023.

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 for the six months ended 30 June 2023.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, none of the Directors, supervisors and chief executive 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 Securities and Futures Ordinance (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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2023, so far as known to the Directors, the following persons (other than the Directors, chief executives 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) (%)*
CHN Energy	A shares	Beneficial owner and interest of corporation controlled by substantial Shareholders	4,908,598,141 *(Note 2)* (Long position)	97.36	58.56
Wellington Management Group LLP	H shares	Investment manager	266,843,581 *(Note 3)* (Long position)	7.99	3.18
Wellington Management Group LLP	H shares	Investment manager	1,918 *(Note 4)* (Short position)	0.00	0.00
BlackRock, Inc.	H shares	Interest of corporation controlled by substantial Shareholders	280,763,238 *(Note 5)* (Long position)	8.41	3.34
BlackRock, Inc.	H shares	Interest of corporation controlled by substantial Shareholders	1,635,000 *(Note 6)* (Short position)	0.05	0.02

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) (%)*
JPMorgan Chase & Co.	H shares	Interest of corporation controlled by substantial Shareholders, investment manager, person having a security interest in shares and approved lending agent	170,477,354 *(Note 7)* (Long position)	5.10	2.03
JPMorgan Chase & Co.	H shares	Interest of corporation controlled by substantial Shareholders	18,717,175 *(Note 8)* (Short position)	0.56	0.22
JPMorgan Chase & Co.	H shares	Approved lending agent	62,132,780 (Shares in a lending pool)	1.86	0.74
Citigroup Inc.	H shares	Interest of corporation controlled by substantial Shareholders and approved lending agent	239,360,131 *(Note 9)* (Long position)	7.17	2.86
Citigroup Inc.	H shares	Interest of corporation controlled by Substantial Share-holders	1,910,873 *(Note 10)* (Short position)	0.05	0.02

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) (%)*
Citigroup Inc.	H shares	Approved lending agent	233,922,997 (Shares in a lending pool)	7.00	2.79
Brown Brothers Harriman &Co.	H shares	Approved lending agent	191,636,293 (Long position)	5.74	2.29
Brown Brothers Harriman &Co.	H shares	Approved lending agent	191,636,293 (Shares in a lending pool)	5.74	2.29
Lazard Asset Management LLC	H shares	Investment manager	167,128,772 (Long position)	5.00	1.99

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 2023.

2. Among these 4,908,598,141 A shares, 4,602,432,800 A shares were directly held by CHN Energy while the remaining 212,238,141 A shares were held by Inner Mongolia Pingzhuang Coal (Group) Co., Ltd. (內蒙古平莊煤業(集團)有限責任公司), an indirect non-wholly-owned subsidiary of CHN Energy and 93,927,200 A shares were held by CHN Energy Liaoning Electric Power Co., Ltd. (國家能源集團遼寧電力有限公司), a wholly-owned subsidiary of CHN Energy. Accordingly, CHN Energy was deemed as the owner of the equity interests held by its aforesaid subsidiaries.

3. Among these 266,843,581 H shares, 262,000,153 H shares were held by Wellington Management Company LLP, an indirect non-wholly-owned subsidiary of Wellington Management Group LLP, 4,843,428 H shares were held by Wellington Management International Ltd. Accordingly, Wellington Management Group LLP was deemed as the owner of the H share equity interests held by its aforesaid subsidiaries.

4. These 1,918 H shares were held by Wellington Management Company LLP, an indirect non-wholly-owned subsidiary of Wellington Management Group LLP. Accordingly, Wellington Management Group LLP was deemed as the owner of the H share short positions held by its aforesaid subsidiary.

5. Among these 280,763,238 H shares, 1,580,000 H shares were held by BlackRock Investment Management, LLC, an indirect wholly-owned subsidiary of BlackRock, Inc., 7,396,000 H shares were held by BlackRock Financial Management, Inc., an indirect wholly-owned subsidiary of BlackRock, Inc., 38,383,693 H shares were held by BlackRock Institutional Trust Company, National Association, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 84,225,000 H shares were held by BlackRock Fund Advisors, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 3,721,000 H shares were held by BlackRock Advisors, LLC, an indirect wholly-owned subsidiary of BlackRock, Inc., 8,852,848 H shares were held by BlackRock Japan Co., Ltd., an indirect non-wholly-owned subsidiary of BlackRock, Inc., 851,000 H shares were held by BlackRock Asset Management Canada Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 1,930,000 H shares were held by BlackRock Investment Management (Australia) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 2,664,370 H shares were held by BlackRock Asset Management North Asia Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 6,564,586 H shares were held by BlackRock (Netherlands) B.V., an indirect non-wholly-owned subsidiary of BlackRock, Inc., 752,105 H shares were held by BlackRock Advisors (UK) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 91,000 H shares were held by BlackRock International Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 21,166,000 H shares were held by BlackRock Asset Management Ireland Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 73,188,000 H shares were held by BLACKROCK (Luxembourg) S.A., an indirect non-wholly-owned subsidiary of BlackRock, Inc., 6,745,233 H shares were held by BlackRock Investment Management (UK) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 21,718,403 H shares were held by BlackRock Fund Managers Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 48,000 H shares were held by BlackRock Life Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 724,000 H shares were held by BlackRock (Singapore) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 28,000 H shares were held by BlackRock Asset Management Schweiz AG, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 134,000 H shares were held by Aperio Group, LLC, an indirect wholly-owned subsidiary of BlackRock, Inc. Accordingly, BlackRock, Inc. was deemed as the owner of the H share equity interests held by its aforesaid subsidiaries.

6. Among these 1,635,000 H shares, 26,000 H shares were held by BlackRock Financial Management, Inc., an indirect wholly-owned subsidiary of BlackRock, Inc., 303,000 H shares were held by BlackRock Institutional Trust Company, National Association, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 1,267,000 shares were held by BlackRock Advisors, LLC, 39,000 H shares were held by BLACKROCK (Luxembourg) S.A., an indirect non-wholly-owned subsidiary of BlackRock, Inc. Accordingly, BlackRock, Inc. was deemed as the owner of the H share short positions held by its aforesaid subsidiaries.

7. Among these 170,477,354 H shares, 2,962,000 H shares were held by JPMorgan Asset Management (Taiwan) Limited, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 295,253 H shares were held by J.P. Morgan SE, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 30,000 H shares were held by J.P. MORGAN MARKETS LIMITED, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 2,543,346 H shares were held by J.P. Morgan Securities LLC, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 62,132,780 H shares were held by JPMORGAN CHASE BANK, N.A. – LONDON BRANCH, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 694,000 H shares were held by JPMORGAN ASSET MANAGEMENT (UK) LIMITED, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 6,410,000 H shares were held by J.P. Morgan Investment Management Inc., an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 1 H share was held by J.P. Morgan Structured Products B.V., an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 360 H shares were held by J.P. Morgan Trust Company of Delaware, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 4,076,000 H shares were held by JPMorgan Chase Bank, National Association, a wholly-owned subsidiary of JPMorgan Chase & Co., 45,707,000 H shares were held by JPMorgan Asset Management (Asia Pacific) Limited, an indirect non-wholly-owned subsidiary of JPMorgan Chase & Co., 36,000 H shares were held by J.P. Morgan (Suisse) SA, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 45,590,614 H shares were held by J.P. MORGAN SECURITIES PLC, an indirect wholly-owned subsidiary of JPMorgan Chase & Co. Accordingly, JPMorgan Chase & Co. was deemed as the owner of the H share equity interests held by its aforesaid subsidiaries.

8. Among these 18,717,175 H shares, 1,746,926 H shares were held by J.P. Morgan Securities LLC, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 3 H shares were held by J.P. Morgan Structured Products B.V., an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 16,970,246 H shares were held by J.P. MORGAN SECURITIES PLC, an indirect wholly-owned subsidiary of JPMorgan Chase & Co. Accordingly, JPMorgan Chase & Co. was deemed as the owner of the H share short positions held by its aforesaid subsidiaries.

9. Among these 239,360,131 H shares, 233,922,997 H shares were held by Citibank, N.A., an indirect wholly-owned subsidiary of Citigroup Inc., 247,363 H shares were held by Citigroup Global Markets Hong Kong Limited, an indirect wholly-owned subsidiary of Citigroup Inc., 5,189,771 H shares were held by Citigroup Global Markets Limited, an indirect non-wholly-owned subsidiary of Citigroup Inc. Accordingly, Citigroup Inc. was deemed as the owner of the H share equity interests held by its aforesaid subsidiaries.

10. Among these 1,910,873 H shares, 1,493,873 H shares were held by Citigroup Global Markets Hong Kong Limited, an indirect wholly-owned subsidiary of Citigroup Inc., 371,000 H shares were held by Citigroup Global Markets Inc., an indirect wholly-owned subsidiary of Citigroup Inc., 46,000 H shares were held by Citigroup Global Markets Limited, an indirect non-wholly-owned subsidiary of Citigroup Inc. Accordingly, Citigroup Inc. was deemed as the owner of the H share short positions held by its aforesaid subsidiaries.

OTHER INFORMATION

EMPLOYEES

As of 30 June 2023, the Group had a total of 8,956 employees. The Group has formulated the Administration Measures for Positions and Ranks, and implemented a three-channel career development system known as "administration, technology and skill", developed the "Action Plan for the Construction of a Professional Talent Team" to promote the construction of a high-quality team of skilled and technical talents; paid attention to selecting and cultivating outstanding young cadres, and further stimulated the vitality of the cadre team; continuously deepened the construction of the "1+2+N" training base system, strengthened the construction of the "Chief Engineer" team, vigorously promoted employee growth and talent, and fully leveraged the leading and driving role of outstanding talents. The Group implements a comprehensive performance evaluation system for all employees, scientifically sets evaluation indicators, strengthens equal distribution, and continuously improves the construction of the performance evaluation system. The salary income of employees is closely linked to personal work performance, enterprise economic benefits, etc., effectively mobilizing and stimulating the vitality and potential of cadres and employees to work hard.

MATERIAL LITIGATION

As of 30 June 2023, the Company had no material litigation.

CHANGE IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As at the Reporting Period and as of the Latest Practicable Date, the changes in directors, supervisors and senior management are set out below:

Changes of Directors:

As elected at the 2022 annual general meeting, Mr. Gong Yufei has been appointed as an executive Director with effect from 15 June 2023 until the expiry of the fifth session of the Board. At the same time, Mr. Gong Yufei has been appointed as a member of the Strategic Committee with effect from 15 June 2023 until the expiry of the fifth session of the Board.

Details of the aforementioned changes have been disclosed in the announcement on the proposed amendments to the articles of association and appointment of the president and proposed appointment of an executive Director dated 25 April 2023, the circular of the 2022 annual general meeting dated 16 May 2023, and the poll results announcement of the 2022 annual general meeting dated 15 June 2023.

