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

2022
INTERIM REPORT

* For Identification Purpose Only

CONTENTS

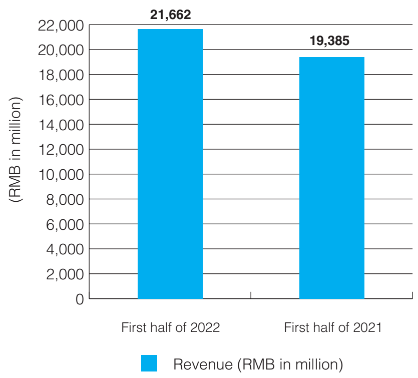
INTERIM RESULTS AND FINANCIAL DATA

The Board of China Longyuan Power Group Corporation Limited* hereby announced the unaudited operating results for the six months ended 30 June 2022 and a comparison with the operating results for the six months ended 30 June 2021 (the "**corresponding period of 2021**"). For the six months ended 30 June 2022, the Group recorded consolidated operating revenue of RMB21,662 million, representing an increase of 11.7% over RMB19,385 million for the corresponding period of 2021. Profit before taxation amounted to RMB6,309 million, representing a decrease of 13.1% over RMB7,256 million for the corresponding period of 2021. Net profit attributable to equity holders of the Company amounted to RMB4,333 million, representing a decrease of 17.5% from RMB5,251 million for the corresponding period of 2021. Basic earnings per share attributable to equity holders of the Company amounted to RMB0.5052, representing a decrease of RMB0.1333 from RMB0.6385 for the corresponding period of 2021. As at 30 June 2022, net assets per share (excluding non-controlling interests) amounted to RMB7.48.

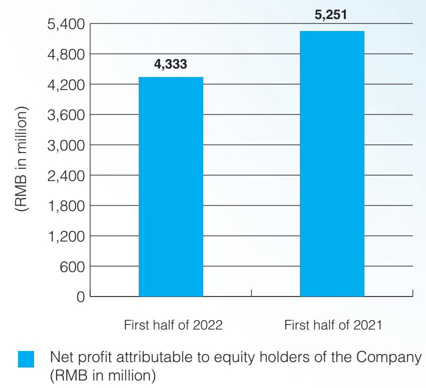
* *For identification purpose only*

INTERIM RESULTS AND FINANCIAL DATA

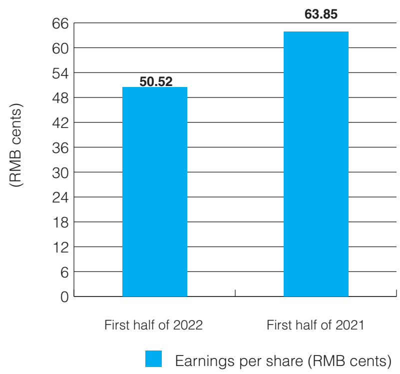
1. Revenue



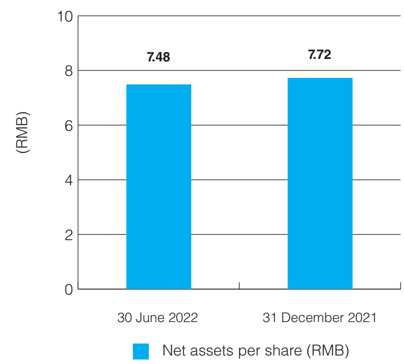
2. Net profit attributable to equity holders of the Company



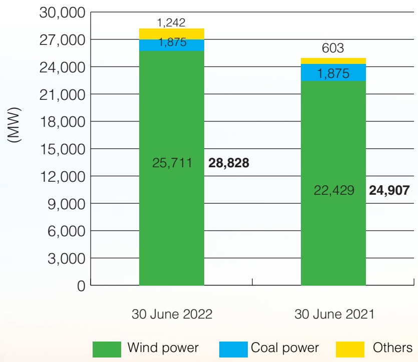
3. Earnings per share



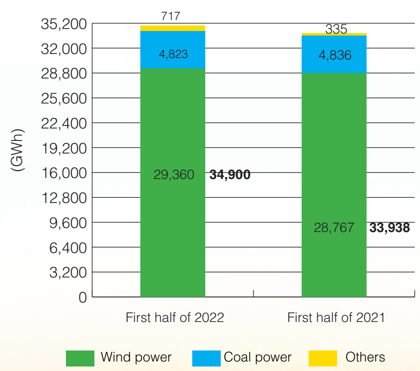
4. Net assets per share



5. Consolidated installed capacity



6. Electricity Sales



INTERIM RESULTS AND FINANCIAL DATA

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Revenue	**21,662,351**	19,384,957
Profit before taxation	**6,309,247**	7,256,224
Income tax	**-1,168,299**	-1,217,581
Profit for the period	**5,140,948**	6,038,643
Attributable to:		
Equity holders of the Company	**4,332,765**	5,250,554
Non-controlling interests	**808,183**	788,089
Basic and diluted earnings per share *(RMB cents)*	**50.52**	63.85
Total comprehensive income for the period	**5,240,604**	6,040,209
Attributable to:		
Equity holders of the Company	**4,431,840**	5,249,604
Non-controlling interests	**808,764**	790,605

INTERIM RESULTS AND FINANCIAL DATA

	30 June 2022 ***RMB'000***	31 December 2021 *RMB'000*
Total non-current assets	**166,623,665**	165,971,744
Total current assets	**50,248,982**	39,723,694
Total assets	**216,872,647**	205,695,438
Total current liabilities	**66,815,507**	62,239,403
Total non-current liabilities	**70,222,435**	65,431,856
Total liabilities	**137,037,942**	127,671,259
Net assets	**79,834,705**	78,024,179
Gearing ratio *(Note)*	**0.91**	0.89
Total equity attributable to the shareholders of the Company	**68,681,017**	68,088,055
Non-controlling interests	**11,153,688**	9,936,124
Total equity	**79,834,705**	78,024,179
Net assets per share *(RMB)*	**7.48**	7.72

Note: Gearing ratio = total liabilities/(total assets – current liabilities)

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 2022, the environments were complex and severe both at home and abroad, with the continual triple pressures of shrinking demand, supply shocks and weakening expectations, leading to the volatility of economic operation during the period from late March to mid-May. With the effective and efficient advancement of the efforts in efficient coordination of pandemic prevention and control and economic and social development, positive results were achieved in the prevention and control of the pandemic in key regions, and the effects of economy stabilising policies unleashed gradually, with the decline in major economic indicators narrowing in May and the economy stabilising and rebounding in June. The gross domestic product (GDP) grew by 2.5% year-on-year in the first half of the year. Overall, China's economy showed a stable recovery in the first half of the year.

According to the statistics from China Electricity Council ("**CEC**"), during the period from January to June 2022, power consumption across the country was 4,097.7 billion kWh, representing a year-on-year increase of 2.9%. The power generation by above-the-scale power plants across the country was 3,963.1 billion kWh, representing a year-on-year increase of 0.7%, of which, the coal power generation was 2,727.7 billion kWh, representing a year-on-year decrease of 3.9%; the on-grid wind power generation amounted to 386.1 billion kWh, representing a year-on-year increase of 12.2%. The accumulated average utilisation hours of power generation facilities across the country were 1,777 hours, representing a decrease of 81 hours as compared with the same period of the previous year, of which, that of coal power generation were 2,057 hours, representing a decrease of 133 hours as compared with the same period of the previous year; that of on-grid wind power generation were 1,154 hours, representing a decrease of 58 hours as compared with the same period of the previous year; that of solar power generation were 690 hours, representing an increase of 30 hours as compared with the same period of the previous year.

As at the end of June 2022, the total power generation installed capacity across the country was 2.44 billion kW, representing a year-on-year increase of 8.1%, of which, the non-fossil energy power generation installed capacity was 1.18 billion kW, representing a year-on-year increase of 14.8%, accounting for 48.2% of the total installed capacity (up by 2.8 percentage points year-on-year); the coal power generation installed capacity was 1.30 billion kW, representing a year-on-year increase of 2.9%. From January to June 2022, the installed capacity of wind power and solar power generation maintained a relatively rapid growth. The wind power generation installed capacity across the country was 0.34 billion kW, representing a year-on-year increase of 17.2%, of which, the onshore wind power and offshore wind power generation installed capacity was 315.58 million kW and 26.66 million kW, respectively. The solar power generation installed capacity was 0.34 billion kW, representing a year-on-year increase of 25.8%.

(II) Policy Environment

1. Improving Clean Energy Policies and Regulations, and Promoting Carbon Peak and Carbon Neutrality in An Orderly Manner

In March 2022, the State Council issued the Opinions on the Division of Key Work in Implementing the Report on the Government Work (《關於落實〈政府工作報告〉重點工作分工的意見》), proposing the orderly promotion of carbon peak and carbon neutrality, promoting the planning and construction of large-scale wind and photovoltaic power bases and their supporting adjustable power supply, strengthening the construction of pumped storage power stations, enhancing the capacity of the grid to consume the electricity generated by renewable energy, promoting the research and development and application of green and low-carbon technologies, developing green finance, and accelerating the formation of a green and low-carbon production mode and lifestyle.

In March 2022, the NDRC, the Ministry of Foreign Affairs, the Ministry of Ecology and Environment and the Ministry of Commerce jointly issued the Opinions on Promoting the Green Development of "The Belt and Road" (《關於推進共建「一帶一路」綠色發展的意見》), proposing to deepen cooperation in green and clean energy, promote green and low-carbon transformation and development through international energy cooperation, encourage solar and wind power generation enterprises to "go global" and promote the completion of a number of green energy best practice projects.

In April 2022, the National Energy Administration issued the Annual Report on the Construction of Law-based Government in 2021 (《2021年法治政府建設年度報告》), proposing to actively promote legislation in the energy sector. It emphasised the need to make positive progress on energy law legislation, speed up amendments to the coal law and electricity law, and carry out preparatory work on amendments to the renewable energy law; to coordinate the targets of carbon peak and carbon neutrality, energy security and green and low-carbon transformation, and systematically plan key energy legislation projects to be promoted in the next five years.

In June 2022, nine governmental departments including the NDRC and the National Energy Administration jointly issued the "14th Five-Year" Plan for Renewable Energy Development (《「十四五」可再生能源發展規劃》) (the "**Plan**"). The Plan set four major targets on total renewable energy consumption, electricity generation, consumption responsibility weight and non-electricity utilisation, and proposed to optimise the development mode in terms of supply, develop renewable energy on a large scale, vigorously promote the base development for wind power and photovoltaic power generation in the "three northern" regions (i.e. northeast, north and northwest China), actively promote the distributed development of wind power and photovoltaic power generation in central and southeast China, co-ordinate and promote the integrated base development for hydropower, wind power and solar power generation in the southwest China and actively promote the development of offshore wind power clusters on the eastern coastal regions. The Plan also proposed to improve the mechanism for guaranteeing the consumption of electricity generated from renewable energy sources, strengthen the security of land and environment support for renewable energy, enhance the fiscal policy support for renewable energy and improve the green financial system for renewable energy.

2. ***Promoting Steadily Structural Transformation and Developing Renewable Energy of High Quality***

In March 2022, the National Energy Administration published the Guiding Opinions on Energy Work in 2022 (《2022年能源工作指導意見》), proposing to steadily promote structural transformation, so that the proportion of coal consumption would steadily decrease, the proportion of non-fossil energy in total energy consumption would increase to about 17.3%, newly-added alternative output from power generation would reach around 180 billion kWh, and the proportion of wind power and photovoltaic power generation in the total electricity consumption in the society would reach about 12.2%. It emphasised the need to vigorously develop wind power and photovoltaic power, optimise the offshore wind power layout, set up a demonstration on the construction of wind power in deep seas, and steadily promote the construction of offshore wind power bases. It proposed to actively promote the construction of complementary hydropower, wind and photovoltaic power bases, improve the mechanism for guaranteeing the consumption of electricity from renewable energy sources and perfect the green electricity certificate system for renewable energy generation.

In March 2022, the NDRC issued the "14th Five-Year" Plan for Promoting Modernisation of Agriculture and Rural Areas (《「十四五」推進農業農村現代化規劃》), pointing out that the construction of clean energy in villages should be strengthened, the proportion of electricity in energy consumption in rural areas should be increased, the development of photovoltaic and wind power in rural areas should be promoted in accordance with local conditions, and the construction of a renewable energy-based rural clean energy utilisation system should be accelerated.

In May 2022, the NDRC and the National Energy Administration issued the Implementation Plan for Promoting High-Quality Development of New Energy in the New Era (《關於促進新時代新能源高質量發展實施方案》), proposing to innovate the mode of new energy development and utilisation, accelerate the construction of large-scale wind power and photovoltaic power bases focusing on desert, gobi and desert areas, promote the integration between new energy development and utilisation and rural revitalisation, and promote the application of new energy in industry and construction sectors. It stressed the importance of guiding the whole society to consume new energy and other green power, accelerating the building of new type of power systems to accommodate the gradual increase in the proportion of new energy, focusing on improving the ability of power distribution networks to accept distributed new energy, steadily promoting the participation of new energy in electricity market transactions, and improving the system of weighting responsibility for the consumption of electricity generated from renewable energy.

In June 2022, the Ministry of Ecology and the Environment issued the Circular on Environmental Impact Assessment of Major Investment Projects (《關於做好重大投資項目環評工作的通知》), proposing to actively carry out pilots to reform the examination and approval method for the environmental impact assessment. For infrastructure construction projects such as highways, railways, water conservancy and hydropower, photovoltaic power generation, onshore wind power generation and supply-supporting coal mining projects, the environmental impact assessment approval might not be linked to the total pollutants indicator provided various pollution prevention and control measures were strictly implemented.