Changes of Supervisors:

As elected at the 2023 second extraordinary general meeting, Mr. Liu Jinji has been appointed as a supervisor of the Company with effect from 29 August 2023 until the expiry of the fifth session of the Supervisory Board. On the same day, Mr. Liu Jinji has been elected as the chairman of the Supervisory Board of the Company by the Supervisory Board with effect from 29 August 2023 until the expiry of the fifth session of the Supervisory Board. On 30 June 2023, Mr. Shao Junjie resigned from his position as a supervisor and the chairman of the Supervisory Board of the Company due to his age, with effect from 29 August 2023.

The biographies of Mr. Liu Jinji are as follows:

Aged 58, graduated from Shanxi Mining Institute with a bachelor's degree in engineering and is a senior engineer. He has worked in Huaneng Clean Coal Company Dongsheng Branch, Shenhua Group Shenfu Dongsheng Coal Co., Ltd. and Shendong Coal Branch of China Shenhua Energy Company Limited. He successively served as the deputy general manager of Shenhua Ningxia Coal Industry Co., Ltd.; the general manager, deputy secretary of the party committee and general manager, secretary of the party committee and the chairman of China Shenhua Xinjiang Energy Co., Ltd.; the secretary of the party committee and the chairman of CHN Energy Xinjiang Energy Co., Ltd. (Guodian Xinjiang Power Co., Ltd.); the director of safety production of China Energy Investment Corporation Limited; and a senior business director of China Energy Investment Corporation Limited.

Details of the aforementioned changes have been disclosed in the announcement on the proposed change of Supervisor dated 30 June 2023, the circular of the 2023 second extraordinary general meeting dated 10 August 2023, and the poll results announcement of the 2023 second extraordinary general meeting dated 29 August 2023.

Changes of Senior Management:

As resolved at the Board meeting held on 25 April 2023, Mr. Gong Yufei has been appointed as general manager of the Company, and Mr. Li Xingyun has been appointed as vice general manager of the Company, with effect from 25 April 2023 until the expiry of the fifth session of the Board.

The biographies of Mr. Gong Yufei and Mr. Li Xingyun are as follows:

Mr. Gong Yufei

Aged 51, deputy secretary of the Party Committee, executive Director and president of the Company. He graduated from Shandong Institute of Mining and Technology with a bachelor's degree in engineering and from Shandong University with a master's degree in business administration. Mr. Gong worked at Shandong International Trust and Investment Corporation. Mr. Gong successively served as a deputy general manager of Jinan Guohua Properties Co., Ltd., the general manager and the chairman of Shandong Guohua ERA Investment and Development Co., Ltd., the general manager and chairman of Shandong Branch of Guohua Energy Investment Co., Ltd., the general manager of the Project Construction Department of Guohua Energy Investment Co., Ltd., the deputy general manager of CHN Energy Properties Co., Ltd., a member of the Party Committee and a vice president of the Company.

Mr. Li Xingyun

Aged 50, member of the Party Committee and vice president of the Company. He graduated from Wuhan University of Water Resources and Electric Power, senior engineer. He previously worked at China Energy Power Technology Development Co., Ltd., Longyuan Hubei Wind Power Project Preparation Office, and Longyuan Hunan Wind Power Project Preparation Office. He successively served as the general manager and deputy secretary of the Party Committee of Ningxia Longyuan New Energy Co., Ltd., general manager and deputy secretary of the Party Committee of Longyuan (Beijing) Carbon Asset Management Technology Co., Ltd., director of the Office, director of the Science and Technology and Information Department, and director of the Planning and Development Department (Base Project Office) of China Longyuan Power Group Corporation Limited.

Mr. Chen Qiang has resigned from his position as the vice president of the Company due to changes in his job arrangements, with effect from 17 August 2023.

Details of the aforementioned changes have been disclosed in the announcement on the proposed amendments to the articles of association and appointment of the president and proposed appointment of an executive Director dated 25 April 2023 and the overseas regulatory announcement dated 25 April 2023.

SUBSEQUENT EVENTS

Save for disclosed in this report, there are no material subsequent events after the Reporting Period.

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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 information set out on pages 81 to 147, which comprise the condensed consolidated statement of financial position of China Longyuan Power Group Corporation Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board ("IASB"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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 Standard 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 ("HKICPA"). A review of interim financial information 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 information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong

29 August 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (Expressed in thousands of Renminbi)

		Six months ended 30 June	
		2023	2022
			(Restated)
	Notes	***RMB'000***	*RMB'000*
Revenue	5	**19,846,651**	21,662,351
Other net income	6	**664,838**	612,405
Operating expenses			
Depreciation and amortisation		**(5,285,364)**	(4,967,483)
Coal consumption		**(1,726,852)**	(1,808,290)
Coal sales costs		**(1,468,421)**	(4,123,229)
Service concession construction costs		**–**	(12,615)
Personnel costs		**(2,182,457)**	(1,846,767)
Material costs		**(57,793)**	(101,632)
Repairs and maintenance		**(312,552)**	(354,242)
Administrative expenses		**(331,503)**	(330,503)
Operating expenses		**(524,695)**	(540,827)
Impairment losses on financial assets, net		**(6,303)**	6,863
		(11,895,940)	(14,078,725)
Operating profit		**8,615,549**	8,196,031
Finance income		**215,019**	214,650
Finance expenses		**(1,778,356)**	(1,990,616)
Net finance expenses	7	**(1,563,337)**	(1,775,966)
Share of profits less losses of associates and joint ventures		**(53,303)**	(110,818)
Profit before taxation	8	**6,998,909**	6,309,247
Income tax	9	**(1,164,467)**	(1,168,960)
Profit for the period		**5,834,442**	5,140,287

The notes on pages 91 to 147 are an integral part of this unaudited interim condensed consolidated financial information

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (Expressed in thousands of Renminbi)

	Notes	Six months ended 30 June **2023** ***RMB'000***	 2022 *(Restated)* *RMB'000*
Other comprehensive income			
Other comprehensive income that will not to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax		**12,104**	153,300
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange difference on translation of financial statements of overseas subsidiaries		**(6,652)**	(50,769)
Exchange difference on net investment in foreign operations		**(2,025)**	(2,875)
Other comprehensive income for the period, net of tax	10	**3,427**	99,656
Total comprehensive income for the period		**5,837,869**	5,239,943

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (Expressed in thousands of Renminbi)

		Six months ended 30 June	
		2023	2022
			(Restated)
	Notes	***RMB'000***	*RMB'000*
Profit attributable to:			
Equity holders of the Company			
– Shareholders		**5,026,897**	4,215,731
– Perpetual medium-term notes and renewable corporate bonds holders	24	**97,393**	116,414
Non-controlling interests		**710,152**	808,142
Profit for the period		**5,834,442**	5,140,287
Total comprehensive income attributable to:			
Equity holders of the Company			
– Shareholders		**5,028,282**	4,314,806
– Perpetual medium-term notes and renewable corporate bonds holders	24	**97,393**	116,414
Non-controlling interests		**712,194**	808,723
Total comprehensive income for the period		**5,837,869**	5,239,943
Basic and diluted earnings per share *(RMB cents)*	11	**59.97**	50.52

The notes on pages 91 to 147 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AT 30 JUNE 2023 (Expressed in thousands of Renminbi)

	Notes	30 June 2023 RMB'000	31 December 2022 (Restated) RMB'000
Non-current assets			
Property, plant and equipment	12	**154,272,656**	151,599,930
Investment properties		**6,795**	7,090
Right-of-use assets		**5,335,938**	3,802,118
Intangible assets	13	**6,016,545**	6,287,691
Goodwill		**195,617**	195,617
Investments in associates and joint ventures		**5,825,838**	3,796,677
Other assets	14	**4,220,772**	4,125,972
Deferred tax assets		**539,417**	542,463
Total non-current assets		**176,413,578**	170,357,558
Current assets			
Inventories		**800,991**	749,955
Trade and bills receivables	15	**34,051,897**	27,657,623
Prepayments and other current assets	16	**3,397,233**	3,428,069
Tax recoverable		**89,945**	104,479
Other financial assets	17	**491,786**	448,539
Restricted deposits		**425,468**	2,137,452
Cash at banks and on hand	18	**17,669,477**	18,338,302
Total current assets		**56,926,797**	52,864,419

The notes on pages 91 to 147 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AT 30 JUNE 2023 (Expressed in thousands of Renminbi)

	Notes	**30 June 2023** **RMB'000**	31 December 2022 *(Restated)* *RMB'000*
Current liabilities			
Borrowings	19	**50,299,982**	53,279,235
Trade and bills payables	20	**2,460,612**	2,936,019
Other current liabilities	21	**17,806,408**	17,132,068
Lease liabilities		**260,308**	266,882
Tax payable		**561,607**	412,531
Total current liabilities		**71,388,917**	74,026,735
Net current liabilities		**(14,462,120)**	(21,162,316)
Total assets less current liabilities		**161,951,458**	149,195,242
Non-current liabilities			
Borrowings	19	**73,983,103**	66,359,454
Lease liabilities		**1,279,222**	711,384
Deferred income		**910,700**	965,503
Deferred tax liabilities		**273,250**	259,902
Other non-current liabilities	22	**1,337,024**	1,153,906
Total non-current liabilities		**77,783,299**	69,450,149
NET ASSETS		**84,168,159**	79,745,093

The notes on pages 91 to 147 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AT 30 JUNE 2023 (Expressed in thousands of Renminbi)

	Notes	30 June 2023 RMB'000	31 December 2022 (Restated) RMB'000
CAPITAL AND RESERVES			
Share capital	23	**8,381,963**	8,381,963
Perpetual medium-term notes and renewable corporate bonds	24	**4,957,393**	5,056,400
Reserves		**59,057,852**	55,011,098
Total equity attributable to equity holders of the Company		**72,397,208**	68,449,461
Non-controlling interests		**11,770,951**	11,295,632
TOTAL EQUITY		**84,168,159**	79,745,093

Approved and authorised for issue by the board of directors on 29 August 2023.