3. *Coordinating the Promotion of Green Power Trading and Building A Unified National Power Market*

In January 2022, seven governmental departments including the NDRC and the Ministry of Industry and Information Technology jointly issued the Implementation Plan for Promoting Green Consumption (《促進綠色消費實施方案》), proposing to implement the requirement that new renewable energy and energy used as raw materials should not be included in the total energy consumption control, and to coordinate the promotion of green power trading and green certificate trading. It encouraged the consumption of green power by industry leaders, large state-owned enterprises and multinational companies, and promoted the gradual increase in the proportion of green power consumption in regions with relatively more export-oriented enterprises and stronger economic capacity. It was stressed that the requirement on use of green power by high energy-consuming enterprises should be made more rigid, and that the minimum proportion of green power in the power consumption by high energy-consuming enterprises could be set by each region according to its actual situation.

In January 2022, the NDRC and the National Energy Administration issued the Guiding Opinions on Accelerating the Building of a Nationwide Unified Power Market System (《關於加快建設全國統一電力市場體系的指導意見》), proposing to improve the operation and management of the electricity trading platform and the cross-provincial and cross-regional market trading mechanism, promote the opening of and the cooperation among inter-provincial and cross-regional markets in an orderly manner, establish a mechanism for multiple market entities to participate in cross-provincial and cross-regional trading, encourage and support direct trading between power generation enterprises and electricity sales companies and consumers, and enhance the flexibility of the mechanism for the cross-provincial and cross-regional transmission price.

In April 2022, the Opinions of the Central Committee of the Communist Party of China and the State Council on Accelerating the Construction of a Unified National Market (《中共中央、國務院關於加快建設全國統一大市場的意見》) was released, which specified clearly the rules that the establishment of a unified national market system should be accelerated, local protection and market segmentation should be broken, the smooth flow of commodity resources should be promoted on a wider scale, and the construction of an efficient, regulated, fair, competitive and fully open national market should be accelerated.

In April 2022, the NDRC issued the Letter on the Continuation of the Parity Grid-connection Policies for New Wind Power and Photovoltaic Power Projects in 2022 (《關於2022年新建風電、光伏發電項目延續平價上網政策的函》), specifying that in 2022, the parity grid-connection policies would be continued for newly approved onshore wind power projects, newly filed centralised photovoltaic power plants and distributed photovoltaic projects for industrial and commercial sectors. New projects could voluntarily participate in market-based trading to form on-grid tariff. At the same time, various regions were encouraged to introduce specific support policies to support the high quality development of the wind power and photovoltaic power generation industries.

4. ***Diversifying the Application of New Energy Storage Technologies and Promoting the Integrated Development of Power Generation, Grid, Load and Energy Storage***

In January 2022, the NDRC and the National Energy Administration issued a circular on the publication of the Plan for Modern Energy System during the "14th Five-Year" Period (《「十四五」現代能源體系規劃的通知》), which provided a top-level design for the building of a modern energy system by strengthening safety control under emergency, promoting the building of new power systems, innovating the structure and operation mode of power grids, enhancing the capacity of coordinated and optimised operation of power sources, accelerating the large-scale application of new energy storage technologies and vigorously enhancing the power load flexibility, which provided detailed rules and regulations and implementation paths of policies for the development of various links of power industry. In terms of promoting the building of a new power system, the document highlighted that greater efforts should be made to plan and build a new energy supply and consumption system based on large-scale wind and photovoltaic power bases, supported by clean, efficient and advanced energy-saving coal power in their vicinity and carried by stable, safe and reliable ultra-high voltage transmission and distribution circuits, to actively promote the integrated development of power generation, grid, load and energy storage.

In February 2022, the NDRC and the National Energy Administration issued the Implementation Plan for the Development of New Types of Energy Storage Technologies during the "14th Five-Year" Period (《「十四五」新型儲能發展實施方案》), emphasising the need to step up efforts to develop new types of energy storage technologies on the power generation side, develop diversified applications of new types of energy storage technologies and expand business model of new types of energy storage technologies. By 2025, the new types of energy storage technologies would step into large-scale development stage from early stage of commercialization, with conditions for large-scale commercial application; by 2030, the new types of energy storage technologies would achieve market-oriented development in an all-around way and in-depth development integrating with various links of power system, to basically meet the need of the building of new power system and provide comprehensive support for the achievement of target of carbon peak in the energy sector as scheduled.

In April 2022, the NDRC published the Power Reliability Management Measures (Interim) (《電力可靠性管理辦法(暫行)》). Since 1 June, large-scale wind, solar and other renewable energy power generation enterprises in desert, gobi and desert areas were required to establish power reliability management systems to match, strengthen the reliability management of systems and equipment, establish publishing mechanisms for the construction demand of new types of energy storage, allow various types of energy storage facilities to participate in system operation, and enhance the comprehensive regulation capability of the power system.

In June 2022, the NDRC and the National Energy Administration issued the Notice on Further Promoting the Participation of New Types of Energy Storage Facilities in the Power Market and Scheduling Application《關於進一步推動新型儲能參與電力市場和調度運用的通知》, specifying that new types of energy storage facilities could participate in the electricity market as independent energy storage, and encouraging new energy field stations and supporting facilities for energy storage to jointly participate in the market, using energy storage to improve the grid-connection related performance of new energy and ensuring efficient consumption and use of new energy.

5. *Implementing Subsidies for Renewable Energy and Vigorously Developing Green Finance*

In March 2022, the Ministry of Finance released the Draft about the Implementation of the Central and Local Budgets in 2021 and the Budgets in 2022 (《關於2021年中央和地方預算執行情況與2022年中央和地方預算草案》), to study the introduction of opinions on financial support for carbon peak and carbon neutrality, study the establishment of a national low-carbon transformation fund, promote the optimisation of the energy structure, improve clean energy support policies, vigorously develop renewable energy and promote the resolution of the funding gap of subsidies for renewable energy power generation.

In March 2022, the NDRC, the National Energy Administration and the Ministry of Finance jointly issued the Notice on Launching the Self-inspection in respect of Subsidies for Renewable Energy Power Generation (《關於開展可再生能源發電補貼自查工作的通知》), deciding to launch the nationwide verification in respect of subsidies for renewable energy power generation. The targets of the self-inspection included power grids and power generation enterprises. The scope of the self-inspection covered all renewable energy power generation projects that had been grid-connected and needed subsidies as at 31 December 2021, mainly wind power, centralised photovoltaic power stations and biomass power generation projects.

In May 2022, Premier of the State Council, Li Keqiang chaired an executive meeting of the State Council and proposed to ensure energy supply by allocating an additional subsidies of RMB50 billion for renewable energy to central government-owned power generation enterprises and injecting RMB10 billion through the state-owned capital operating budget to support coal power enterprises to alleviate their difficulties and generate more electricity, in addition to the previous support.

In June 2022, seven governmental departments including the Ministry of Ecology and Environment and the NDRC issued the Implementation Plan for Synergistic Effectiveness in Reducing Pollution and Reducing Carbon Emission (《減污降碳協同增效實施方案》), pointing out that we should vigorously develop green finance, make good use of monetary policy tools for carbon emission reduction, and guide financial institutions and social capital to increase their support for reducing pollution and reducing carbon emission; we should solidly promote investment and financing in climate, build a national database of climate investment and financing projects, and launch pilot projects for climate investment and financing; we should establish green electricity price policies that would be conducive to the green and low-carbon development of enterprises and promote pilot green power trading; we should implement actions in replacement with renewable energy, vigorously develop wind energy, solar energy, biomass, ocean energy and geothermal energy, and continuously increase the proportion of non-fossil energy consumption.

II. BUSINESS REVIEW

In the first half of 2022, the Group adhered to the general principle of seeking progress while maintaining stability by implementing the new development concept with integrity, accuracy in all aspects, and highlighted the work orientation of "stability, synergy, empowerment and quality improvement", and promoted the effective implementation of various tasks with high quality. During the Reporting Period, the total power generation of the Group was 36,305 GWh, representing a year-on-year increase of 9.66%, of which wind power generation was 30,216 GWh, representing a year-on-year increase of 10.25%, thermal power generation was 5,271 GWh, representing a year-on-year increase of 0.23%, photovoltaic and other renewable energy power generation was 818 GWh, representing a year-on-year increase of 86.02%. In the first half of 2022, the consolidated installed capacity of the Group's newly self-built projects was 129.75 MW, including 54.00 MW wind power projects and 75.75 MW photovoltaic projects. The consolidated installed capacity of wind power and M&A photovoltaic increased by 1,989.60 MW and 10.00 MW respectively through asset restructuring and mergers and acquisitions. As at 30 June 2022, the consolidated installed capacity of the Group reached 28,827.99 MW, of which the consolidated installed capacity of wind power, coal-fired power and photovoltaic and other renewable energy reached 25,711.44 MW, 1,875.00 MW and 1,241.55 MW, respectively.

(I) Striving to consolidate the safety foundation to improve the ability of preventing the major risks

In the first half of 2022, the Group earnestly implemented 15 mandating measures for production safety issued by the Safety Committee of the State Council by refining 55 measures in 21 aspects with tracks and supervision to ensure effective implementation. The Group scientifically compiled the "No. 1 Document" for safety and environmental protection, by coordinating and improving business security capabilities, and further focusing on implementing the special plan of the "Year for Consolidation and Improvement" to secure safety foundation.

In the first half of 2022, the safety situation of the Group was generally stable, and there were no personal accidents and general equipment accidents above Class B. The Group successfully completed the tasks of ensuring power supply for major events such as the Winter Olympic Games, the Paralympic Games and the "Two Sessions". The Group regarded production safety as the "top issue", continued to carry out inspections on high-risk operations by sorting out the types of operations, improving the rules and regulations, standardising the management and control process, improving the management standards for high-risk operations, and issuing a list of high-risk operations including production, operation and maintenance and engineering infrastructure. Relying on remote video to achieve full coverage of inspection, the Group strengthened inspection on wind turbine foundation, photovoltaic support, power transmission and transformation tower construction, and conducted inspections on major maintenance and technical transformation, engineering infrastructure construction, and external engaged personnel management, which effectively improved the overall safety management level.

In the first half of 2022, the Group continued to improve its ability to prevent major risks, strengthened the safety management of the whole process of projects under construction, strengthened supervision and assessment, and carried out on-site supervision using the GIS system (Geographic Information System) to ensure safety and controllability. The Group deployed 379 sets of mobile spherical monitors and 4,312 sets of work recorders in two batches, all of which were connected to the production management and control system, realised the "one person, one machine" configuration and thus achieved full coverage of on-site video monitoring.

In the first half of 2022, the Group carried out special rectification for power control failure of generating units, promoted the self-finding and optimisation of generating units, identified key issues and defects affecting the stability of generating units, specifically addressed the defects of power transmission and transformation equipment, carried out special investigation and rectification for DC system and deformed poles and towers, fully explored the power generation potential of equipment, and managed to increase power generation by approximately 170 GWh. During the Reporting Period, the total power generation of the Group was 36,305 GWh, of which the wind power generation was 30,216 GWh, representing a year-on-year increase of 10.25%. This was mainly due to the combined effect of the year-on-year increase in installed capacity of power generation, the improvement in management quality and the decline in wind resources. In the first half of 2022, the average utilisation hours of wind power was 1,173 hours, representing a decrease of 124 hours as compared with the same period of 2021, mainly due to the year-on-year decrease of 0.35 metres per second in wind velocity during the Reporting Period.

Geographical breakdown of the consolidated power generation of the Group's wind farms for the first half of 2021 and the first half of 2022:

	First half of 2022 *(MWh)*	First half of 2021 *(MWh)*	**Percentage of change**
Heilongjiang	**1,638,801**	1,577,320	3.90%
Jilin	**1,075,814**	776,485	38.55%
Liaoning	**1,680,293**	1,428,730	17.61%
Inner Mongolia	**3,511,740**	3,834,809	-8.42%
Jiangsu (onshore)	**1,250,126**	1,419,358	-11.92%
Jiangsu (offshore)	**2,753,465**	2,107,571	30.65%
Zhejiang	**175,644**	183,831	-4.45%
Fujian	**1,790,796**	1,311,207	36.58%
Hainan	**67,177**	55,926	20.12%
Gansu	**1,525,225**	1,475,283	3.39%
Xinjiang	**2,007,941**	2,051,795	-2.14%
Hebei	**2,114,493**	1,921,996	10.02%
Yunnan	**1,655,438**	1,431,940	15.61%
Anhui	**919,983**	1,013,895	-9.26%
Shandong	**733,305**	711,907	3.01%
Tianjin	**578,150**	368,763	56.78%
Shanxi	**1,314,569**	1,373,075	-4.26%
Ningxia	**763,197**	934,491	-18.33%
Guizhou	**774,781**	721,495	7.39%
Shaanxi	**789,097**	562,874	40.19%
Tibet	**7,996**	9,143	-12.55%
Chongqing	**275,711**	327,077	-15.70%
Shanghai	**58,022**	58,178	-0.27%
Guangdong	**160,881**	155,258	3.62%
Hunan	**300,387**	268,817	11.74%

	First half of 2022 *(MWh)*	First half of 2021 *(MWh)*	**Percentage of change**
Hubei	**103,464**	100,520	2.93%
Guangxi	**987,355**	267,782	268.72%
Jiangxi	**218,861**	208,636	4.90%
Qinghai	**154,978**	124,540	24.44%
Henan	**258,030**	133,129	93.82%
Canada	**155,029**	144,767	7.09%
South Africa	**282,494**	346,703	-18.52%
Ukraine	**132,283**	–	–
Total	**30,215,527**	27,407,301	10.25%

Note: The power generation from January to June 2022 includes the power generation from assets purchased from CHN Energy Liaoning Electric Power Co., Ltd., Shaanxi Electric Power, Guangxi Electric Power, Yunnan Electric Power, Gansu Electric Power and North China Electric Power, all being subsidiaries of CHN Energy.

Geographical breakdown of the average utilisation hours/load factor of wind power of the Group's wind farms for the first half of 2021 and the first half of 2022:

Region	**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**	Average utilisation hours of wind power for the first half of 2021 *(hour)*	Average load factor of wind power for the first half of 2021	**Percentage of change of the average utilisation hours of wind power**
Heilongjiang	**1,218**	**28%**	1,277	29%	-4.62%
Jilin	**1,274**	**29%**	1,299	30%	-1.92%
Liaoning	**1,165**	**27%**	1,364	31%	-14.59%
Inner Mongolia	**1,239**	**29%**	1,455	33%	-14.85%
Jiangsu (onshore)	**934**	**22%**	1,060	24%	-11.89%
Jiangsu (offshore)	**1,256**	**29%**	1,423	33%	-11.74%
Zhejiang	**771**	**18%**	807	19%	-4.46%
Fujian	**1,707**	**39%**	1,305	30%	30.80%
Hainan	**679**	**16%**	565	13%	20.18%
Gansu	**852**	**20%**	1,144	26%	-25.52%
Xinjiang	**1,224**	**28%**	1,290	30%	-5.12%
Hebei	**1,195**	**27%**	1,298	30%	-7.94%
Yunnan	**1,551**	**36%**	1,647	38%	-5.83%
Anhui	**1,137**	**26%**	1,253	29%	-9.26%
Shandong	**1,286**	**30%**	1,452	33%	-11.43%
Tianjin	**1,075**	**25%**	1,313	30%	-18.13%
Shanxi	**1,060**	**24%**	1,422	33%	-25.46%
Ningxia	**985**	**23%**	1,206	28%	-18.33%
Guizhou	**1,048**	**24%**	1,002	23%	4.59%
Shaanxi	**946**	**22%**	1,184	27%	-20.10%
Tibet	**1,066**	**25%**	1,219	28%	-12.55%
Chongqing	**952**	**22%**	1,130	26%	-15.75%
Shanghai	**1,222**	**28%**	1,225	28%	-0.24%
Guangdong	**1,279**	**29%**	1,235	28%	3.56%

Region	**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**	Average utilisation hours of wind power for the first half of 2021 *(hour)*	Average load factor of wind power for the first half of 2021	**Percentage of change of the average utilisation hours of wind power**
Hunan	**974**	**22%**	1,178	27%	-17.32%
Guangxi	**1,230**	**28%**	1,393	32%	-11.70%
Jiangxi	**1,114**	**26%**	1,271	29%	-12.35%
Hubei	**1,098**	**25%**	1,414	33%	-22.35%
Qinghai	**1,033**	**24%**	1,047	24%	-1.34%
Henan	**1,486**	**34%**	967	22%	53.67%
Canada	**1,564**	**36%**	1,461	34%	7.05%
South Africa	**1,155**	**27%**	1,418	33%	-18.55%
Ukraine	**1,729**	**40%**	–	–	–
Total	**1,173**	**27%**	1,297	30%	-9.56%

During the Reporting Period, the consolidated power generation from coal power segment of the Group was 5,271 GWh, representing an increase of 0.23% as compared with 5,259 GWh for the corresponding period of 2021. This was mainly due to the year-on-year increase in power load. The average utilisation hours of the Group's coal power segment were 2,811 hours, representing an increase of 6 hours as compared with 2,805 hours in the corresponding period of 2021.

(II) Focusing on main responsibilities and main businesses to accelerate the development of new energy

In the first half of 2022, the Group strengthened top-level design, enhanced strategic guidance and gave priority to plans, scientifically studied and judged the development situation around the "14th Five-Year" development goal, and fully leveraged the Group's advantages in brand, technology, talents, layout and other aspects to accelerate high-quality development. Taking into account the strategic consistency and flexibility, the Group adhered to the policy of "one province, one policy"and made its layout from three levels featuring "base-type, station-type and distribution-type" to form a development strategy that adapts to the characteristics of each province. The Group also strengthened strategic synergy and cooperated with relevant units to plan for the development of large base projects in desert, gobi and desert areas. The Group integrated internal and external resources, actively deployed coastal provinces and cities, and orchestrated offshore wind power in advance. The Group adhered to the combination of centralised and distributed operations to promote the efficient and rapid development of PV. The Group deepened policy study and technology research and expanded the development and leading of emerging technologies such as energy storage, hydrogen energy and ammonia energy.

In the first half of 2022, the Group entered into new development agreements for a total of 16,488.5 MW. Through competitive allocation and other methods, the Group won bids of 3,976.5 MW (including 2,646.5 MW for wind power and 1,330.0 MW for photovoltaic power) and 1,730.0 MW of distributed photovoltaic power projects, and has achieved a total development quota of 5,706.5 MW.

(III) Keeping the bottom line to improve project quality

In the first half of 2022, the stable construction safety of the Group's projects led to the steady improvement of quality and environmental protection level. There were no major or above safety, quality, environmental accidents or mass incidents affecting social stability. There were no cases of COVID-19 infection. Therefore, the progress of projects construction was effectively promoted with further strengthened cost control.

In the first half of 2022, the Group strictly implemented the "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) management regulations for water and environmental protection, earnestly carried out environmental protection and water protection acceptance of projects, and prepared the "Manual for the Development, Construction and Operation of Distributed Photovoltaic Projects" and the "Standards for the Quality Acceptance of Engineering and Equipment" to standardise the process of distributed project management and clarify the acceptance standards for project quality. The Group firmly implemented the requirements of "Two Highs and One Low" (high quality, high speed and low cost) to create high-quality projects. The Group's 405 MW wind power project in southern offshore area of Sheyang, Jiangsu and 300 MW wind power project in Chensuoliang, Shangyi, Hebei were awarded the "2022 China Power Quality Project Award".

In the first half of 2022, the consolidated installed capacity of self-built projects of the Group increased by 129.75 MW, including 2 wind power projects with consolidated installed capacity of 54.00 MW, 12 photovoltaic projects with consolidated installed capacity of 75.75 MW, and 36 wind power projects with consolidated installed capacity of 1,989.6 MW, 1 M&A photovoltaic project with consolidated installed capacity of 10.00 MW through asset restructuring and acquisition and merger. As at 30 June 2022, the consolidated installed capacity of the Group reached 28,827.99 MW, including 25,711.44 MW and 1,875.00 MW of wind power and coal power respectively, and 1,241.55 MW of photovoltaic and other renewable energy.

Geographical breakdown of the consolidated installed capacity of the Group's wind farms as at 30 June 2021 and 30 June 2022 is set out as below:

Region	**30 June 2022** *(MW)*	30 June 2021 *(MW)*	**Percentage of change**
Heilongjiang	**1,345.70**	1,234.70	8.99%
Jilin	**844.40**	762.05	10.81%
Liaoning	**1,441.70**	1,047.20	37.67%
Inner Mongolia	**2,834.30**	2,635.80	7.53%
Jiangsu (onshore)	**1,338.50**	1,338.50	–
Jiangsu (offshore)	**2,191.60**	1,585.30	38.25%
Zhejiang	**227.90**	227.90	–
Fujian	**1,049.10**	1,074.60	-2.37%
Hainan	**99.00**	99.00	–
Gansu	**1,690.80**	1,289.80	31.09%
Xinjiang	**1,640.30**	1,590.80	3.11%
Hebei	**1,770.10**	1,770.10	–
Yunnan	**1,067.50**	869.50	22.77%
Anhui	**809.10**	809.10	–
Shandong	**570.40**	618.40	-7.76%
Tianjin	**538.00**	347.50	54.82%
Shanxi	**1,239.75**	1,041.75	19.01%
Ningxia	**774.70**	774.70	–
Guizhou	**789.00**	789.00	–
Shaanxi	**833.85**	539.20	54.65%
Tibet	**7.50**	7.50	–
Chongqing	**289.50**	289.50	–
Shanghai	**47.50**	47.50	–
Guangdong	**125.74**	125.74	–
Hunan	**308.35**	287.35	7.31%

Region	30 June 2022 (MW)	30 June 2021 (MW)	Percentage of change
Guangxi	**802.80**	192.30	317.47%
Jiangxi	**196.40**	196.40	–
Hubei	**94.20**	94.20	–
Qinghai	**150.00**	150.00	–
Henan	**173.65**	173.65	–
Canada	**99.10**	99.10	–
South Africa	**244.50**	244.50	–
Ukraine	**76.50**	76.50	–
Total	**25,711.44**	22,429.14	14.63%

Note: In order to promote the issuance of A shares, the Group divested the defective assets of Longyuan (Putian) Wind Power Generation Co., Ltd.* (龍源(莆田)風力發電有限公司) and Guodian Shandong Longyuan Linqu Wind Power Generation Co., Ltd.* (國電山東龍源臨朐風力發電有限公司) in accordance with relevant regulatory requirements, resulting in a year-on-year decrease in the consolidated installed capacity of wind power of the Group in Fujian Province and Shandong Province. Details were disclosed in the announcement dated 26 September 2021 published by the Group in relation to the disposal of the Target Assets.

(IV) Enhancing the concept of efficiency with stable improvement of quality and efficiency

In the first half of 2022, the Group organised the preparation of the power market trading strategy for 2022, objectively and comprehensively analysed key factors such as power supply and demand, policy changes, and transmission conditions, researched and concluded the market trends, guided the implementation of favourable policies, actively carried out annual transaction contracts, locked in power sales revenue, steadily improved transaction level. The Group also actively carried out the endeavors in the construction of integrated marketing system, and conducted research on the Key Technology Research on Smart Power Generation Forecast and New Energy Power Spot Trading, accelerated the coupling of power forecasting system and spot trading supporting decision-making tools, so as to effectively improve the quality and trading efficiency of spot trading.

In the first half of 2022, the average on-grid tariffs for overall power generation segments of the Group amounted to RMB478 per MWh (value added tax ("**VAT**") exclusive), representing an increase of RMB4 per MWh as compared with RMB474 per MWh (VAT exclusive) in the corresponding period of 2021. The average on-grid tariffs for wind power amounted to RMB486 per MWh (VAT exclusive), representing a decrease of RMB8 per MWh as compared with RMB494 per MWh (VAT exclusive) in the corresponding period of 2021, which was mainly due to the combined effect of the change of the proportion of different tariff range and the increase in the proportion of electricity traded in the market. The average on-grid tariffs for coal power amounted to RMB423 per MWh (VAT exclusive), representing an increase of RMB84 per MWh as compared with the average on-grid tariffs for coal power of RMB339 per MWh (VAT exclusive) in the corresponding period of 2021, which was mainly due to the influence of increase in the electricity price in market trading.

(V) Standardising carbon trading to seek profit model through multiple channels

In the first half of 2022, the Group took various measures to expand its carbon trading business and carried out the endeavors in the development of the Verified Carbon Standard (VCS) for voluntary emission reduction project, which recorded an amounts of over 15 million tonne carbon emission, and in collection of capital for the Chinese Certified Emission Reduction (CCER) project, and collected information for projects that met the filing requirements of CCER, and prepared for the transaction. The Group improved the carbon asset management system and standards, revised the Administrative Measures for Carbon Emission and Carbon Trading, standardised the work process of carbon emission and carbon trading, sought for profit model through multiple channels, completed the issuance of green certificate for 250MW grid parity project in Jilin, and organised Jilin Company and Electricity Sales Company of the Group to complete 40,000 green certificate transactions. The Group builds a carbon asset management network driven by professional carbon asset management institutions. The Group also extended the management based on the actual production conditions, established scientific decision-making process, carried out carbon emission trading with plans, arrangements and directions, closely tracked the progress of the carbon market through in-depth participation in carbon market activities, promoted carbon finance innovation business, thus to effectively promote carbon emission reduction actions, and undertake corporate social responsibilities.

In the first half of 2022, the Group signed a strategic cooperation agreement with Beijing Green Exchange to jointly promote the development of carbon index, and completed the pledge of 100,000 tonnes carbon quota of Hainan Ledong Power Plant and Industrial Bank. The Group also participated in the compilation of the Technical Specifications for Blockchain-based Carbon Emission Data for Power Generation Enterprises and the Technical Specifications for Blockchain-based Carbon Trading Data for Power Generation Enterprises, to fully promote the upgrading of carbon trading platform and add functional design modules such as simulated trading and carbon finance, for which, the Group comprehensively strengthened risk management to ensure the orderly development of carbon trading.

(VI) Strengthen the support of scientific and technological innovation to lead high-quality development

In the first half of 2022, the Group applied for 4 major scientific and technological projects to the NDRC and the Ministry of Science and Technology, 7 national energy science and technology innovation projects, and 24 self-initiated scientific and technological innovation projects. Meanwhile, it was authorised by the National Energy Administration to build the first national-level network security target range for the new energy industry; approved by the Department of Science and Technology of Fujian Province, the Group established the floating wind and fishery integration project, which was included in the 2022 major science and technology special plan of Fujian Province. Xuyi 10MW/20MWh Lithium Iron Phosphate Energy Storage Power Station, the onshore wind storage demonstration project of the Jiangsu subsidiary under the Group, commenced on-grid operation on 18 May 2022, becoming the first new energy supporting energy storage and power generation project in Jiangsu Province. The Energy Industry Standard NB/T 10918–2022 "Technical Guidelines for Smart Wind Farms", edited by the Group, was approved and issued by the National Energy Administration on 13 May 2022. As the first industry standard for smart wind power in China, it is of great significance to the digital and intelligent transformation and upgrading of the wind power industry. The domestic project of wind resource assessment software, a national key research and development plan which the Group is in charge of, has entered the development module integration stage. Through the integration and demonstration system development of modules such as self-adaptive tailing flow and typical topographic CFD (Computational Fluid Dynamics) model, the laser radar measurement of the last typical terrain wind farm has been completed.