Tang Jian
Chairman

Gong Yu Fei
Executive Director

The notes on pages 91 to 147 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (Expressed in thousands of Renminbi)

	Attributable to the equity holders of the Company										
	Share capital *RMB'000* *(Note 23(b)(i))*	Equity attributable to the holders of perpetual medium-term notes and renewable corporate bonds *RMB'000* *(Note 24)*	Capital reserve *RMB'000* *(Note 23(c)(i))*	Statutory surplus reserve *RMB'000* *(Note 23(c)(ii))*	Special reserve *RMB'000*	Exchange reserve *RMB'000* *(Note 23(c)(iii))*	Fair value reserve *RMB'000* *(Note 23(c)(iv))*	Retained earnings *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance as at 31 December 2022 ***(Audited)***	8,381,963	5,056,400	14,958,211	2,822,761	19,667	(416,992)	(51,692)	37,677,310	68,447,628	11,295,641	79,743,269
Effect of amendments to IAS 12 *(Note 3(c))*	-	-	-	-	-	-	-	1,833	1,833	(9)	1,824
Balance as at 1 January 2023 ***(Restated)***	8,381,963	5,056,400	14,958,211	2,822,761	19,667	(416,992)	(51,692)	37,679,143	68,449,461	11,295,632	79,745,093
Changes in equity:											
Profit for the period	-	97,393	-	-	-	-	-	5,026,897	5,124,290	710,152	5,834,442
Other comprehensive income *(Note10)*	-	-	-	-	-	(10,495)	11,880	-	1,385	2,042	3,427
Total comprehensive income	-	97,393	-	-	-	(10,495)	11,880	5,026,897	5,125,675	712,194	5,837,869
Capital contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	30,826	30,826
Dividends to shareholders of the Company	-	-	-	-	-	-	-	(981,528)	(981,528)	-	(981,528)
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(266,762)	(266,762)
Distribution for perpetual medium-term notes and renewable corporate bonds	-	(196,400)	-	-	-	-	-	-	(196,400)	-	(196,400)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	(939)	(939)
Share of other changes of reserves of associates and joint ventures	-	-	2,396	-	-	-	-	(2,396)	-	-	-
Appropriation and utilization of safety funds	-	-	-	-	152,821	-	-	(152,821)	-	-	-
Balance as at 30 June 2023	8,381,963	4,957,393	14,960,607*	2,822,761*	172,488*	(427,487)*	(39,812)*	41,569,295*	72,397,208	11,770,951	84,168,159

* These reserve accounts comprise the consolidated reserves of RMB59,057,852,000 (30 June 2022: RMB54,357,141,000) in the consolidated statement of financial position.

The notes on pages 91 to 147 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (Expressed in thousands of Renminbi)

	Attributable to the equity holders of the Company									
	Share capital *RMB'000* *(Note 23(b)(i))*	Equity attributable to the holders of perpetual medium-term notes and renewable corporate bonds *RMB'000* *(Note 24)*	Capital reserve *RMB'000* *(Note 23(c)(i))*	Statutory surplus reserve *RMB'000* *(Note 23(c)(ii))*	Exchange reserve *RMB'000* *(Note 23(c)(iii))*	Fair value reserve *RMB'000* *(Note 23(c)(iv))*	Retained earnings *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance as at 31 December 2021 ***(Audited)***	8,036,389	6,061,652	17,568,059	2,637,321	(254,319)	(71,692)	34,110,645	68,088,055	9,936,124	78,024,179
Effect of amendments to IAS 12 *(Note 3(c))*	–	–	–	–	–	–	1,373	1,373	114	1,487
Balance as at 1 January 2022 ***(Restated)***	8,036,389	6,061,652	17,568,059	2,637,321	(254,319)	(71,692)	34,112,018	68,089,428	9,936,238	78,025,666
Changes in equity:										
Profit for the period	–	116,414	–	–	–	–	4,215,731	4,332,145	808,142	5,140,287
Other comprehensive income *(Note 10)*	–	–	–	–	(52,244)	151,319	–	99,075	581	99,656
Total comprehensive income	–	116,414	–	–	(52,244)	151,319	4,215,731	4,431,220	808,723	5,239,943
Issue of shares *(Note 23(b))*	345,574	–	3,057,211	–	–	–	–	3,402,785	–	3,402,785
Capital contributions by non-controlling interests	–	–	–	–	–	–	–	–	438,500	438,500
Business combination under common control	–	–	(5,774,114)	–	–	–	–	(5,774,114)	–	(5,774,114)
Transfer of fair value reserve upon the disposal of equity investment of at fair value through other comprehensive income	–	–	–	–	–	(102,577)	102,577	–	–	–
Dividends to shareholders of the Company	–	–	–	–	–	–	(1,232,149)	(1,232,149)	–	(1,232,149)
Dividends paid by subsidiaries to non-controlling interests	–	–	–	–	–	–	–	–	(29,700)	(29,700)
Distribution for perpetual medium-term notes and renewable corporate bonds	–	(235,400)	–	–	–	–	–	(235,400)	–	(235,400)
Balance as at 30 June 2022	8,381,963	5,942,666	14,851,156*	2,637,321*	(306,563)*	(22,950)*	37,198,177*	68,681,770	11,153,761	79,835,531

The notes on pages 91 to 147 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (Expressed in thousands of Renminbi)

		Six months ended 30 June	
		2023	2022
	Notes	***RMB'000***	*RMB'000*
Operating activities			
Cash generated from operations		**8,980,229**	17,034,751
Tax paid		**(982,652)**	(987,867)
Net cash generated from operating activities		**7,997,577**	16,046,884
Investing activities			
Payments for acquisition of property, plant and equipment, land use rights and intangible assets		**(10,832,559)**	(6,494,462)
Payments for acquisition of investments in associates and joint ventures, and equity investments		**(2,161,350)**	(249,453)
Purchase of short-term investments		**(8,000)**	(83,300)
Other cash flows generated from investing activities		**1,822,996**	4,788,784
Net cash used in investing activities		**(11,178,913)**	(2,038,431)
Financing activities			
Proceeds from borrowings		**80,672,813**	89,507,618
Repayment of borrowings		**(76,146,472)**	(85,370,395)
Interest paid for borrowings		**(1,769,175)**	(1,750,654)
Other cash flows used in from financing activities		**(227,069)**	(5,501,980)
Net cash from/(used) in financing activities		**2,530,097**	(3,115,411)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (Expressed in thousands of Renminbi)

		Six months ended 30 June	
		2023	2022
	Notes	***RMB'000***	*RMB'000*
Net (decrease)/increase in cash and cash equivalents		**(651,239)**	10,893,042
Cash and cash equivalents at 1 January	18	**18,338,302**	3,913,121
Effect of foreign exchange rate changes		**(17,586)**	19,486
Cash and cash equivalents at 30 June	18	**17,669,477**	14,825,649

The notes on pages 91 to 147 are an integral part of this unaudited interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in thousands of Renminbi)

1 PRINCIPAL ACTIVITIES

China Longyuan Power Group Corporation Limited (the "Company") and its subsidiaries (the "Group") are principally engaged in wind and coal power generation and sale, coal trading and other related businesses in the People's Republic of China (the "PRC"). The registered office address of the Company is Room 2006, 20th Floor, Block C, 6 Fuchengmen North Street, Xicheng District, Beijing, PRC.

The Company's parent and ultimate holding company is China Energy Investment Group Co., Ltd. ("CHN Energy"), a company with registered address and main business places in the PRC, controlled by the State-owned Assets Supervision and Administration Commission.

2 BASIS OF PREPARATION OF THE FINANCIAL REPORT

The interim condensed consolidated financial information for the six month ended 30 June 2023 has been prepared in accordance with the applicable disclosure requirement of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). This interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022. This interim financial information was approved by the board of the directors of the Company for issuance on 29 August 2023.

The interim financial information has been prepared assuming the Group will continue as a going concern notwithstanding the fact that the Group had net current liabilities as at 30 June 2023 amounting to RMB14,462,120,000 (31 December 2022: RMB21,162,316,000). The directors of the Company are of the opinion that, based on a review of the forecasted cash flows of the Group, the unutilised banking facilities and the unutilised credit lines with banks as at 30 June 2023, the Group will have necessary liquid funds to finance its working capital and capital expenditure requirements within the next twelve months.

The accounting policies adopted in the preparation of the interim financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the revised International Financial Reporting Standards ("IFRSs") effective as of 1 January 2023. Details of any changes in accounting policies are set out in Note 3.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following revised IFRSs for the first time for the current period's financial information.

Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and impact of the revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022, with any cumulative effect recognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 January 2022, if any.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1 January 2022. The quantitative impact on the financial information is summarised below.

(Expressed in thousands of Renminbi)

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(c) (Continued)

Impact on the interim condensed consolidated statement of financial position:

		Increase/(decrease)		
	Note	**As at 30 June 2023** ***RMB'000***	As at 31 December 2022 *RMB'000*	As at 1 January 2022 *RMB'000*
Assets				
Deferred tax assets	(i)	**5,375**	2,636	2,412
Total non-current assets		**5,375**	2,636	2,412
Total assets		**5,375**	2,636	2,412
Liabilities				
Deferred tax liabilities	(i)	**2,716**	812	925
Total non-current liabilities		**2,716**	812	925
Total liabilities		**2,716**	812	925
Net assets		**2,659**	1,824	1,487
Equity				
Retained profits (included in reserves)		**2,638**	1,833	1,373
Equity attributable to owners of the parent		**2,638**	1,833	1,373
Non-controlling interests		**21**	(9)	114
Total equity		**2,659**	1,824	1,487

Note:

(i) The deferred tax asset and the deferred tax liability arising from lease contracts of the same subsidiary have been offset in the statement of financial position for presentation purposes.

(Expressed in thousands of Renminbi)

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(c) (Continued)

Impact on the interim condensed consolidated statement of profit or loss:

	Increase/(decrease)	
	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Income tax credit from continuing operations	**835**	–
Income tax expense from continuing operations	**–**	661
Profit/(loss) for the period from continuing operations	**835**	(661)
Profit/(loss) for the period	**835**	(661)
Attributable to:		
Owners of the parent	**805**	(620)
Non-controlling interests	**30**	(41)
	835	(661)
Total comprehensive income/(loss) for the period	**835**	(661)
Attributable to:		
Owners of the parent	**805**	(620)
Non-controlling interests	**30**	(41)
	835	(661)

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(c) (Continued)

The adoption of amendments to IAS 12 did not have significant impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, and have no impact on other comprehensive income and the interim condensed consolidated statements of cash flows for the six months ended 30 June 2023 and 2022.

(d) Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. After assessment, the amendments did not have any impact to the Group.

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 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.

– PV power: this segment constructs, manages and operates photovoltaic power plants and generates electric power for sale to external power grid companies.

PV Power segment has been separately disclosed along with the Group's development in PV power business. The operating segment disclosures in the comparative period have been restated accordingly.

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

4 SEGMENT REPORTING (CONTINUED)

(a) Segment results

In accordance with IFRS 8, segment information disclosed in the interim financial statements have 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 attributable to each reportable segment on the following bases:

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 joint ventures, net finance expenses, service concession construction revenue and cost and unallocated head office and corporate expenses.