In the first half of 2022, a total of 10 scientific and technological innovation projects of the Group completed the final acceptance, and 6 scientific and technological innovation achievements were certified by domestic authoritative institutions, of which 2 technologies were certified as international leading level. 27 new invention patents, 31 utility model patents were applied, and 3 industry standards and 2 corporate standards of CHN Energy were issued. As of 30 June 2022, the Group had 496 authorised patents, including 49 invention patents, 430 utility model patents and 17 appearance patents.

(VII) Actively reducing capital costs by following up on green credit policies

In the first half of 2022, the Group paid close attention to policy orientation, seized the window of reserve requirement ratio reduction to withdraw low-cost funds through multiple channels, dynamically adjusted financing ideas, clarified the financing positioning of its subsidiaries, accelerated the operation frequency of short-term funds, increased the self-financing of low-interest-rate project loans, and maximised financial benefits. The Group steadily adjusted debt structure and avoided debt risks. The Group initiated the replacement of existing high-interest-rate loans to further reduce capital costs. The Group further improved the efficiency of capital utilisation and maximised the time value of capital through a vertically-managed capital planning and coordination mechanism and rigid capital planning management. In terms of financing, the Group will keep a close eye on the two major capital markets both at home and abroad to further expand financing channels.

In the first half of 2022, the Group successfully issued ten tranches of ultra-short-term financing bonds, one tranche of short-term financing bonds and one tranche of medium-term notes, maintaining its advantages in the industry in terms of capital cost, and successfully issued one tranche of green medium-term notes, not only does it reduce the capital costs, but also represent the Group's responsibility for "Carbon Peak and Carbon Neutrality".

(VIII) Responding to challenges proactively and developing overseas markets

In the first half of 2022, the COVID-19 pandemic continued to spread around the world, with the variants of the virus rampant, and restrictions on the movement of personnel still in place, which severely affected overseas business expansion and the dispatch of delegations abroad. The Group overcame the adverse impact of the pandemic and achieved positive results in terms of overseas business. It successfully completed the tender for a 30MW photovoltaic project in Brunei. The Group proactively responded to the serious situation of the Russia-Ukraine conflict, adopted unified arrangements and adopted contingency plans to ensure the normal operation of its projects in Yuzhnyy, Ukraine without any loss of property or casualties.

In the first half of 2022, the results in management of the overseas assets of the Group were good, the prevention and control of the pandemic and production risks was effective and all in-service projects were running well. As of 30 June 2022, Canada Dufferin Wind Farm project of the Group recorded accumulated power generation of 155,029 MWh, recorded utilisation hours of 1,564 hours, and maintained its accumulated safe production for 2,768 days; the project of De Aar Wind Farm in South Africa recorded accumulated power generation of 282,494 MWh, recorded utilisation hours of 1,155 hours, and maintained its accumulated safe production for 1,703 days; the wind power project in Yuzhnyy, Ukraine recorded accumulated power generation of 132,283 MWh, recorded utilisation hours of 1,729 hours, and maintained its accumulated safe production for 299 days. At present, the Group is vigorously exploring the potential in the markets in Central and Eastern Europe, Southern Africa and Southeast Asia, closely tracking market trend and actively exploring key projects to achieve regional rolling development and breakthroughs in key markets.

III. CORE COMPETITIVENESS ANALYSIS

(I) Outstanding advantages in project construction

The Group continues to strengthen the construction of standard workmanship systems and enhance process quality control, to further improve the overall quality of its projects. The Group has completed the construction of an intelligent control platform system for new energy project construction sites, which realises the expected functions of remote monitoring, electronic fencing, personnel clock-in and localisation of personnel and vehicles, further enriches the means of project control and improves remote supervision and management capabilities by enhancing digital access to project information. In the first half of 2022, the Group overcame the impact of negative factors such as the resurgence of the pandemic, rising component prices and continuous heavy rainfall in southern China and realised new consolidated installed capacity of 129.75 MW; the offshore southern district 405 MW wind power project in Sheyang, Jiangsu and the 300 MW wind power project in Chensuoliang, Shangyi, Hebei won the "2022 China Power Quality Project Award"; solar-tidal intelligent photovoltaic power station in Wenling achieved full-capacity grid-connected power generation, which is the first solar-tidal complementary photovoltaic power station in China and the first innovative application of solar energy – lunar tidal energy complementary development in China.

(II) High-quality and abundant project reserves

The Group actively leverages its advantages of being a good brand, low debt ratio, extensive project layout, having leading technology management and sufficient professional staff to expedite the acquisition of quality resources. It innovates its project cooperation mode and has been cooperating with various parties in an all-round, wide-ranging and multi-level manner based on the principles of "complementing advantages, mutual benefit and win-win situation, resource sharing and common development", gradually forming a clear overall development strategy. It further promotes the development of "base-type, station-type and distribution-type" projects, advances the layout of desert, gobi and offshore-base projects, actively and orderly develops distributed photovoltaic projects, and strives for qualification for competitive allocation.

(III) Enhancing talent team development

The Group has 461 chief technician at four levels and 29 professional directions, and 10 "Innovation Workshops for Model Workers and Craftsmen", giving full play to the technical leadership role of backbone talents such as model workers and craftsmen. Through the establishment of the "1+2+N" (1 new energy training centre, 2 company-level training bases and N provincial-level training bases) training base system and the continuous implementation of the "Leadership (Craftsmanship) Training Camp", the Group has cultivated and reserved a number of outstanding wind power management and production talents, with a total of 154 trainees in the leadership training class and 215 trainees in the craftsmanship training class. Among them, a total of 125 persons were granted the "Central SOEs Technician" award by SASAC and the "Power Industry Technician" award by CEC.

The Group has 347 employees possessing senior titles and 1,784 possessing 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 perspective. The Group has well-developed remuneration and incentive mechanism, which focuses on performance and contribution. The tenure system and contractual management designed for the management team are fully implemented, and the management rules for the remuneration of leaders and new energy incentives have been revised, to promote the distribution of remuneration to talents in frontline positions and those who have made outstanding contributions, so as to stimulate new motivation of cadres towards working and entrepreneurship.

(IV) Exploring potential in procurement cost reduction

In the procurement process of various projects, the Group insists on "Tender and disclosure must be made where necessary" and takes the annual procurement plan as a effective means to bring into play the scale effect, improves the overall efficiency of the procurement system through process optimisation, reduces production and operation costs and achieves the improvement of efficiency and effectiveness. The Group breaks the "one order, one procurement" mindset, reasonably reduces the number of purchases, and carefully plans corporate and regional long-term agreement framework purchases, batch procurement and correlated procurement. The centralised procurement of materials such as wind turbines and spare parts can reduce the cost by approximately 10% as compared to decentralised procurement. Long-term agreement procurement of production maintenance saves more than 40 days as compared to previous conventional procurement, effectively reducing power loss due to downtime. At the same time, the Group strengthens the supervision over key areas and key links such as tendering, procurement of materials and construction, improves information communication and result sharing mechanisms, to enhance the effectiveness of supervision.

(V) Strictly enforcing safety production

The Group seriously studies and implements the important instructions of the General Secretary of the Party, Xi Jinping on production safety, and comprehensively strengthens its work on production safety. The Group adheres to "Assuming the responsibilities and duties of both the Party and the management for one post, joint fulfilment of both duties, and accountability for negligence in performing both duties", implements the requirement of "three musts for three managements (i.e. safety must be guaranteed in management of industry, management of operation and management of production)", comprehensively applies measures such as supervision and inspection, assessment, reward and punishment to ensure the responsibilities for production safety are in place, continues to deepen the three-year action for special rectification, and firmly implements the 15 mandating measures for national production safety; spares no efforts in the production safety inspection, strengthens the safety risk control and hidden danger investigation, enhances risk prediction, and forms a closed loop of working on investigation, rectification, cancellation and supervision; strictly focuses on site management, outsourced team management and high-risk operations, scientifically schedules to effectively respond to flood and typhoon prevention, improves the early warning management mechanism, does a good job in stockpiling materials and emergency drills, strictly implements the duty and information reporting system, enhances the ability to respond to emergencies and handle emergencies at all levels, builds an effective and efficient emergency management system requiring joint efforts from both top and bottom; strengthens the concept of "ensuring safety through the means of technology", innovates digital means for supervision, works hard on the identification and rectification of hidden dangers, comprehensively applies mobile devices such as work recorders and mobile spherical monitors, realises the "one person, one machine" arrangement and "visibility" of the entire operation process, to promote the continuous improvement of safety.

(VI) Being leader in the industry in terms of technology level

The Group has seized the opportunity of the rapid development of new energy and regarded technological projects as important vehicles for reform and innovation, strengthens key scientific and technological research and the application of scientific and technological achievements, and supports and leads the high quality development of the Group with technological innovation, resulting in a number of important achievements. Focusing on new businesses and new industries such as hydrogen energy, ammonia energy and energy storage, the Group is expanding its research areas, strengthening joint research efforts with universities and research institutes such as Tsinghua University, Beijing Institute of Technology and the Chinese Academy of Sciences, and promoting the establishment of an enterprise-based science and innovation system with in-depth integration of industry, academia, research and application. Through studying and learning from successful experiences in the transformation of innovations within and outside the industry, the Group further explores the way to transform the achievements, strengthens the efforts to transform the achievements, deepens the digital transformation for production, explores the value of production data, continues to optimise the production control system, accelerates the construction of the production data mining and service system, accelerates the building of itself into a smart enterprise, and at the same time strengthens the implementation of the new system to stimulate the self-driving force for technological innovation.

(VII) Solid momentum of quality and efficiency improvement

By improving the work standards in offshore wind power pre-planning, project construction, technical improvement operations, vessel management and emergency planning, the Group has comprehensively improved the management level of its offshore wind power; by strengthening the refined management of production, using the digital platform as an effective means, adhering to problem-oriented principle and strengthening benchmarking analysis, the Group has promoted the transformation from "passive inspection and repair" to "prediction for maintenance", with an accuracy rate of 85% in fault pre-warning; through careful and special treatment of electrical control faults of wind turbines, the self-optimisation of the turbines has been promoted and the stability of equipment operation has been enhanced.

The Group continues to improve its countermeasures against grid curtailment, scientifically analyses the risks of grid curtailment, proactively searches for room for consumption and continuously optimises its power trading strategy, coordinates various types of trading such as cross-provincial and cross-regional transmission, substitution of thermal power generation with wind power generation and green power trading. In accordance with the principle of "horizontally month-by-month and vertically site-by-site", the Group has decomposed and issued a plan for 2022 grid curtailment proportion, clarifying the nodal targets and improving management refinement. By tracking and collecting information on power supply installations, grid operation mode, grid structure, load consumption and major policy changes, the Group is able to scientifically predict the risks of and trends in regional grid curtailment and strengthen information management for grid curtailment.

(VIII) Well-established compliance management system

The Group adheres to the "two consistency" and continues to optimise the "three keys and one large amount" (i.e. decision on key matters, appointment and removal of key cadres, investment decision for key projects, utilisation of larger amount of funds) and other decision-making systems, to promote the specification, standardisation and procedures of the terms of reference of the Party Committee, the Board and the management and the authority to make decisions on matters. Through strengthening the construction and standardised operation of the Board, improving the working mechanism and delegating powers scientifically, the Board is able to play its role of "determining strategies, making decisions and preventing risks". At the same time, the Group combines domestic and international standards to develop an Environmental, Social and Corporate Governance ("**ESG**") system with the characteristics of the new energy industry, build awareness of ESG governance, enhance the investment value of the Company and steadily implement the new development concept.

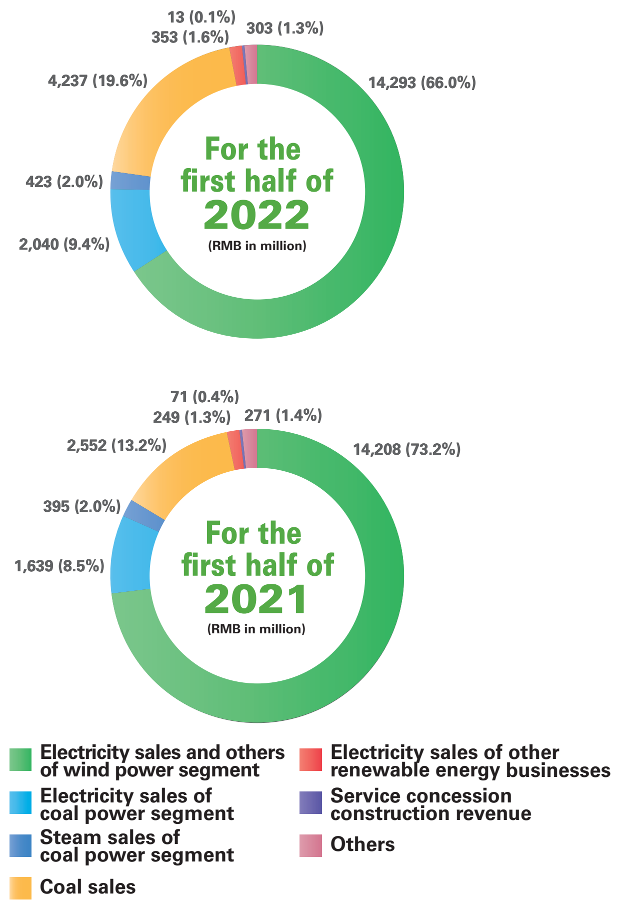
IV. ANALYSIS OF OPERATING RESULTS

In the first half of 2022, the Group achieved a net profit of RMB5,141 million, representing a decrease of 14.9% as compared to RMB6,039 million in the corresponding period of 2021. The net profit attributable to equity holders of the Company was RMB4,333 million, representing a decrease of 17.5% as compared to RMB5,251 million in the corresponding period of 2021. Earnings per share was RMB50.52 cents, representing a decrease of RMB13.33 cents as compared to RMB63.85 cents in the corresponding period of 2021.