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 2023 and 2022 is set out below:

(Expressed in thousands of Renminbi)

4 SEGMENT REPORTING (CONTINUED)

(a) Segment results (Continued)

For the six months ended 30 June 2023

	Wind power *RMB'000*	Coal power *RMB'000*	PV power *RMB'000*	All others *RMB'000*	Total *RMB'000*
Revenue from external customers					
– Sales of electricity	15,208,729	1,900,503	460,317	6,876	17,576,425
– Others	5,865	2,202,915	488	60,958	2,270,226
Subtotal	15,214,594	4,103,418	460,805	67,834	19,846,651
Inter-segment revenue	–	–	–	191,618	191,618
Reportable segment revenue	15,214,594	4,103,418	460,805	259,452	20,038,269
Reportable segment profit (operating profit)	8,337,331	208,421	231,106	7,712	8,784,570
Depreciation and amortisation before inter-segment elimination	(4,978,793)	(158,614)	(162,556)	(18,764)	(5,318,727)
(Provision)/reversal of trade and other receivables	(6,973)	–	–	670	(6,303)
Interest income	39,653	1,911	1,309	121,949	164,822
Interest expenses	(1,407,102)	(31,527)	(79,230)	(131,726)	(1,649,585)
Expenditures for reportable segment non-current assets during the period	3,671,507	147,118	5,382,325	84,710	9,285,660

(Expressed in thousands of Renminbi)

4 SEGMENT REPORTING (CONTINUED)

(a) Segment results (Continued)

For the six months ended 30 June 2022

	Wind power *RMB'000*	Coal power *RMB'000*	PV power *RMB'000*	All others *RMB'000*	Total *RMB'000*
Revenue from external customers					
– Sales of electricity	14,278,323	2,039,837	312,457	40,071	16,670,688
– Others	15,254	4,906,986	–	56,808	4,979,048
Subtotal	14,293,577	6,946,823	312,457	96,879	21,649,736
Inter-segment revenue	–	–	–	97,471	97,471
Reportable segment revenue	14,293,577	6,946,823	312,457	194,350	21,747,207
Reportable segment profit (operating profit)	7,973,374	307,573	140,614	(78,530)	8,343,031
Depreciation and amortisation before inter-segment elimination	(4,700,639)	(148,292)	(124,768)	(14,856)	(4,988,555)
Reversal of provision of trade and other receivables	1,800	–	–	5,063	6,863
Impairment loss on property, plant and equipment	(56,646)	–	–	–	(56,646)
Interest income	26,517	4,648	604	40,801	72,570
Interest expenses	(1,679,378)	(26,105)	(58,664)	(68,681)	(1,832,828)
Expenditures for reportable segment non-current assets during the period	5,461,898	193,218	903,933	44,492	6,603,541

(Expressed in thousands of Renminbi)

4 SEGMENT REPORTING (CONTINUED)

(b) Reconciliations of reportable segment revenue and profit or loss

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**20,038,269**	21,747,207
Service concession construction revenue	**–**	12,615
Elimination of inter-segment revenue	**(191,618)**	(97,471)
Consolidated revenue	**19,846,651**	21,662,351
Profit		
Reportable segment profit	**8,784,570**	8,343,031
Elimination of inter-segment profit	**(47,993)**	(16,596)
	8,736,577	8,326,435
Share of profits less losses of associates and joint ventures	**(53,303)**	(110,818)
Net finance expenses	**(1,563,337)**	(1,775,966)
Unallocated head office and corporate expenses	**(121,028)**	(130,404)
Consolidated profit before taxation	**6,998,909**	6,309,247

4 SEGMENT REPORTING (CONTINUED)

(c) Geographical information

As the Group does not have material operations outside the People's Republic of China ("PRC"), no geographic segment reporting is presented.

(d) Seasonality of operations

The Group's wind power business generally generates more revenue in the first and fourth quarters, comparing to the second and third quarters in the year, as the wind speed is more beneficial to power generation in spring and winter. As a result, the revenue from the wind power business fluctuates during the year.

(Expressed in thousands of Renminbi)

5 REVENUE

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

For the six months ended 30 June 2023

	Wind power *RMB'000*	Coal power *RMB'000*	PV power *RMB'000*	All others *RMB'000*	Total *RMB'000*
Types of goods and services					
Sales of electricity	15,208,729	1,900,503	460,317	6,876	17,576,425
Sales of steam	–	442,199	–	–	442,199
Sales of coal	–	1,506,651	–	–	1,506,651
Others	5,865	254,065	488	60,958	321,376
	15,214,594	4,103,418	460,805	67,834	19,846,651
Geographic markets					
Mainland China	14,871,621	4,103,418	460,805	67,834	19,503,678
Canada	102,218	–	–	–	102,218
South Africa	179,533	–	–	–	179,533
Ukraine	61,222	–	–	–	61,222
	15,214,594	4,103,418	460,805	67,834	19,846,651
Timing of revenue recognition					
Goods transferred at a point of time	15,208,729	4,005,369	460,805	6,876	19,681,779
Services transferred over time	5,865	98,049	–	60,958	164,872
	15,214,594	4,103,418	460,805	67,834	19,846,651

(Expressed in thousands of Renminbi)

5 REVENUE (CONTINUED)

For the six months ended 30 June 2022

	Wind power *RMB'000*	Coal power *RMB'000*	PV power *RMB'000*	All others *RMB'000*	Total *RMB'000*
Types of goods and services					
Sales of electricity	14,278,323	2,039,837	312,457	40,071	16,670,688
Sales of steam	–	422,566	–	–	422,566
Service concession construction revenue	12,615	–	–	–	12,615
Sales of coal	–	4,236,704	–	–	4,236,704
Others	15,254	247,716	–	56,808	319,778
	14,306,192	6,946,823	312,457	96,879	21,662,351
Geographic markets					
Mainland China	13,971,262	6,946,823	312,457	96,879	21,327,421
Canada	117,110	–	–	–	117,110
South Africa	141,283	–	–	–	141,283
Ukraine	76,537	–	–	–	76,537
	14,306,192	6,946,823	312,457	96,879	21,662,351
Timing of revenue recognition					
Goods transferred at a point of time	14,278,323	6,783,286	312,457	40,071	21,414,137
Services transferred over time	27,869	163,537	–	56,808	248,214
	14,306,192	6,946,823	312,457	96,879	21,662,351

(Expressed in thousands of Renminbi)

6 OTHER NET INCOME

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Government grants	**608,498**	569,664
Rental income from investment properties	**4,985**	3,151
Gains on disposal of property, plant and equipment	**638**	2,504
Others	**50,717**	37,086
	664,838	612,405

(Expressed in thousands of Renminbi)

7 FINANCE INCOME AND EXPENSES

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Interest income on financial assets	**164,822**	72,570
Dividend income	**2,988**	5,050
Net unrealised profits on trading securities and derivative financial instruments	**47,069**	100,384
Foreign exchange gains	**140**	36,646
Finance income	**215,019**	214,650
Less:		
Interest on banks and other borrowings	**1,813,098**	1,920,949
Interest on lease liabilities	**27,993**	24,017
Interest expenses capitalised into property, plant and equipment and right-of-use assets	**(191,506)**	(112,138)
	1,649,585	1,832,828
Foreign exchange losses	**106,192**	40,236
Net unrealised losses on trading securities	**–**	74,913
Bank charges and others	**22,579**	42,639
Finance expenses	**1,778,356**	1,990,616
Net finance expenses recognised in profit or loss	**(1,563,337)**	(1,775,966)

The borrowing costs have been capitalised at rates of 1.10% to 4.83% per annum for the period ended 30 June 2023 (six months ended 30 June 2022: 3.00% to 4.83%).

(Expressed in thousands of Renminbi)

8 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Amortisation		
– intangible assets	**297,202**	256,434
Depreciation		
– investment properties	**295**	295
– property, plant and equipment	**4,918,822**	4,623,920
– right-of-use assets	**69,045**	86,834
Provision/(reversal) of impairment losses		
– property, plant and equipment	**–**	56,646
– trade and other receivables	**6,303**	(6,863)
Cost of inventories	**3,253,066**	6,033,151

(Expressed in thousands of Renminbi)

9 INCOME TAX

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

	Six months ended 30 June	
	2023	2022
		(Restated)
	RMB'000	*RMB'000*
Current tax		
Provision for the period	**1,132,099**	1,038,587
Underprovision in respect of prior years	**14,162**	21,244
	1,146,261	1,059,831
Deferred tax		
Origination and reversal of temporary differences	**18,206**	109,129
	1,164,467	1,168,960

(Expressed in thousands of Renminbi)

9 INCOME TAX (CONTINUED)

(b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

	Six months ended 30 June	
	2023	2022
		(Restated)
	RMB'000	*RMB'000*
Profit before taxation	**6,998,909**	6,309,247
Notional tax on profit before taxation	**1,749,727**	1,577,312
Tax effect of non-deductible expenses	**12,046**	8,815
Tax effect of share of profits less losses of associates and joint ventures	**13,326**	27,705
Effect of differential tax rates of certain subsidiaries of the Group *(Note (i))*	**(651,652)**	(684,388)
Use of unrecognised tax losses in prior years	**(40,037)**	(58,981)
Tax effect of unused tax losses and timing differences not recognised	**66,895**	202,595
Underprovision in respect of prior years	**14,162**	21,244
Others	**–**	74,658
Income tax	**1,164,467**	1,168,960

9 INCOME TAX (CONTINUED)

(b) Reconciliation between tax expenses and accounting profit at applicable tax rates: (Continued)

Note:

(i) The provision for income tax of the PRC subsidiaries of the Group is calculated based on the statutory rate of 25% of the assessable profits of the Group as determined in accordance with the relevant PRC income tax rules and regulations for the six months ended 30 June 2023 and the six months ended 30 June 2022, except for certain subsidiaries of the Group, which are taxed at preferential rates of 0% to 15% according to the relevant tax authorities' approvals.

Pursuant to CaiShui [2008] No. 46 Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment, certain subsidiaries of the Group, which are set up after 1 January 2008 and are engaged in public infrastructure projects, are each entitled to a tax holiday of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective first operating income generating year.

According to the Announcement on Continuation of Enterprise Income Tax in West Development published by the Ministry of Finance of the People's Republic of China (the "Ministry of Finance"), the State Taxation Administration and the National Development and Reform Commission (the "NDRC") on 23 April 2020, the subsidiaries established in the Western Region of the PRC are authorised to be taxed at a preferential income tax rate of 15% till 31 December 2030.

9 INCOME TAX (CONTINUED)

(b) Reconciliation between tax expenses and accounting profit at applicable tax rates: (Continued)

Note: (Continued)

(i) (Continued)

Hero Asia Investment Limited, a subsidiary of the Group incorporated in Hong Kong, is subject to Hong Kong income tax at 16.5%. Pursuant to the rules and regulations of the British Virgin Islands ("BVI"), Hero Asia (BVI) Company Limited, a subsidiary of the Group, is not subject to any income tax in the BVI.

Hero Asia Investment Limited and Hero Asia (BVI) Company Limited, being overseas enterprises controlled by a PRC enterprise, are considered as the PRC tax residents in accordance with GuoShuiFa [2009] No. 82. Accordingly, they are subject to the PRC income tax at 25%, and dividends receivable by these two companies are exempted from the PRC dividend withholding tax.

Longyuan Canada Renewables Ltd., a subsidiary of the Group in Canada, is subject to income tax at a rate of 26.5%. Longyuan South Africa Renewables Proprietary Ltd., a subsidiary of the Group in South Africa, is subject to income tax at a rate of 27%. Ukraine Yuzhne Energy Co.,Ltd., a subsidiary of the Group in Ukraine, is subject to income tax at a rate of 18%.