1. Operating Revenue

Operating revenue of the Company amounted to RMB21,662 million in the first half of 2022, representing an increase of 11.7% as compared to RMB19,385 million in the corresponding period of 2021. The increase in operating revenue was primarily due to: (1) an increase of RMB85 million, or 0.6%, in electricity sales and other revenue of wind power segment to RMB14,293 million in the first half of 2022 as compared to RMB14,208 million in the corresponding period of 2021, which was primarily due to increases in electricity sales of wind power as compared to the corresponding period of 2021; (2) a decrease of RMB58 million, or 81.7%, in service concession construction revenue of wind power segment to RMB13 million in the first half of 2022 as compared to RMB71 million in the corresponding period of 2021, which was primarily due to the decrease in construction volume of service concession projects under construction in the first half of 2022 as compared to the corresponding period of 2021;

Operating revenue of each segment and their respective proportions are set out in the diagram below:

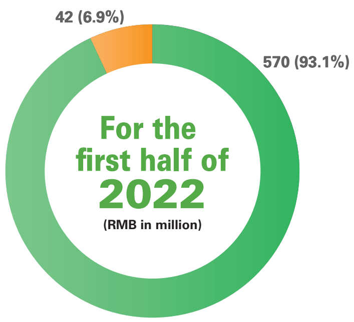


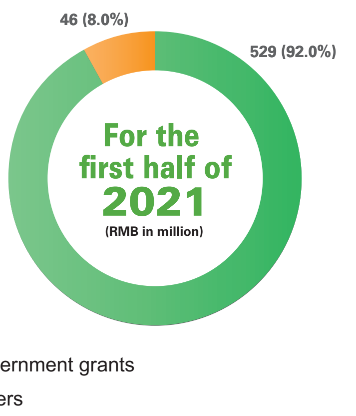
(3) an increase of RMB401 million, or 24.5%, in revenue from electricity sales of coal power segment to RMB2,040 million in the first half of 2022 as compared to RMB1,639 million in the corresponding period of 2021, which was primarily due to the increase in the average unit price of electricity sales of coal power segment as compared to the corresponding period of 2021; (4) an increase of RMB1,685 million, or 66.0%, in revenue from coal sales of coal power segment to RMB4,237 million in the first half of 2022 as compared to RMB2,552 million in the corresponding period of 2021, which was primarily due to the increase in sales volume and the unit selling price of coal as compared to the corresponding period of 2021; and an increase of RMB28 million or 7.1% in revenue from sales of steam to RMB423 million as compared to RMB395 million in the corresponding period of 2021, which was primarily due to the increase in the unit selling price of steam as compared to the corresponding period of 2021; and (5) an increase of RMB104 million, or 41.8%, in revenue from electricity sales of other renewable energy segments to RMB353 million in the first half of 2022 as compared to RMB249 million in the corresponding period of 2021, which was primarily due to the increase in electricity generated from other renewable energy such as photovoltaic power and so on.

2. Other Net Income

Other net income of the Company amounted to RMB612 million in the first half of 2022, representing an increase of 6.4% as compared to RMB575 million in the corresponding period of 2021, primarily due to the increases of RMB41 million in government grants such as VAT refunds as compared to the corresponding period of 2021.

The breakdown of other net income items and their respective proportions are set out in the diagram below:

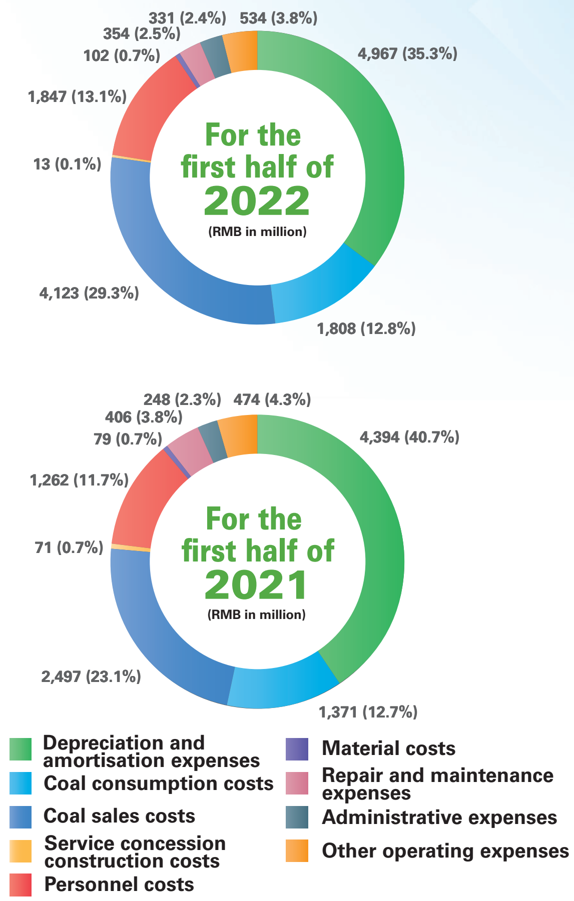




3. Operating Expenses

Operating expenses of the Company amounted to RMB14,079 million in the first half of 2022, representing an increase of 30.3% as compared to RMB10,802 million in the corresponding period of 2021, primarily due to: (1) an increase of RMB502 million and RMB500 million in the depreciation and amortisation expenses and personnel costs in the wind power segment, respectively; and (2) an increase of RMB1,626 million in coal sales costs and an increase of RMB437 million in coal consumption costs in the coal power segment.

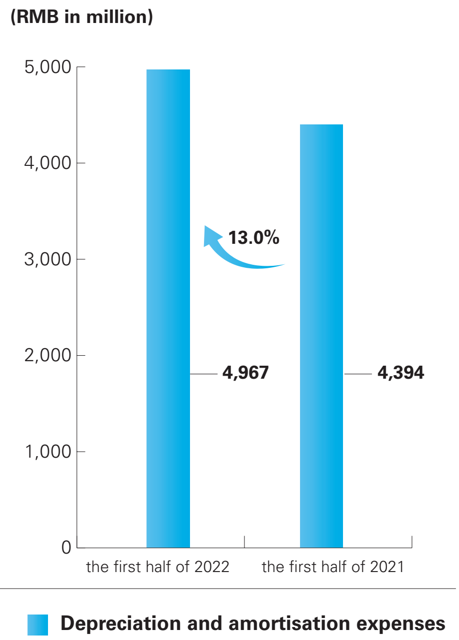
The breakdown of operating expenses items and their respective proportions are set out in the diagram below:



4. Depreciation and Amortisation Expenses

Depreciation and amortisation expenses of the Company amounted to RMB4,967 million in the first half of 2022, representing an increase of 13.0% as compared to RMB4,394 million in the corresponding period of 2021, primarily due to: (1) an increase of RMB502 million or 11.9% in depreciation and amortisation expenses in the wind power segment over the corresponding period of 2021 as a result of the effect of expansion in the installed capacity of wind power projects; and (2) an increase of RMB67 million or 116.7% in depreciation and amortisation expenses in photovoltaic segment over the corresponding period of 2021.

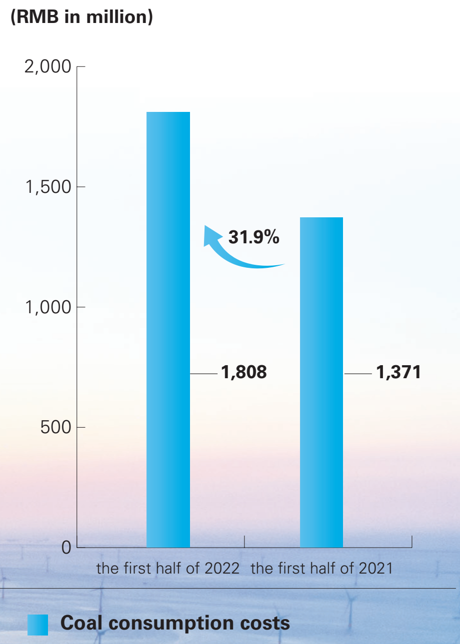
Depreciation and amortisation expenses are set out in the diagram below:



5. Coal Consumption Costs

Coal consumption costs of the Company amounted to RMB1,808 million in the first half of 2022, representing an increase of 31.9% as compared to RMB1,371 million in the corresponding period of 2021, which was primarily due to an increase of 32.7% in the average unit price of standard coal for power generation and heat supply as a result of the significant year-on-year increase in the coal price in the first half of 2022.

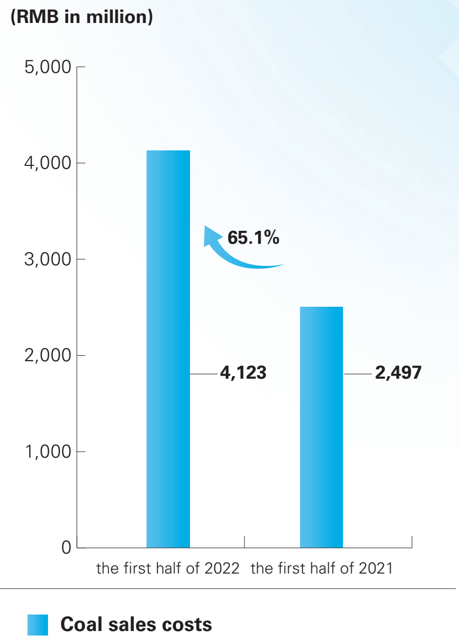
Coal consumption costs are set out in the diagram below:



6. Coal Sales Costs

Coal sales costs of the Company in the first half of 2022 amounted to RMB4,123 million, representing an increase of 65.1% as compared to RMB2,497 million in the corresponding period of 2021, which was primarily due to: (1) an increase of 21.4% in the sales volume of coal in the first half of 2022 as compared to the corresponding period of 2021; and (2) an increase of 36.0% in the average procurement unit price of coal as compared to the corresponding period of 2021.

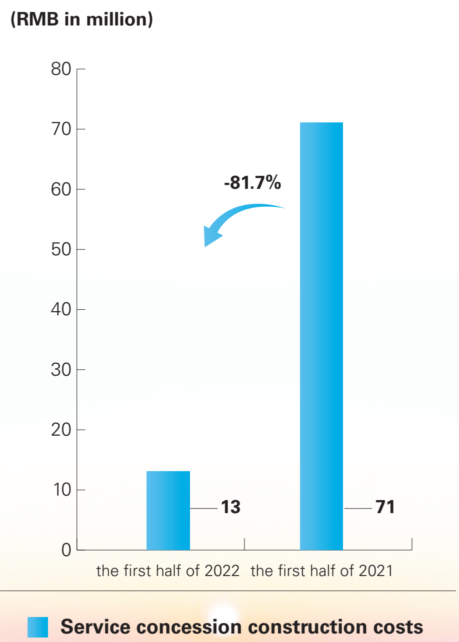
Coal sales costs are set out in the diagram below:



7. Service Concession Construction Costs

The Company's service concession construction costs in the first half of 2022 amounted to RMB13 million, representing a decrease of 81.7% as compared to RMB71 million in the corresponding period of 2021, primarily due to a decrease in the construction volume of service concession projects under construction in the first half of 2022 as compared to the corresponding period of 2021.

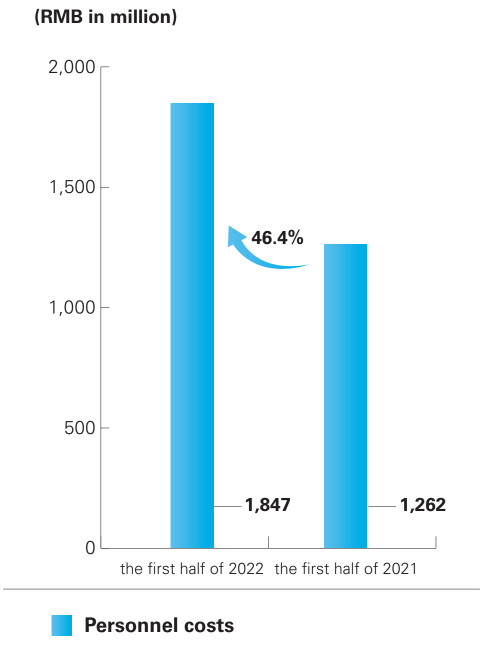
Service concession construction costs are set out in the diagram below:



8. Personnel Costs

Personnel costs of the Company amounted to RMB1,847 million in the first half of 2022, representing an increase of 46.4% as compared to RMB1,262 million in the corresponding period of 2021, 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.