(Expressed in thousands of Renminbi)

10 OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Other comprehensive income that will not to be reclassified to profit or loss in subsequent periods		
Net profit on equity investments in unlisted companies at fair value through other comprehensive income ("FVOCI"):		
Changes in fair value recognised during the period		
Before tax amount	**14,194**	168,897
Tax expense	**(2,746)**	(16,783)
Net of tax amount	**11,448**	152,114
Net profit on equity investments in listed companies at FVOCI:		
Changes in fair value recognised during the period		
Before tax amount	**875**	1,582
Tax expense	**(219)**	(396)
Net of tax amount	**656**	1,186
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods		
Exchange difference on translation of financial statements of overseas subsidiaries:		
Net of tax amount	**(6,652)**	(50,769)
Exchange difference on net investment in foreign operations:		
Net of tax amount	**(2,025)**	(2,875)
Other comprehensive income	**3,427**	99,656

(Expressed in thousands of Renminbi)

11 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders of the Company for the six months ended 30 June 2023 of RMB5,026,897,000 (six months ended 30 June 2022: RMB4,215,731,000) and the weighted average number of shares in issue during the six months ended 30 June 2023 of 8,381,963,000 (six months ended 30 June 2022: 8,345,486,000 shares).

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

	For the six months ended 30 June	
	2023	2022
		(Restated)
	RMB'000	*RMB'000*
Consolidated net profit attributable to equity holders of the Company	**5,124,290**	4,332,145
Less: Cumulative distribution of perpetual medium-term notes and renewable corporate bonds holders	**97,393**	116,414
Consolidated net profit attributable to ordinary shareholders of the Company	**5,026,897**	4,215,731
Weighted average number of the Company's outstanding ordinary shares *('000)*	**8,381,963**	8,345,486
Basic and diluted earnings per share *(RMB cents)*	**59.97**	50.52

12 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired items of property, plant and equipment of RMB8,100,810,000 (six months ended 30 June 2022: RMB6,410,451,000). Items of property, plant and equipment with a net book value of RMB1,342,000 were disposed of during the six months ended 30 June 2023 (six months ended 30 June 2022: RMB6,565,000), resulting in a loss on disposal of RMB482,000 (six months ended 30 June 2022: RMB934,000). The Group has no impairment loss (six months ended 30 June 2022: RMB56,646,000).

13 INTANGIBLE ASSETS

Intangible assets mainly represent service concession assets of RMB5,552,693,000 (31 December 2022: RMB5,821,786,000), software and others of RMB463,852,000 (31 December 2022: RMB465,905,000).

During the six months ended 30 June 2023, the additions to intangible assets mainly represent service concession assets of RMB17,574,000 (six months ended 30 June 2022: RMB12,615,000).

(Expressed in thousands of Renminbi)

14 OTHER ASSETS

	30 June 2023 **RMB'000**	31 December 2022 *RMB'000*
Listed equity investments designated at FVOCI *(Note (i))*	**46,192**	45,317
Unlisted equity investments designated at FVOCI *(Note (ii))*	**180,509**	166,315
Financial assets at fair value through profit or loss *(Note (iii))*	**50,000**	50,000
Loans and advances to:		
– Non-controlling interests *(Note (iv))*	**44,270**	48,597
Others	**63,397**	71,431
Subtotal	**384,368**	381,660
Deductible value-added tax ("VAT") *(Note (v))*	**3,836,404**	3,744,312
	4,220,772	4,125,972

Notes:

(i) The listed equity investments designated at FVOCI are equity investments in companies established in the PRC and listed in Shanghai Stock Exchange Market and Shenzhen Stock Exchange Market.

(ii) The unlisted equity investments designated at FVOCI are equity investments in limited liability companies established in the PRC and the Group's management has assessed and classified these equity investments into equity investments through other comprehensive income and measured at fair value (can not be reclassified to profit or loss in subsequent periods).

(Expressed in thousands of Renminbi)

14 OTHER ASSETS (CONTINUED)

Notes: (Continued)

(iii) Jiangyin Sulong Heat and Power Generating Co., Ltd. ("Jiangyin Sulong") invested in Jiangyin New Guolian Equity Investment Fund (Limited partnership) ("Jiangyin Guolian Investment Fund") in January, 2022, with an operating period of 10 years. As a limited partner, Jiangyin Sulong has no significant impact on the operation of Jiangyin Guolian Investment Fund, and the company classifies it as a financial asset measured at fair value through profit or loss.

(iv) The loans to non-controlling interests are unsecured, not past due as at the end of the reporting period, and bear interest at the rate of 11.28% per annum for the period ended 30 June 2023 (31 December 2022: 9.82%).

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

15 TRADE AND BILLS RECEIVABLES

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Amounts due from third parties	**34,248,750**	27,821,207
Amounts due from fellow subsidiaries	**84,549**	76,171
Amounts due from associates	**16,638**	50,970
	34,349,937	27,948,348
Less: Allowance for doubtful debts	**(298,040)**	(290,725)
	34,051,897	27,657,623
Analysed into:		
Trade receivables	**33,893,458**	27,293,803
Bills receivable	**158,439**	363,820
	34,051,897	27,657,623

(Expressed in thousands of Renminbi)

15 TRADE AND BILLS RECEIVABLES (CONTINUED)

The ageing analysis of trade and bills receivables of the Group, based on the invoice date and net of loss allowance, is as follows:

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Within 1 year or no invoice date specified	**34,010,483**	27,635,236
Between 1 and 2 years	**23,110**	12,192
Between 2 and 3 years	**8,879**	3,303
Over 3 years	**9,425**	6,892
	34,051,897	27,657,623

The Group's trade and bills receivables are mainly wind power, coal power and other renewable energy electricity sales receivables from local grid companies. Generally, the receivables are due within 15 to 30 days from the date of billing, except for the tariff premium. The collection of such tariff premium is subject to the allocation of funds by relevant government authorities to local grid companies, which consequently takes a relatively long time for settlement.

Pursuant to Caijian [2020] No. 4 *Notice on Promoting the Healthy Development of Non-aqueous Renewable Energy Power Generation* (關於促進非水可再生能源發電健康發展的若干意見) and Caijian [2020] No. 5 Notice on the Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法) jointly issued by the Ministry of Finance, the NDRC of the PRC and the National Energy Administration in January 2020, a set of new standardised procedures for the settlement of the aforementioned renewable energy tariff premium have came into force since January 2020 and approvals on a project-by-project basis are required before the allocation of funds to local grid companies. Caijian [2012] No. 102 *Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy* (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance in March 2012 was repealed at the same time.

15 TRADE AND BILLS RECEIVABLES (CONTINUED)

As at 30 June 2023, most of the Group's related projects have been approved for the tariff premium of renewable energy and certain projects are in the process of applying for the approval. The Board are of the opinion that the approvals will be obtained in due course. The tariff premium receivables are settled in accordance with the prevailing government policies and prevalent payment trends of the Ministry of Finance. There is no due date for settlement. The trade receivables from the tariff premium are fully recoverable, considering that there were no bad debt experiences with the grid companies in the past and such tariff premium is funded by the PRC government.

Except for the trade and bills receivable mentioned above, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if the Group is satisfied that the recovery of the amount is remote.

The Group has applied the simplified approach to measure the provision for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected credit loss provision for all trade receivables. To measure the expected credit loss of trade receivables excluding tariff premium receivables, trade receivables have been grouped based on shared credit risk characteristics and the ageing.

(Expressed in thousands of Renminbi)

16 PREPAYMENTS AND OTHER CURRENT ASSETS

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Loans and advances to		
– Associates and joint ventures	**39,803**	44,803
– Third parties	**35,216**	35,216
– Non-controlling interests *(Note 14(iv))*	**3,287**	2,261
Government grant receivables	**204,099**	186,773
Dividend receivable from		
– Associates	**28,693**	57,544
Deductible VAT	**1,894,701**	1,925,856
Receivable deposits for aborted planned acquisitions	**209,750**	251,750
Prepayments and others	**1,037,242**	979,434
	3,452,791	3,483,637
Less: Allowance for doubtful debts	**(55,558)**	(55,568)
	3,397,233	3,428,069

(Expressed in thousands of Renminbi)

17 OTHER FINANCIAL ASSETS

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Financial assets at fair value through profit or loss		
– Listed equity securities on the Hong Kong Stock Exchange	**241,786**	206,539
– Financial products *(Note (i))*	**250,000**	242,000
	491,786	448,539

Note:

(i) Financial assets at fair value through profit or loss represented financial products issued by financial institutions with guaranteed principal and variable return. The expected annual rates of return is 1.25% to 2.75% (31 December 2022: 1.30% to 2.75%).

18 CASH AT BANKS AND ON HAND

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Cash on hand	**1**	3
Cash at banks and other financial institutions	**17,669,476**	18,338,299
	17,669,477	18,338,302
Including:		
– Cash and cash equivalents	**17,669,477**	18,338,302
	17,669,477	18,338,302

(Expressed in thousands of Renminbi)

19 BORROWINGS

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

	30 June 2023 **RMB'000**	31 December 2022 RMB'000
Bank loans		
– Secured *(Note (i))*	**11,636,761**	7,593,831
– Unsecured *(Note (ii))*	**56,049,490**	51,435,067
Loans form a third party		
– Secured *(Note (iii))*	**556,000**	–
Loans from fellow subsidiaries		
– Unsecured *(Note (ii))*	**9,698,804**	9,026,190
Loans from an associated company		
– Secured *(Note (i))*	**347,000**	100,000
Other borrowings *(Note 19(c)(i))*		
– Secured *(Note (i))*	**697,453**	688,659
– Unsecured *(Note (ii))*	**12,469,840**	17,389,522
	91,455,348	86,233,269
Less: Current portion of long-term borrowings *(Note 19(b))*		
– Bank loans	**15,051,484**	12,612,906
– Loans from an associated company	**182,333**	100,000
– Other borrowings	**2,238,428**	7,160,909
	73,983,103	66,359,454

19 BORROWINGS (CONTINUED)

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

Notes:

(i) Certain secured borrowings of the subsidiaries of the Group were secured by property, plant and equipment with net carrying amount of RMB3,632,744,823 (31 December 2022: RMB3,846,970,373), inventories with net carrying amount of RMB3,721,695 (31 December 2022: RMB3,494,807) and trade debtors' beneficial rights arising from future electricity sales.

(ii) As at 30 June 2023, the Group's borrowings guaranteed by CHN Energy amounted to RMB109,662,554 (31 December 2022: RMB124,027,000).

(iii) On April 24, 2023, Hainan Guoneng Longyuan New Energy Co., LTD., a subsidiary of the Company, signed a financial lease agreement with Hainan Branch of State Grid International Financial Leasing Co., LTD., for the financial lease of RMB556,000,000 wind power equipment at an annual interest rate of 3.62%.