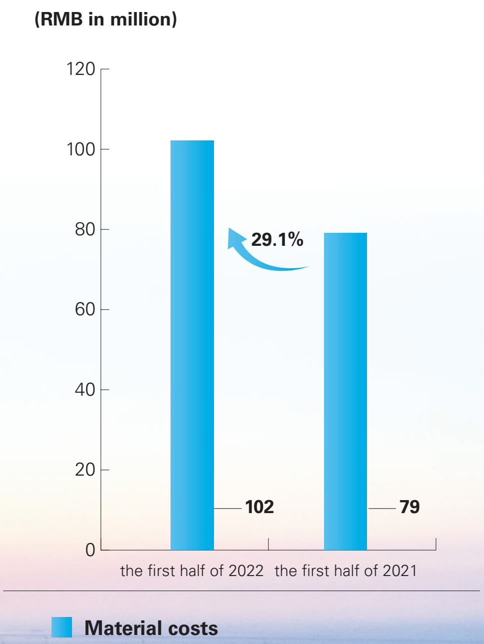
Personnel costs are set out in the diagram below：



9. Material Costs

Material costs of the Company amounted to RMB102 million in the first half of 2022, representing an increase of 29.1% as compared to RMB79 million in the corresponding period of 2021, which was primarily due to an increase in external procurement of coal power by-products for coal power segment and an increase in external procurement of wind turbine spare parts for wind power segment.

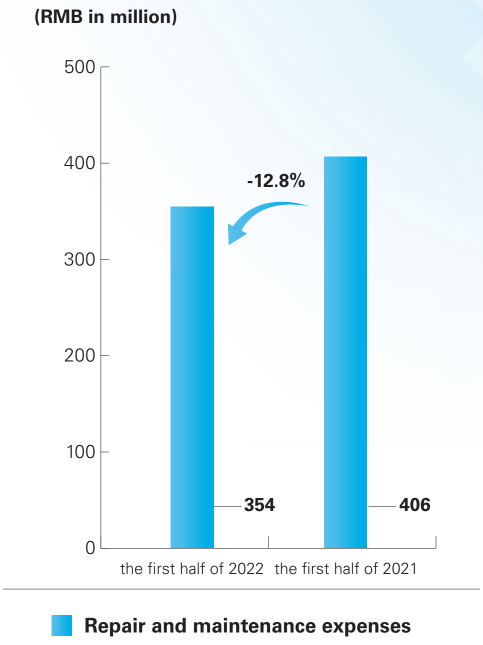
Material costs are set out in the diagram below:



10. Repairs and Maintenance Expenses

The repair and maintenance expenses of the Company amounted to RMB354 million in the first half of 2022, representing a decrease of 12.8% as compared to RMB406 million in the corresponding period of 2021, primarily due to a fall in the maintenance level of the wind power segment as compared to the corresponding period of 2021.

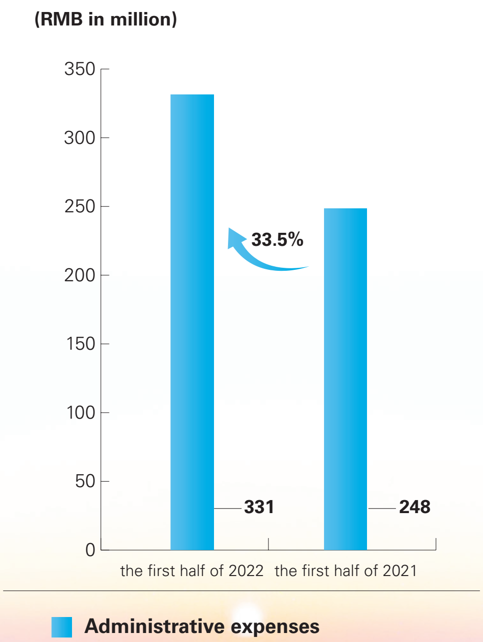
Repair and maintenance expenses are set out in the diagram below:



11. Administrative Expenses

Administrative expenses of the Company amounted to RMB331 million in the first half of 2022, representing an increase of 33.5% as compared to RMB248 million in the corresponding period of 2021, which was primarily due to an increase in the expenses including lease charges, travel expenses and office expenses with the increase in the efforts made to expand the Group's business.

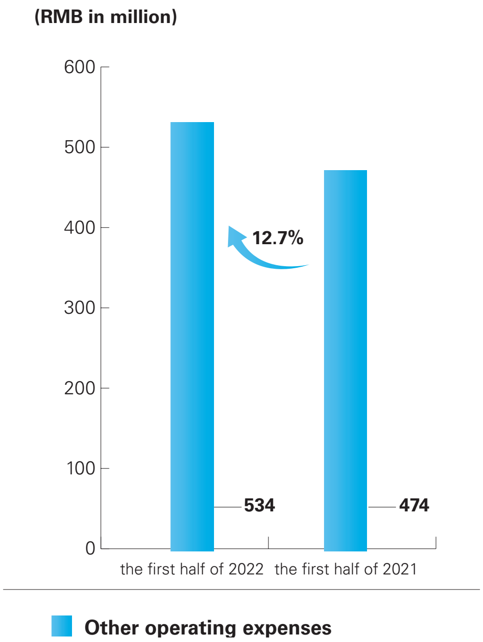
Administrative expenses are set out in the diagram below:



12. Other Operating Expenses

Other operating expenses of the Company amounted to RMB534 million in the first half of 2022, representing an increase of 12.7% as compared to RMB474 million in the corresponding period of 2021, which was primarily due to the impairment provision of RMB57 million made for the suspended projects.

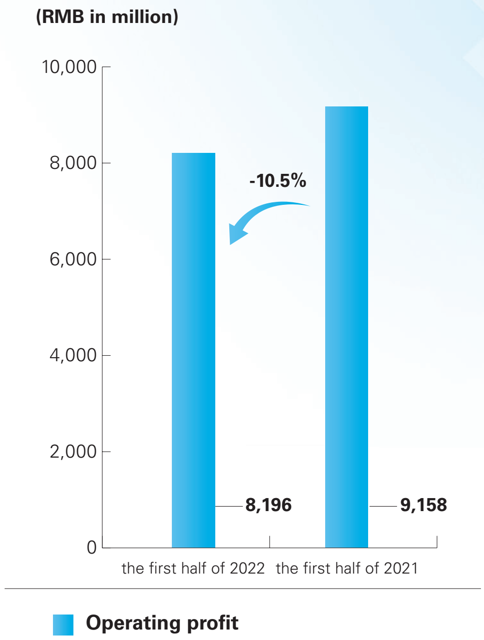
Other operating expenses are set out in the diagram below:



13. Operating Profit

In the first half of 2022, the operating profit of the Company amounted to RMB8,196 million, representing a decrease of 10.5% as compared to RMB9,158 million in the corresponding period of 2021, which was primarily due to: (1) a decrease of RMB924 million in the operating profits of the wind power segment as a result of the increase in the depreciation and amortisation costs and personnel costs in the wind power segment; (2) an increase of RMB36 million in operating profits of coal power segment with the growth in average unit price of electricity sales in the coal power segment; and (3) a decrease of RMB14 million in the operating profit of other segments due to the increase in the depreciation costs in photovoltaic power business and the increase in wage level and the average number of employees of other segments in the period.

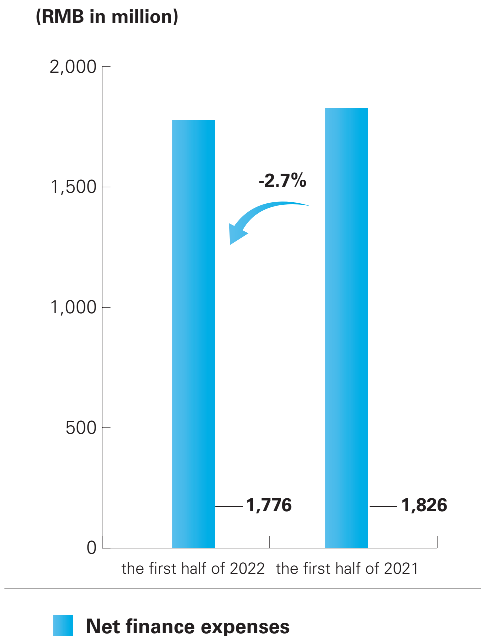
Operating profit is set out in the diagram below:



14. Net Finance Expenses

Net finance expenses of the Company amounted to RMB1,776 million in the first half of 2022, representing a decrease of 2.7% as compared to RMB1,826 million in the corresponding period of 2021, which was primarily due to: (1) an increase in the interest-bearing liabilities of the Group which led to an increase of RMB102 million in interest expenses in the first half of 2022 as compared to the corresponding period of 2021; (2) a decrease of RMB12 million in the Group's net foreign exchange loss in the first half of 2022 as compared to the foreign exchange gain in the corresponding period of 2021; (3) an increase of RMB24 million in profit from changes in fair value of the interest rate swap contracts as compared to the corresponding period of 2021; (4) a decrease of RMB252 million in the service charge for securitisation of the trade receivables of the Group in the first half of 2022 as compared with the corresponding period of 2021; (5) a decrease of RMB159 million in the unrealised losses recognised for trading securities held in the first half of 2022 as compared to the unrealised gains in the corresponding period of 2021; and (6) an increase of RMB40 million in interest income on financial assets in the first half of 2022 as compared to the corresponding period of 2021.

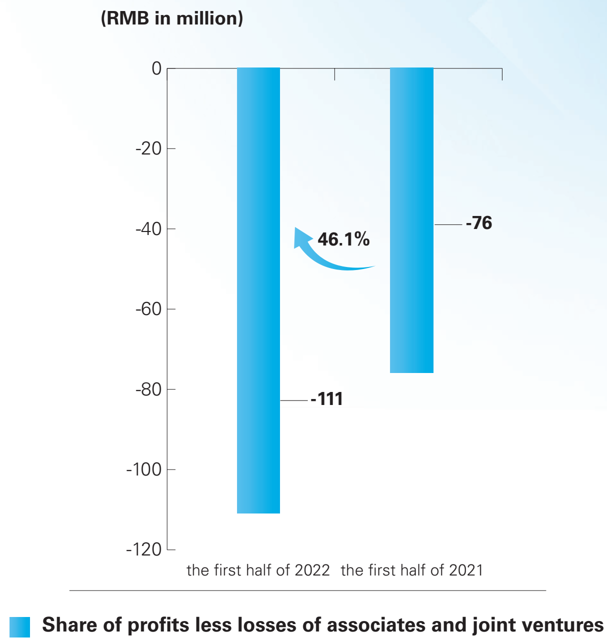
Net finance expenses are set out in the diagram below:



15. Share of Profits Less Losses of Associates and Joint Ventures

The Company's share of profits less losses of associates and joint ventures amounted to RMB-111 million in the first half of 2022, representing an increase of 46.1% as compared to RMB-76 million in the corresponding period of 2021, which was mainly due to the loss of the joint venture Jiangsu Nantong Power Generation Co., Ltd. due to the increase in coal prices and the increase in the net profit of the joint venture Jiangsu Longyuan Zhenhua Offshore Engineering Co., Ltd. due to business growth.

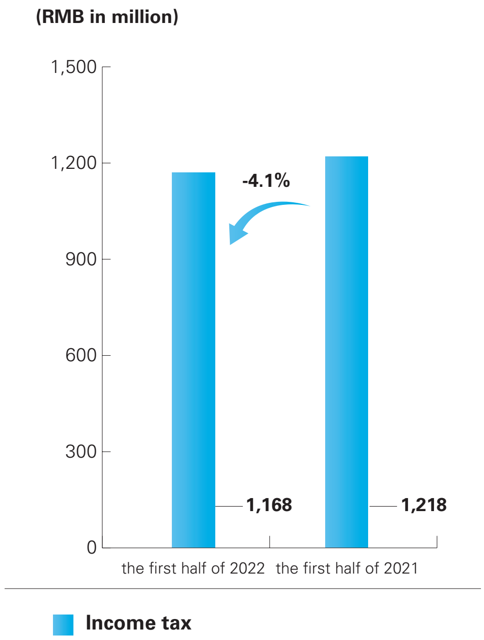
Share of profits less losses of associates and joint ventures is set out in the diagram below:



16. Income Tax

In the first half of 2022, the income tax of the Company amounted to RMB1,168 million, representing a decrease of 4.1% as compared to RMB1,218 million in the corresponding period of 2021, which was mainly due to (1) a year-on-year decrease of 13.1% in profit before tax in the first half of 2022; and (2) the reversal of temporary differences recognised in the previous year during the period.

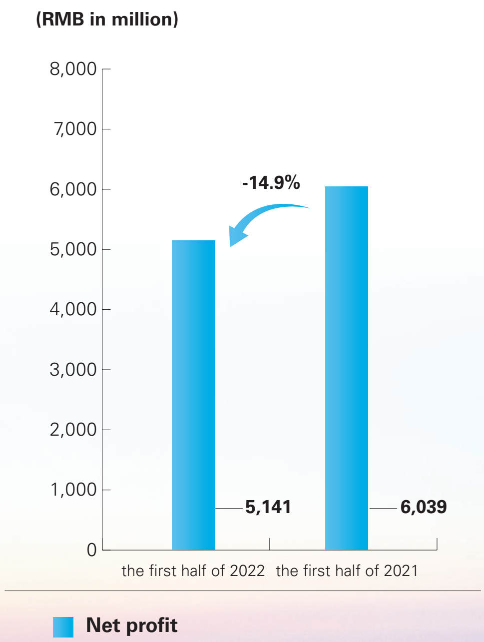
Income tax is set out in the diagram below:



17. Net Profit

In the first half of 2022, the net profit of the Company amounted to RMB5,141 million, representing a decrease of 14.9% as compared to RMB6,039 million in the corresponding period of 2021, which was mainly due to the decrease in net profit of wind power segment and other segments.