(Expressed in thousands of Renminbi)

19 BORROWINGS (CONTINUED)

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

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Bank loans		
– Secured *(Note (i))*	**20,618**	27,698
– Unsecured	**10,875,119**	9,668,722
Loans from fellow subsidiaries		
– Unsecured	**11,932,000**	8,809,000
Other borrowings		
– Unsecured *(Note 19(c)(ii))*	**10,000,000**	14,900,000
	32,827,737	33,405,420
Current portion of long-term borrowings *(Note 19(a))*		
– Bank loans	**15,051,484**	12,612,906
– Loans from an associated company	**182,333**	100,000
– Other borrowings	**2,238,428**	7,160,909
	50,299,982	53,279,235

Notes:

(i) Certain secured borrowings from the subsidiaries of the Group were secured by trade debtors' beneficial rights arising from future electricity sales.

(Expressed in thousands of Renminbi)

19 BORROWINGS (CONTINUED)

(c) Significant terms of other borrowings

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Long-term *(Note (i))*		
Current portion of long-term other borrowings	**2,238,428**	7,160,909
Non-current portion of long-term other borrowings	**10,928,865**	10,917,272
Short-term		
Short-term financing bonds *(Note (ii))*	**10,000,000**	14,900,000

Notes:

(i) On 22 October 2015, a subsidiary of the Company, Longyuan Canada Renewables Limited, issued an eighteen-year corporate bond of CAD200 million at par with a coupon rate of 4.32% per annum. The effective interest rate is 4.57%. As at 30 June 2023, CAD71,091,000 of the corporate bond was repaid.

On 23 April 2018, the Company issued a seven-year unsecured corporate bond of RMB3,000 million at par with a coupon rate of 4.83% per annum. The effective interest rate is 4.89%.The Company repaid the unsecured corporate bond of RMB3,000 million this year.

On 27 April 2020, the Company issued a three-year medium-term note of RMB2,000 million at par with a coupon rate of 2.38% per annum. The effective interest rate is 2.50%.The Company repaid the unsecured corporate bond of RMB2,000 million this year.

On 18 November 2020, a subsidiary of the Company, Hero Asia Investment Limited, issued a three-year unsecured corporate bond of USD300 million at par with a coupon rate of 1.50% per annum. The effective interest rate is 1.80%.

On 14 July 2021, the Company issued a three-year medium-term note of RMB1,000 million at par with a coupon rate of 3.20%. The effective interest rate is 3.30%.

19 BORROWINGS (CONTINUED)

(c) Significant terms of other borrowings (Continued)

Notes: (Continued)

(i) (Continued)

On 2 August 2021, the Company issued a three-year medium-term note of RMB791 million at par with a coupon rate of 3.05%. The effective interest rate is 3.15%.

On 18 August 2021, the Company issued a three-year medium-term note of RMB2,000 million at par with a coupon rate of 3.05%. The effective interest rate is 3.10%.

On 1 December 2021, the Company issued a three-year corporate bond of RMB2,990 million at par with a coupon rate of 2.70% per annum. The effective interest rate is 2.80%.

On 11 January 2022, the Company issued an three-year corporate bond of RMB2,000 million at par with a coupon rate of 2.93% per annum. The effective interest rate is 2.99%.

On 11 May 2022, the Company issued an three-year corporate bond of RMB1,500 million at par with a coupon rate of 2.65% per annum. The effective interest rate is 2.70%.

(ii) Short-term financing bonds represented a series of unsecured corporate bonds with the coupon rates from 1.94% to 2.12% issued in 2023. The effective interest rates of these bonds are from 1.94% to 2.13%.

(Expressed in thousands of Renminbi)

20 TRADE AND BILLS PAYABLES

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Bills payable	**1,388,485**	1,668,779
Trade payables	**983,746**	1,129,242
Amounts due to associates	**16,647**	20,851
Amounts due to fellow subsidiaries	**71,734**	117,147
	2,460,612	2,936,019

The ageing analysis of trade and bills payables by invoice date is as follows:

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Within 1 year	**2,352,618**	2,768,032
Between 1 and 2 years	**63,367**	107,349
Between 2 and 3 years	**23,216**	31,254
Over 3 years	**21,411**	29,384
	2,460,612	2,936,019

As at 30 June 2023 and 31 December 2022, all trade and bills payables are payable and expected to be settled within one year.

(Expressed in thousands of Renminbi)

21 OTHER CURRENT LIABILITIES

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Payables for acquisition of property, plant and equipment	**8,044,545**	8,669,092
Payables for staff-related costs	**933,230**	197,620
Payables for other taxes	**423,156**	482,169
Dividends payable	**2,008,849**	732,939
– CHN Energy	**741,311**	202,367
– Fellow subsidiaries	**135,743**	126,557
– Non-controlling interests of subsidiaries	**528,663**	404,015
– Third parties	**603,132**	-
Amounts due to associates and joint ventures *(Note (i))*	**1,031,985**	1,322,454
Amounts due to fellow subsidiaries *(Note (i))*	**351,914**	286,844
Amounts due to CHN Energy *(Note (i))*	**39,501**	39,501
Payables for acquisition of a subsidiary	**85,793**	85,793
Other accruals and payables	**4,681,279**	5,112,137
Derivative financial instruments		
– interest rate swap contracts *(Note (ii))*	**1,872**	23,265
Contract liabilities	**204,284**	180,254
– Associates and joint ventures	**27,682**	10,182
– Fellow subsidiaries	**1,555**	1,529
– Third parties	**175,047**	168,543
	17,806,408	17,132,068

Notes:

(i) Amounts due to CHN Energy, fellow subsidiaries, associates and joint ventures are unsecured, interest-free and have no fixed terms of repayment.

(ii) In 2015, Longyuan Mulilo De Aar Wind Power (RF) Proprietary Limited and Longyuan Mulilo De Aar 2 North (RF) Proprietary Limited, two subsidiaries of the Group, entered into interest rate swap contracts to mitigate the interest rate risks. The interest rate swap contracts were recognised at fair value as at 30 June 2023 and 31 December 2022.

(iii) Except for derivative financial instruments,all other payables are measured at amortised cost and expected to be settled within one year or are repayable on demand.

(Expressed in thousands of Renminbi)

22 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities mainly represent long-term quality guarantee payables for the purchase of wind turbines and payables for engineering equipments, among which RMB200,248,000 (31 December 2022: RMB123,421,000) is due to associates of the Group, and RMB26,228,000 (31 December 2022: RMB28,928,000) is due to fellow subsidiaries.

23 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

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

The directors did not recommend the payment of any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

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

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Final dividend in respect of the financial year ended 31 December 2022, approved during the following interim period, of RMB0.1171 per share (2021: RMB0.1470 per share)	**981,528**	1,232,149

Dividends in respect of the financial year ended 31 December 2022 have been fully paid on 14 August 2023.

(Expressed in thousands of Renminbi)

23 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Share capital

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Issued and fully paid:		
Domestic state-owned ordinary shares of RMB1.00 each *(Note (i))*	**5,041,934**	5,041,934
H shares of RMB1.00 each	**3,340,029**	3,340,029
	8,381,963	8,381,963

Notes:

(i) On 21 January 2022, the Company merged with Inner Mongolia Pingzhuang Energy Co., Ltd. ("Pingzhuang Energy") successfully by a share swap and was listed on the Main Board of Shenzhen Stock Exchange ("SZSE") with the total issuance of 345,574,164 shares (SZSE: 001289) on 24 January 2022. Each share of Pingzhuang Energy A-shares held by the shareholders of Pingzhuang Energy can be converted into 0.3407 shares of A-shares issued by the Company (the "Merger"). Upon the completion of the Merger on 21 January 2022, the total number of shares of the Company was 8,381,963,164 including A shares of 5,041,934,164 and H shares of 3,340,029,000.

According to the arrangement of the Merger, the Company, as the surviving company, has inherited and took over all the assets and liabilities of Pingzhuang Energy (excluding the assets to be disposed of by Pingzhuang Energy before the Merger). The Merger was accounted for as assets acquisition.

23 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Nature and purpose of reserves

(i) Capital reserve

The capital reserve includes share premium and other capital reserve.

Share premium represents the difference between the total amount of the par value of the shares issued and the amount of the net proceeds received from the Initial Public Offering ("IPO") in December 2009 and the placing of new H shares in December 2012.

The 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 CHN Energy 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, and the capital reserve as a result of merger with Pingzhuang Energy by a share swap, and the capital reserve as a result of the acquisition of business and business combinations under common control.

(ii) Statutory surplus reserve

According to the Company's articles 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 the distribution of a dividend to equity holders. 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.

23 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Nature and purpose of reserves (Continued)

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations that have functional currencies other than the RMB and the foreign exchange differences 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 equity investments at fair value through other comprehensive income (income tax exclusive) held at the end of the reporting period.

24 PERPETUAL MEDIUM-TERM NOTES AND RENEWABLE CORPORATE BONDS

On 28 August 2020, the Company issued the green renewable corporate bonds of the first tranche for the year of 2020 with the proceeds of RMB2 billion which were recorded as equity. The green renewable corporate bonds are fixed interest rate bonds with a term of three plus N years and the coupon rate is 4.10%. The interest of the green renewable corporate bonds are recorded as distributions, which are paid annually in arrears in August in each year and may be deferred at the discretion of the Company unless compulsory distribution payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) have occurred. The green renewable corporate bonds have no fixed maturity date and are callable at the Company's discretion in whole in August 2023, or the payment may be deferred for each renewal period to 3 years. The applicable distribution rate will be reset, on the first call date and every three years after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum.

24 PERPETUAL MEDIUM-TERM NOTES AND RENEWABLE CORPORATE BONDS (CONTINUED)

On 16 September 2020, the Company issued a perpetual medium-term notes with the proceeds of RMB1 billion which were recorded as equity. The perpetual medium-term note are fixed interest rate notes with a term of three plus N years and the coupon rate is 4.50%. The interests are recorded as distributions, which are paid annually in arrears in September in each year and may be deferred at the discretion of the Company unless compulsory distribution payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) have occurred. The medium-term notes have no fixed maturity date and are callable at the Company's discretion in whole in September 2023 and each distribution date after the third year of issuance,or the payment may be deferred at each distribution date aforementioned. The applicable distribution rate will be reset on the first call date and every three years after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum.

On 30 August 2021, the Company issued a perpetual medium-term note for the year of 2021 which was recorded as equity. The bonds are fixed interest rate notes with a term of three plus N years. The issuance size is RMB2 billion and the coupon rate is 3.47%. The interest of the medium-term note is recorded as distributions, which are paid annually in arrears in August in each year and may be deferred at the discretion of the Company unless compulsory distribution payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) have occurred. The medium-term note has no fixed maturity date and is callable at the Company's discretion in whole in August 2024 or any distribution payment date falling after the first call date at their principal amount together with any accrued, unpaid or deferred distributions. The applicable distribution rate will be reset, on the first call date and every three years after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum.

During the six months ended 30 June 2023, the profit attributable to the holders of perpetual medium-term notes, and renewable corporate bonds, based on the applicable interest rate, was RMB97,393,000 (six months ended 30 June 2022: RMB116,414,000). RMB196,400,000 will be paid in 2023 (2022: RMB235,400,000).

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial instruments carried at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13 *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs (i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date).

- Level 2 valuations: Fair value measured using Level 2 inputs (i.e. observable inputs which fail to meet the criteria of Level 1, and not using significant unobservable inputs). Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: Fair value measured using significant unobservable inputs.

(Expressed in thousands of Renminbi)

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments carried at fair value (Continued)

Fair value hierarchy (Continued)

		Fair value measurements as at 30 June 2023 categorised into		
	Fair value at 30 June 2023	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets:				
Unlisted equity investments designated at FVOCI	180,509	–	–	180,509
Listed equity investments designated at FVOCI	46,192	46,192	–	–
Listed investments designed at fair value through profit or loss	241,786	241,786	–	–
Financial assets designated at fair value through profit or loss	300,000	–	250,000	50,000
Trade and bills receivables designated at FVOCI	33,753,923	–	1,754,070	31,999,853
Financial liabilities:				
Derivative financial instruments – interest rate swap contracts	1,872	–	1,872	–

(Expressed in thousands of Renminbi)

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments carried at fair value (Continued)

Fair value hierarchy (Continued)

		Fair value measurements as at 31 December 2022 categorised into		
	Fair value at 31 December 2022	Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets:				
Unlisted equity investments designated at FVOCI	166,315	–	–	166,315
Listed equity investments designated at FVOCI	45,317	45,317	–	–
Listed investments designed at fair value through profit or loss	206,539	206,539		
Financial assets designated at fair value through profit or loss	292,000	–	242,000	50,000
Trade and bills receivables designated at FVOCI	27,100,443	–	1,903,264	25,197,179
Liabilities:				
Derivative financial instruments – Interest rate swap contracts	23,265	–	23,265	–

During the six months ended 30 June 2023 there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2022: nil). The Group's policy is to recognise transfers between levels of the fair value hierarchy as at the end of the reporting period in which they occur.

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments carried at fair value (Continued)

Fair value hierarchy (Continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of those financial assets and liabilities measured at fair value:

The fair value of interest rate swap contracts in Level 2 is determined by discounting the contractual fixed interest rate and deducting the forward Johannesburg Interbank Agreed Rate ("JIBAR"). The discount rate used is derived from the JIBAR swap yield curve as at the end of the reporting period.

The Group invests in wealth management products issued by banks in Mainland China. The Group has estimated the fair value of these investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group entered into securitisation transactions whereby it transferred trade receivables on the tariff premium of renewable energy (the "Transferred Financial Assets") to unrelated third parties and derecognised the Transferred Financial Assets. The Group endorsed and factored a significant part of its bills receivables in its normal course of business. The Group managed its trade and bills receivables which generated cash flows resulting from both collecting contractual cash flows and selling the financial assets during the current period. Therefore, the Group measures trade and bills receivables at fair value through other comprehensive income. The fair values of trade and bills receivables were measured using the discounted cash flow model. The model incorporates various market observable inputs including the annualised yields of similar securitisation products and interest rate curves.

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments carried at fair value (Continued)

Fair value hierarchy (Continued)

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at FVOCI have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("EV/EBITDA") multiple, enterprise value to earnings before interest and taxes ("EV/EBIT"), price to earnings ("P/E") multiple and price to book ("P/B") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

(Expressed in thousands of Renminbi)

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments carried at fair value (Continued)

Fair value hierarchy (Continued)

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2023 and 31 December 2022:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B multiple of peers	1.3–1.4 (31 December 2022: 1.2)	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB17,780,000 (31 December 2022: RMB16,361,000)
		Discount for lack of marketability	26%-28% (31 December 2022: 26%-28%)	10% increase/decrease in discount would result in decrease/increase in fair value by RMB6,535,000 (31 December 2022: RMB5,918,000)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investment.

(Expressed in thousands of Renminbi)

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments carried at fair value (Continued)

Fair value hierarchy (Continued)

The movements in fair value measurements within Level 3 during the period are as follows:

	2023 *RMB'000*	2022 *RMB'000*
Equity investments at fair value through other comprehensive income – unlisted:		
At 1 January	**166,315**	654,596
Changes in fair value recognized in other comprehensive income	**14,194**	168,897
Disposals	**–**	(621,344)
At 30 June	**180,509**	202,149

(b) Fair values of financial instruments not carried at fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 30 June 2023 and 31 December 2022, except for the following:

	30 June 2023		31 December 2022	
	Carrying amount *RMB'000*	**Fair value** *RMB'000*	Carrying amount *RMB'000*	Fair value *RMB'000*
Other borrowings	**10,928,865**	**11,012,207**	10,917,272	11,160,334
Fixed rate long-term loans	**1,766,138**	**1,773,661**	1,792,977	1,822,408
	12,695,003	**12,785,868**	12,710,249	12,982,742

26 TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are derecognised in their entirety

At 30 June 2023, the Group endorsed certain bills receivable accepted by banks in Mainland China to certain of its suppliers in order to settle the trade payables due to these suppliers with a carrying amount in aggregate of RMB9,310,000 (31 December 2022: RMB16,055,000) and factored certain bills receivable accepted by banks in Mainland China with a carrying amount of RMB107,000,000 (31 December 2022: RMB419,000,000) (the "Derecognised Bills"). The Derecognised Bills have a maturity from one to twelve months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the banks in Mainland China default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase the Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the six months ended 30 June 2023, the Group has incurred bank charges of RMB9,991,000 upon the derecognition of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the period or cumulatively. The Group endorsed certain bills receivables accepted by banks in Mainland China to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). The Endorsement has been made evenly throughout the period.

(Expressed in thousands of Renminbi)

27 CAPITAL COMMITMENTS

Capital commitments outstanding at the period/year end in the consolidated financial statements were as follows:

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Contracted for	**6,028,206**	6,571,710

28 CONTINGENT LIABILITIES

At 30 June 2023, the Group issued the following guarantees:

(i) 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. As at 30 June 2023, the balance counter-guaranteed by the Company amounted to RMB7,444,000 (31 December 2022: RMB7,194,000).

(ii) Under the clauses of the agreements, the Group is subject to the obligations of credit commitment which is in the form of liquidity supplementary payments to investors when the cash for distribution of the principal and fixed return at the due date is not sufficient. As at 30 June 2023, such ABS has been issued to investors with an aggregate amount of RMB2,233,447,000 (31 December 2022: RMB2,233,447,000). The directors of the Company evaluated the expected credit loss of such credit commitment is minimal.

(Expressed in thousands of Renminbi)

29 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

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

The principal transactions are as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Sales of goods/provision of services to		
Fellow subsidiaries	**46,778**	31,513
Associates and joint ventures	**245,030**	176,999
Purchase of goods/receipt of services from		
Fellow subsidiaries	**1,115,369**	1,058,214
Associates and joint ventures	**338,508**	312,647
Working capital (providing for)/received from		
Fellow subsidiaries	**–**	9,546
Associate	**(37,595)**	–
Loan guarantees revoked from		
CHN Energy	**(14,364)**	(28,031)
Loans provided by		
Fellow subsidiaries	**3,795,614**	2,325,840
Associate	**247,000**	–

(Expressed in thousands of Renminbi)

29 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Interest income		
Fellow subsidiaries	**15,799**	2,920
Associates and joint ventures	**–**	3,962
Interest expenses		
Fellow subsidiaries	**161,135**	68,324
Associates and joint ventures	**9,482**	3,045
Rental income		
Associates and joint ventures	**1,355**	1,327
Lease payment		
Fellow subsidiaries	**11,165**	16,797
Associate	**8,379**	9,094
Cash (withdrawn from)/deposited with		
Fellow subsidiaries	**(237,474)**	192,049
New and additional investment to		
Associates and joint ventures	**2,161,350**	140,420
Return of investment from		
Fellow subsidiaries	**–**	621,343

29 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties

As at 30 June 2023, deposits placed with a fellow subsidiary amounted to RMB2,713,209,000 (31 December 2022: RMB2,950,683,000). Details of material outstanding balances with related parties are set out in Notes 14, 15, 16, 19, 20, 21 and 22.

(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 conducted a majority of its business activities with state-controlled entities in the ordinary course of business. These transactions were carried out on terms similar to those that would be entered into with non-state-controlled entities. Transactions with other state-controlled entities included but were not limited to the following:

– Sales of electricity;

– Depositing and borrowing money;

– Purchase of materials and receipt of construction work services; and

– Service concession arrangements.

(Expressed in thousands of Renminbi)

29 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

The tariff of electricity is regulated by the 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 borrowings. Such approval process and financing policy do not depend on whether the counterparties are state-controlled entities or not.

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, management are of the opinion that the following transactions require disclosure as other state-controlled entities transactions:

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Sales of electricity	**17,247,976**	16,335,758
Sales of other products	**965,058**	1,004,287
Interest income	**142,289**	60,092
Interest expenses	**1,472,834**	1,676,499
Loans received/(repaying)	**5,657,902**	(5,380,015)
Cash deposits/(withdrawn) placed	**(2,157,852)**	10,721,844
Purchase of materials and receipt of construction services	**2,216,719**	2,662,874
Service concession construction revenue	**–**	12,615

(Expressed in thousands of Renminbi)

29 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Receivables from sales of electricity	**33,565,934**	27,265,685
Receivables from sales of other products	**78,594**	60,047
Bank deposits (including restricted deposits)	**14,507,449**	16,665,301
Borrowings	**71,965,596**	66,307,694
Payable for purchase of materials and receiving construction work services	**1,745,193**	1,938,404

(d) Key management personnel remuneration

Remuneration for key management personnel is as follows:

	Six months ended 30 June	
	2023 *RMB'000*	2022 *RMB'000*
Salaries and other emoluments	**1,598**	1,158
Discretionary bonuses	**4,959**	2,787
Retirement scheme contributions	**895**	314
	7,452	4,259

Note:

The remuneration of key management personnel in the first half of 2023 includes the reissued performance compensation for 2022, as well as the cashed incentive compensation for 2022 and 2021.

(Expressed in thousands of Renminbi)

29 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Commitments with related parties

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Capital commitments with		
Associates	**202,290**	256,189

30 SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

As of the approval date of these interim condensed consolidated financial information, there is no significant event after the reporting period that needs to be disclosed.

31 APPROVAL OF THE FINANCIAL INFORMATION

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2023 was approved and authorised for issue by the board of directors on 29 August 2023.