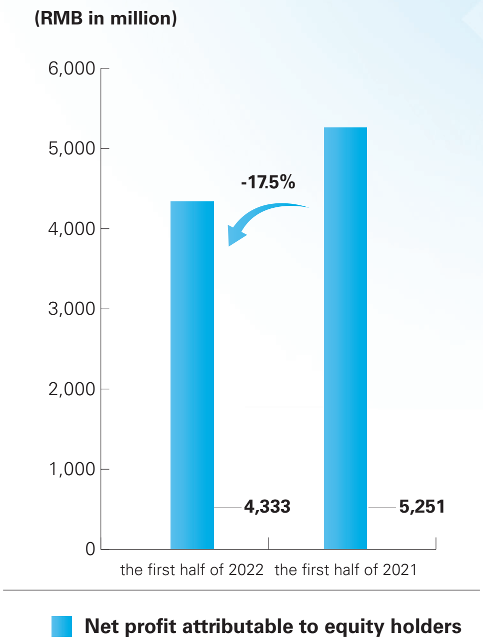
Net profit is set out in the diagram below:



18. Net Profit Attributable to Equity Holders of the Company

In the first half of 2022, the Company's net profit attributable to equity holders of the Company amounted to RMB4,333 million, representing a decrease of 17.5% as compared to RMB5,251 million in the corresponding period of 2021, which was mainly due to the decrease in net profit of wind power segment and other segments.

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



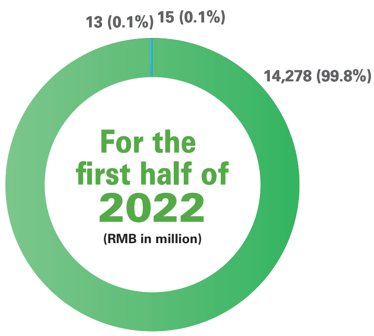
19. Segment Results of Operations

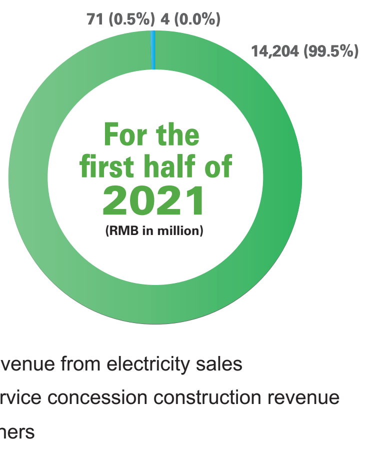
Wind power segment

Operating revenue

In the first half of 2022, the operating revenue of the wind power segment of the Company amounted to RMB14,306 million, representing an increase of 0.2% from RMB14,279 million in the corresponding period of 2021, primarily due to an increase in revenue from electricity sales as a result of growing electricity sales of wind power segment as the result of an increase in installed capacity of wind power.

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

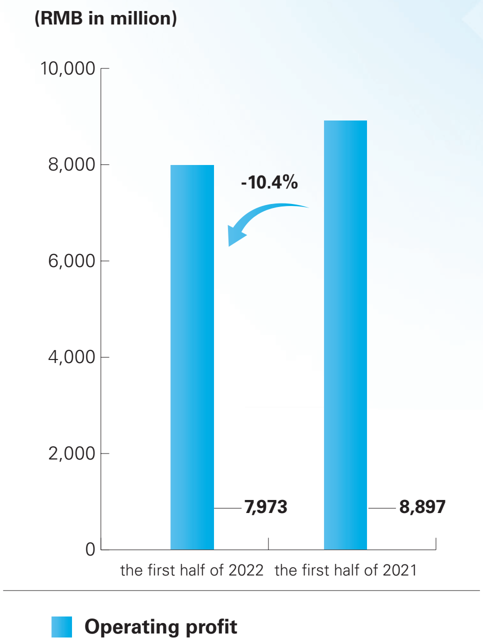




Operating profit

In the first half of 2022, the operating profit of the wind power segment of the Company amounted to RMB7,973 million, representing a decrease of 10.4% from RMB8,897 million in the corresponding period of 2021, which was mainly attributable to the growth of the operating revenue such as electricity sales in the wind power segment was lower than the growth of depreciation and amortisation costs and personnel costs, which led to a decrease in the operating profit in wind power segment.

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

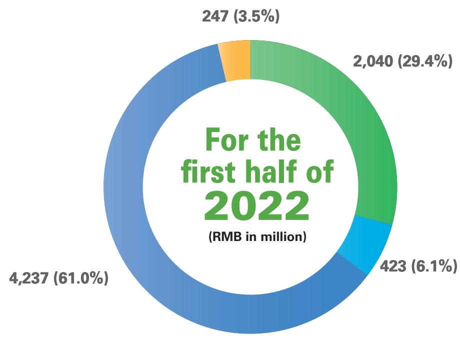


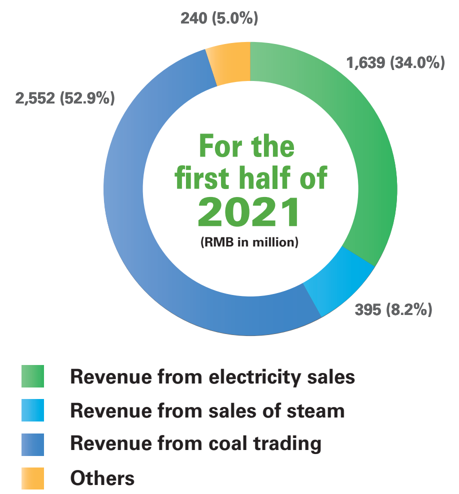
Coal Power Segment

Operating revenue

In the first half of 2022, the operating revenue of the coal power segment of the Company amounted to RMB6,947 million, representing an increase of 43.9% as compared to RMB4,826 million in the corresponding period of 2021, primarily due to: the increase in the average unit price of electricity sales and the revenue of coal sales of the coal power segment as compared to the corresponding period of 2021.

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

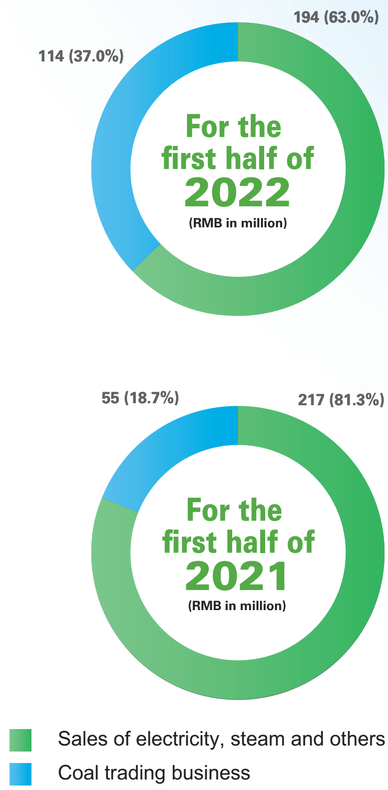




Operating profit

In the first half of 2022, the operating profit of the coal power segment of the Company amounted to RMB308 million, representing an increase of 13.2% as compared to RMB272 million in the corresponding period of 2021, which was mainly attributable to the increase in revenue from coal sales in the coal power segment.

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

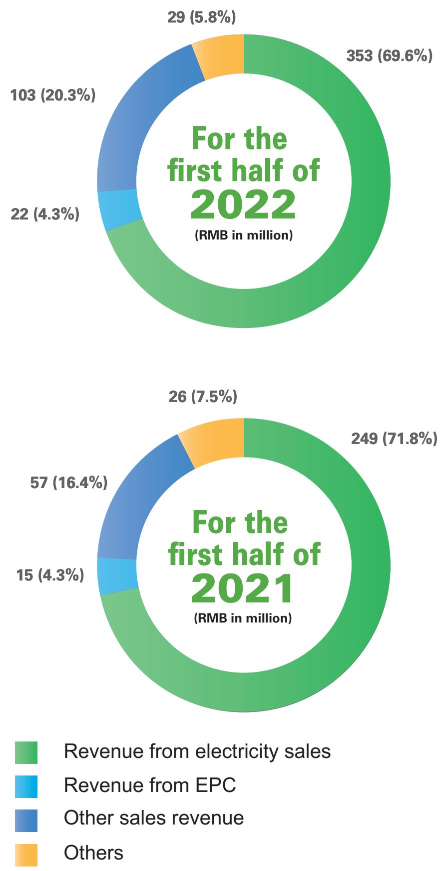


Other Segments

Operating revenue

In the first half of 2022, the operating revenue of other segments of the Company amounted to RMB507 million, representing an increase of 46.1% as compared to RMB347 million in the corresponding period of 2021, which was mainly attributable to: (1) an increase of RMB46 million in revenue from consulting and design services; and (2) an increase of RMB104 million in revenue from electricity sales of other renewable energy power such as photovoltaic power and so on.

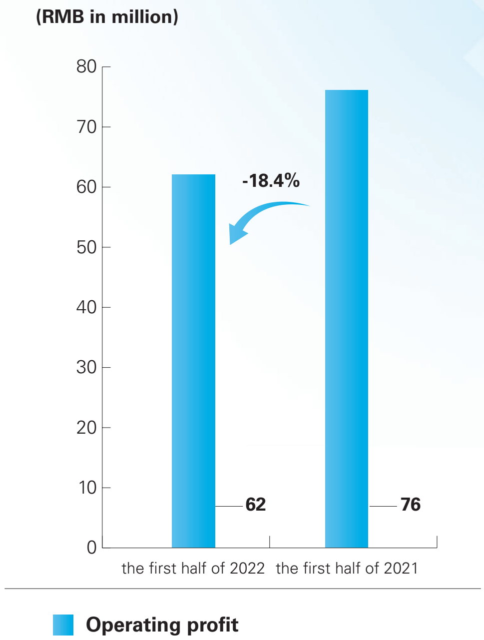
Operating revenue of other segments and proportions are set out in the diagram below:



Operating profit

In the first half of 2022, the operating profit of other segments of the Company amounted to RMB62 million, representing a decrease of 18.4% as compared to RMB76 million in the corresponding period of 2021, which was mainly attributable to that the growth of the operating revenue from other renewable energy business was lower than the growth in the depreciation and amortization costs, personnel costs and general administrative costs, which led to the decrease in the operating profit of other segments.

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



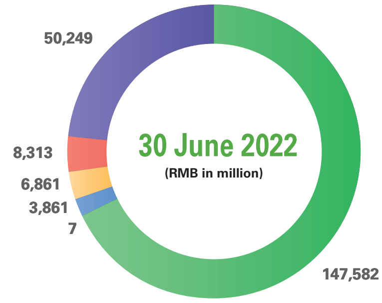
20. Assets and Liabilities

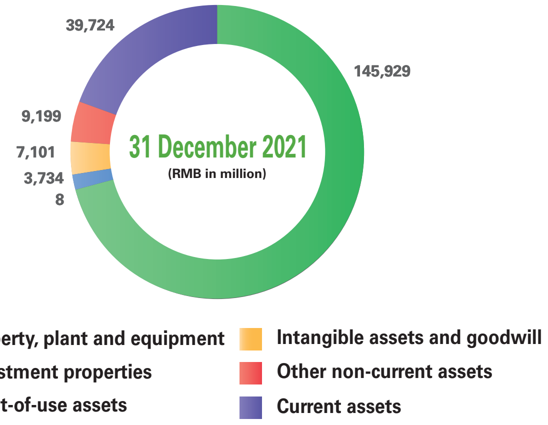
As at 30 June 2022, the total assets of the Company amounted to RMB216,873 million, representing an increase of RMB11,178 million as compared with total assets of RMB205,695 million as at 31 December 2021. This was primarily due to: (1) an increase of RMB10,525 million in current assets including bank deposits; and (2) an increase of RMB653 million in non-current assets including property, plant and equipment.

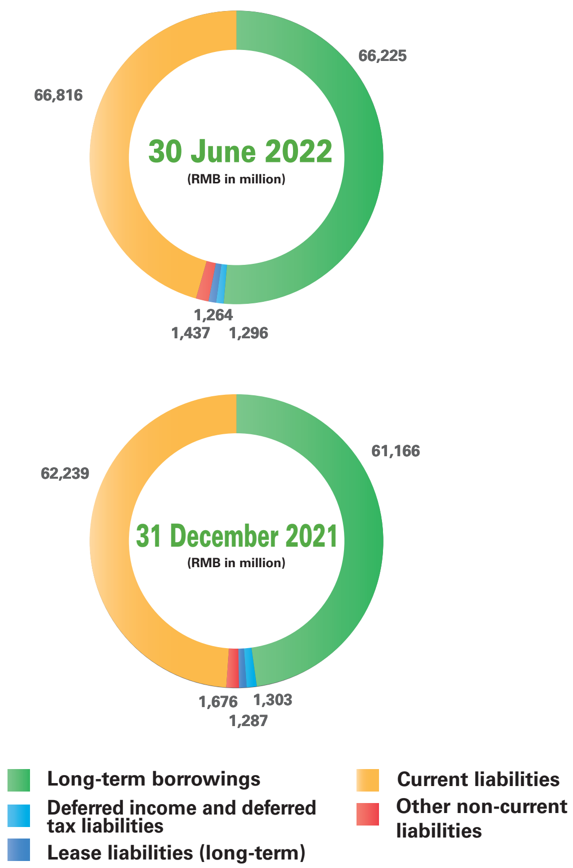
As at 30 June 2022, the total liabilities of the Company amounted to RMB137,038 million, representing an increase of RMB9,367 million as compared to total liabilities of RMB127,671 million as at 31 December 2021. This was primarily due to: (1) an increase of RMB4,790 million in non-current liabilities including long-term borrowings; and (2) an increase of RMB4,577 million in current liabilities including other current liabilities.

As at 30 June 2022, the equity attributable to equity holders of the Company amounted to RMB68,681 million, representing an increase of RMB593 million as compared with RMB68,088 million as at 31 December 2021, which was due to: (1) the net profit attributable to equity holders of the Company in the first half of 2022 resulted in an increase of RMB4,433 million in equity attributable to equity holders; and (2) the issuance of ordinary A shares for share swap, merger by absorption, purchase of assets through cash payment and distribution of 2021 dividends during the period resulted in a net decrease in equity attributable to equity holders of RMB3,840 million.