FINANCIAL STATEMENTS RECONCILIATION BETWEEN PRC GAAP AND IFRS

(Expressed in thousands of Renminbi)

The financial statements, which have been prepared by the Company in conformity with Accounting Standards for Business Enterprises ("PRC GAAP"), differ in certain respects from those of IFRSs. Major impact of adjustments for IFRSs, on the net consolidated profit and equity attributable to equity holders of the Company, is summarised as follows:

	Consolidated profit attributable to equity holders of the Company For the six months ended		**Total equity attributable to equity holders of the Company**	
			30 June	31 December
	2023	2022	**2023**	2022
		(Restated)		*(Restated)*
Consolidated net profit/equity attributable to equity holders of the Company under PRC GAAP	**4,958,438**	4,332,228	**72,726,925**	68,808,578
Impact of IFRS adjustments:				
Difference on revaluation of certain assets upon the reorganisation in 2009 *(Note (i))*	**7,793**	7,793	**(324,519)**	(332,311)
Special reserve *(Note (ii))*	**175,169**	–	**–**	–
Others	**180**	(4,430)	**8,103**	(3,341)
Profit/equity attributable to non-controlling interests on the adjustments above	**(17,290)**	(3,446)	**(13,301)**	(23,465)
Consolidated net profit/equity attributable to equity holders of the Company under IFRSs	**5,124,290**	4,332,145	**72,397,208**	68,449,461

Note:

(i) On 9 July 2009, the Company was restructured and incorporated as a joint stock limited company. During the restructuring in 2009, a valuation was carried out for certain assets owned by the Company. In accordance with Accounting Standards for Business Enterprises – interpretation 1, valuation results were recognised by the Company in the financial statements prepared under PRC GAAP. Under IFRSs, restructuring was treated as business combination under common control. As a result, valuation results were not recognised and those assets were accounted under historical cost convention in the financial statements prepared under IFRS. In addition, the difference on certain assets recognition had impact on depreciation and amortisation expenses in subsequent periods, resulting differences in reserve and net profit in the circumstances of asset disposal or impairment provided. The above-mentioned differences were eliminated gradually through depreciation and amortisation expenses provided and assets disposal.

(ii) According to the "Management Measures for the Extraction and Use of Enterprise Safety Production Expenses" issued by the Ministry of Finance on December 13, 2022 (Caizi[2022] No.136), the group has been calculating and withdrawing safety production expenditures since December 2022. According to the "Interpretation of Enterprise Accounting Standards No.3" issued by the Ministry of Finance on June 11, 2009, the safety production expenditures calculated and withdrawn in accordance with regulations are included in the main business cost, while recognizing "special reserves". Under International Financial Reporting Standards, safety production expenditures are recognized as costs when they are actually incurred. The safety production expenditures that have been withdrawn but have not been used form a special reserve that has been withdrawn according to legal requirements and has specific purposes. They are extracted from Retained earnings and listed in the "special reserve".

GLOSSARY OF TERMS

"Articles of Association"	the articles of association of the Company
"Audit Committee"	the audit committee of the Board
"average utilisation hours"	the consolidated 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"	the board of directors of the Company
"CCER"	Chinese Certified Emission Reduction, abbreviated as CCER
"CDM"	the United Nations Clean Development Mechanism, abbreviated as CDM
"CHN Energy"	China Energy Investment Corporation Limited
"CNAS laboratory"	China National Accreditation Service for Conformity Assessment, abbreviated as CNAS. It is a formal member of the Asia Pacific Laboratory Accreditation Cooperation (APLAC) and the International Laboratory Accreditation Cooperation (ILAC)
"consolidated installed capacity"	the aggregate installed capacity or capacity under construction (as the case may be) of our project companies that we fully consolidate in our consolidated financial statements only. It is calculated by 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. Neither consolidated installed capacity nor consolidated capacity under construction includes the capacity of our associated companies
"Director(s)"	the directors of the Company
"electricity sales"	the actual amount of electricity sold by a power plant in a particular period of time, which is equivalent to gross power generation less comprehensive auxiliary electricity
"ESG"	Environmental, social, and governance

"four special actions"	special action for preventing misoperation in the power industry, special rectification action for management of outsourced contractors in the power industry, special action for preventing high altitude falling accidents in the power industry, technical supervision work for risk pre-control of power equipment
"Group"	China Longyuan Power Group Corporation Limited* and its subsidiaries
"GW"	unit of energy, gigawatt. 1 GW = 1,000 MW
"GWh"	unit of energy, gigawatt-hour. The standard unit of energy used in the electric power industry. One gigawatt-hour is the amount of energy that would be produced by a generator producing one gigawatt for one hour
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"integration, price, cost and profit"	integration is the method, price is the leader, cost is the foundation, and profit is the goal
"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
"Latest Practicable Date"	30 August 2023, being the latest practicable date prior to the printing of this report for the purpose of updating certain information
"Longyuan Power/our Company/the Company/we"	China Longyuan Power Group Corporation Limited* (龍源電力集團股份有限公司)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"MW"	unit of energy, megawatt. 1 MW = 1,000 kW. The installed capacity of power plants is generally expressed in MW

* *For identification purpose only*

GLOSSARY OF TERMS

"MWh"	unit of energy, megawatt-hour. The standard unit of energy used in the electric power industry. One megawatt-hour is the amount of energy that would be produced by a generator producing one megawatt for one hour
"NDRC"	the National Development and Reform Commission of the People's Republic of China
"One Goal, Three Orientations, Five Variations and Seven World-Class Competitiveness"	building a globally competitive world-class energy group, and an innovative, leading and value-based enterprise, promote clean, integrated, refined, intelligent and international development, and achieve first-class safety, quality, profitability, technology, talent, branding and party building
"Reporting Period"	from 1 January to 30 June 2023
"RMB"	Renminbi, the lawful currency of the PRC
"seven practical strengthenings"	strengthening leadership responsibility, strengthening funding input, strengthening inter-departments collaboration, strengthening eastern-western China cooperation, strengthening social synergy, strengthening grassroots' vitality, and strengthening task implementation
"Shareholder(s)"	holder(s) of shares of the Company
"Six Commitments"	committing to be energy cornerstone, transformation mainstay, economic pacesetter, innovation pioneer, reform backbone, Party building exemplar
"Six Mindsets"	adhering to mass-oriented and practical thinking, adhering to political and bottom-line thinking, and adhering to strategic and dialectical thinking
"Strategic Committee"	the strategic committee of the Board
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Supervisory Board"	the supervisory board of the Company
"Sustainable Development Committee"	the sustainable development committee of the Board

"Ten Initiatives"	investigate and handle production safety accidents at higher level, reorganize the responsibility system for all employees' safety production, strictly investigate and rectify major accident hazards, strictly manage on-site operation safety, strictly evaluate the safety performance ability of all employees, strictly manage outsourcing contractors, increase the number of on-site visits to grassroots levels, improve work quality, comprehensively strengthen basic safety production management, solidly carry out the "Safety Production Month" activity, and strictly manage on duty and going out
"three attainments within three years"	to achieve "comprehensive data collection, benchmarking management; predictive maintenance, equipment reliability; source and power grid coordination, unattended operation" in stages from 2020 to 2023
"three lines of defense"	operation and management of enterprises, risk management and compliance management of enterprises, internal control and audit
"Three Simultaneities"	water resources conservation and environmental protection facilities in construction projects shall be designed, constructed and put into use simultaneously with the main project
"Troikas, Dual-core Development, Four Growth Engines"	"Troikas" means independent development, cooperative development and replacing small-capacity units with large-capacity units; "Dual-core Development" means development of both centralised and distributed projects; "Four Growth Engines" means technology leadership, innovation and demonstration, resource guarantee and incentive
"VCS"	Verified Carbon Standard, abbreviated as VCS. VCS Emission Reduction (VER) is a voluntary emission reduction
"1+2+N"	1 new energy training centre, 2 company-level training bases and N provincial-level training bases

CORPORATE INFORMATION

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*

REGISTERED OFFICE

Room 2006, 20th Floor, Block c
6 Fuchengmen North Street
Xicheng District
Beijing
PRC

HEAD OFFICE IN THE PRC

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Xicheng District
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PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place
348 Kwun Tong Road, Kowloon
Hong Kong

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Jian *(Chairman of the Board)*
Mr. Gong Yufei *(President)*

Non-executive Directors

Mr. Tian Shaolin
Mr. Tang Chaoxiong
Mr. Wang Yiguo
Mr. Ma Bingyan

Independent Non-executive Directors

Mr. Michael Ngai Ming Tak
Mr. Gao Debu
Ms. Zhao Feng

LEGAL REPRESENTATIVE

Mr. Tang Jian

AUTHORIZED REPRESENTATIVES

Mr. Tang Jian
Ms. Chan Sau Ling

* *For identification purpose only*

COMPANY SECRETARY

Ms. Chan Sau Ling

AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISERS

as to Hong Kong law

Clifford Chance
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One Connaught Place
Central
Hong Kong

as to PRC law

Beijing Zhonglun W&D Law Firm
19th Floor, Golden Tower
No.1, Xibahe South Road
Chaoyang District, Beijing
the PRC

PRINCIPAL BANKERS

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Bank of Communications Co., Ltd.
Beijing Branch
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Xicheng District
Beijing
PRC

CORPORATE INFORMATION

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Services Limited
Shops 1712–1716
17/F
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

STOCK CODE

H Shares: 00916 Hong Kong Stock Exchange
A Shares: 001289 Shenzhen Stock Exchange

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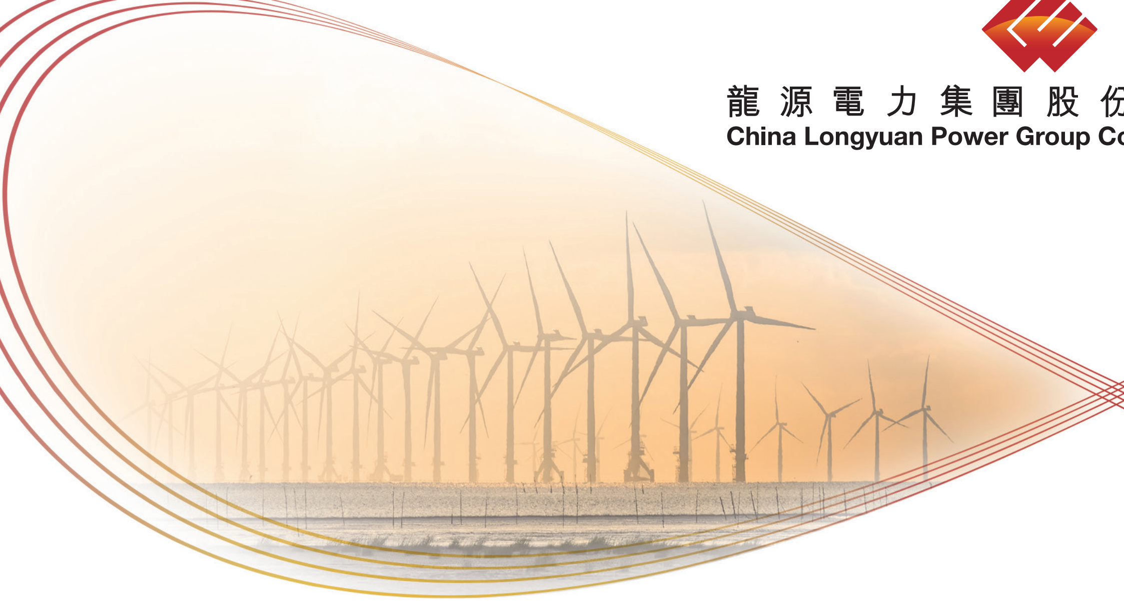

龍源電力集團股份有限公司

China Longyuan Power Group Corporation Limited*

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