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





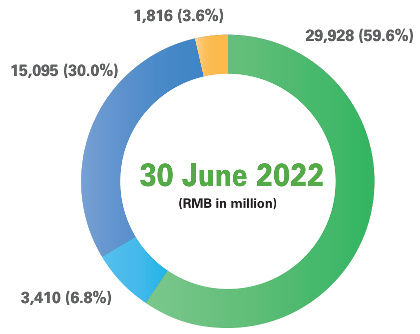

66,816
66,225
30 June 2022
(RMB in million)
1,264
1,437
1,296
62,239
61,166
31 December 2021
(RMB in million)
1,676
1,303
1,287
Long-term borrowings
Deferred income and deferred tax liabilities
Lease liabilities (long-term)
Current liabilities
Other non-current liabilities

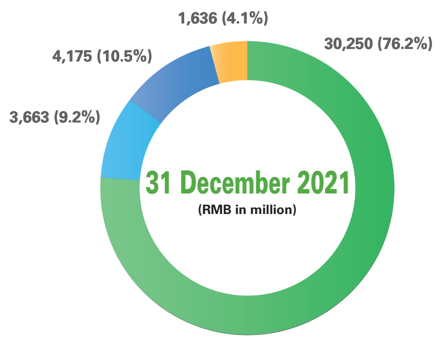

11,154
68,681
30 June 2022
(RMB in million)
9,936
68,088
31 December 2021
(RMB in million)
Equity attributable to the equity holders of the Company
Equity attributable to the non-controlling interests

21. Capital Liquidity

As at 30 June 2022, the current assets of the Company amounted to RMB50,249 million, representing an increase of RMB10,525 million as compared with the current assets of RMB39,724 million as at 31 December 2021, which was mainly attributable to the increase in bank deposits.

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





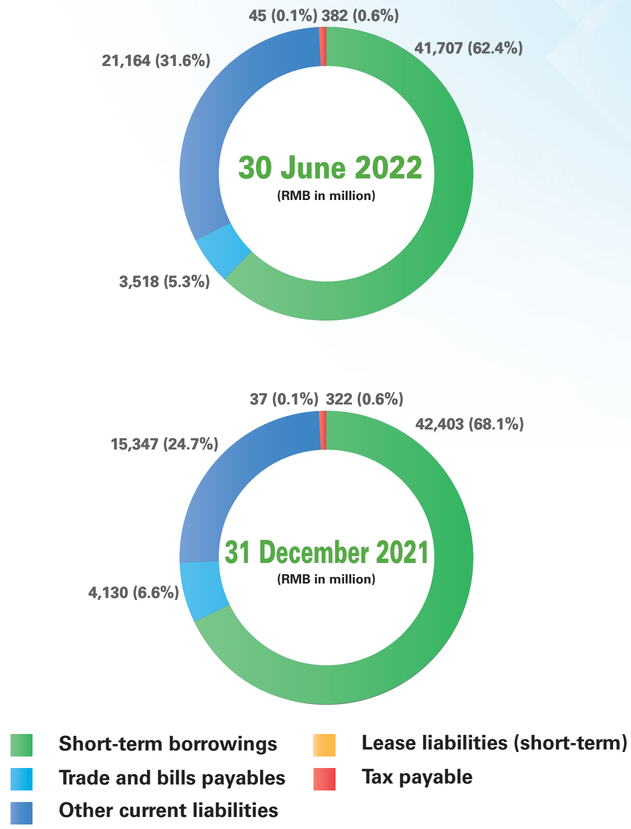
- Trade and bills receivables
- Prepayments and other current assets
- Cash at banks and on hand and restricted deposits
- Others

As at 30 June 2022, the current liabilities of the Company amounted to RMB66,816 million, representing an increase of RMB4,577 million as compared with the current liabilities of RMB62,239 million as at 31 December 2021, which was mainly attributable to the increase in other current liabilities.

As at 30 June 2022, the net current liabilities of the Company amounted to RMB16,567 million, representing a decrease of RMB5,949 million as compared with the net current liabilities of RMB22,516 million as at 31 December 2021. The liquidity ratio was 0.75 as at 30 June 2022, representing an increase of 0.11 as compared with the liquidity ratio of 0.64 as at 31 December 2021. The increase in liquidity ratio was mainly attributable to the increase in the scale of current assets was greater than the increase in the scale of current liabilities.

The restricted deposits amounted to RMB269 million, which mainly represent monetary funds used for repaying bank loans and deposits for land rehabilitation.

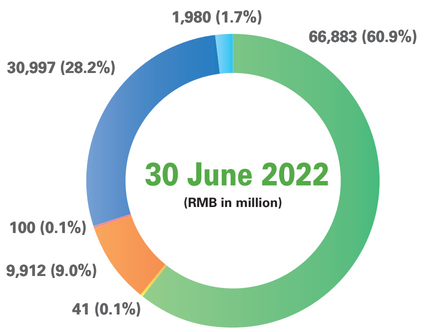
Current liabilities by item and proportions are set out in the diagram below:

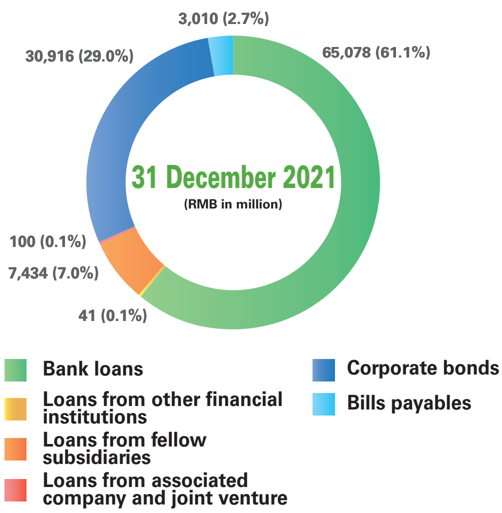


22. Borrowings and Bills Payable

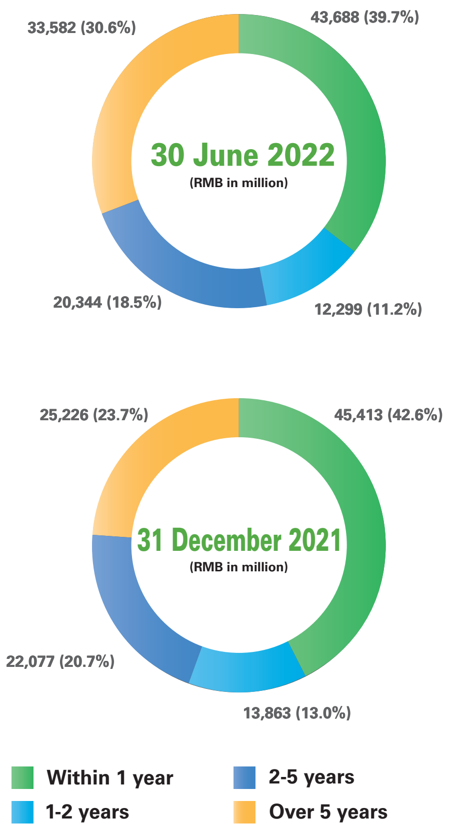
As at 30 June 2022, the Company's balance of the borrowings and bills payables amounted to RMB109,913 million, representing an increase of RMB3,334 million as compared with the balance of RMB106,579 million as at 31 December 2021. As at 30 June 2022, the Company's outstanding borrowings and bills included short-term borrowings and bills payables of RMB43,688 million (including long-term borrowings due within one year of RMB17,538 million and bills payables of RMB1,980 million) and long-term borrowings amounting to RMB66,225 million (including debentures payables of RMB12,941 million). The abovementioned borrowings included borrowings denominated in Renminbi of RMB101,644 million, borrowings denominated in U.S. dollars of RMB2,544 million and borrowings denominated in other foreign currencies of RMB3,745 million. As at 30 June 2022, the long-term liabilities with fixed interest rates of the Company included long-term borrowings with fixed interest rates of RMB3,512 million and corporate bonds with fixed interest rates of RMB12,941 million. As at 30 June 2022, the balance of bills payables issued by the Company amounted to RMB1,980 million.

Borrowings and bills payables by category and proportions are set out in the diagram below:

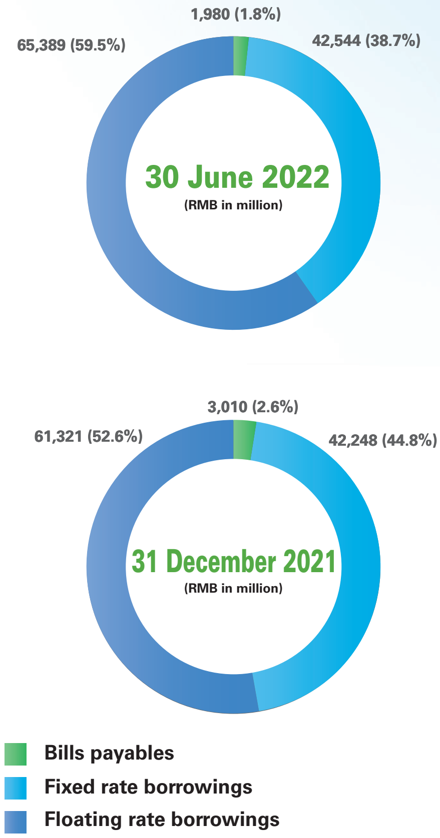




Borrowings and bills payables by term and proportions are set out in the diagram below:



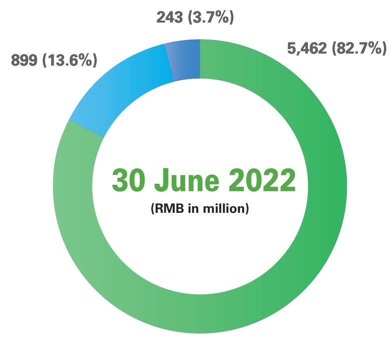
The types of interest rate structure of borrowings and bills payables and their respective proportions are set out in the diagram below:

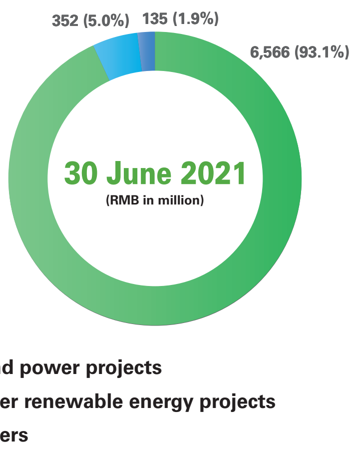


23. Capital Expenditure

The capital expenditures of the Company amounted to RMB6,604 million as at 30 June 2022, representing a decrease of 6.4% as compared to RMB7,053 million as at 30 June 2021, among which, the expenditures for the construction of wind power projects amounted to RMB5,462 million, and the expenditures for the construction of other renewable energy projects amounted to RMB899 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 diagram below:





24. Net Gearing Ratio

As at 30 June 2022, the net gearing ratio of the Company, which is calculated by dividing net debt (the sum of borrowings and finance lease commitment less cash and cash equivalents) by the sum of net debt and total equity, was 54.18%, representing a decrease of 2.23 percentage points from 56.41% as at 31 December 2021. This was primarily due to the increase in net debts being lower than the increase in total equity during the first half of 2022.

25. Major Investments

The Company made no major investment in the first half of 2022.

26. Material Acquisitions and Disposals

References are made to the announcements of the Company dated 15 January 2021, 18 June 2021, 23 July 2021 and 20 January 2022 and the circular of the Company dated 8 July 2021 (the "**Circular**"), in relation to, among other things, the absorption and merger of Pingzhuang Energy through share swap by the Company, disposal of material assets, purchase of assets through cash payment (the "**Transaction**") and matters in relation to the Issuance of A shares. Unless otherwise defined, capitalised terms used in this section shall have the same meanings as those defined in the Circular.

On 15 January 2021 and 18 June 2021, the Company and subsidiaries of CHN Energy entered into the Agreement on Purchase of Assets through Cash Payment and its supplemental agreement, respectively, pursuant to which the Company acquired the following target assets:

No.	Counterparty	Target assets	Transaction price *(RMB 0'000)*
1.	Northeast Electric Power	100% equity interest in Northeast New Energy *(Note 1)*	79,400.00
2.	Shaanxi Electric Power	100% equity interest in Dingbian New Energy *(Note 1)*	81,600.00
3.	Guangxi Electric Power	100% equity interest in Guangxi New Energy *(Note 1)*	98,600.00
4.	Yunnan Electric Power	100% equity interest in Yunnan New Energy *(Note 1)*	75,200.00
5.	Gansu Electric Power	100% equity interest in Gansu New Energy *(Note 3)*	44,200.00
6.	North China Electric Power	100% equity interest in Tianjin Jieneng *(Note 3)*	60,000.00
7.		100% equity interest in Inner Mongolia New Energy *(Note 1)*	79,100.00
8.		100% equity interest in Shanxi Jieneng *(Note 2)*	59,300.00

Notes:

1. As relevant entities were controlled by CHN Energy both before and after the transaction and such control was not temporary, the transaction was business combinations under common control. According to the Agreement on Purchase of Assets through Cash Payment and its supplemental agreement, the closing date of the equity interest as agreed by the parties was 4 January 2022. On 4 January 2022, the transferee had effectively obtained the control over the transferred equity interest and assets, therefore the merger date was determined to be 4 January 2022.

2. As relevant entities were controlled by CHN Energy both before and after the transaction and such control was not temporary, the transaction was business combinations under common control. According to the Agreement on Purchase of Assets through Cash Payment and its supplemental agreement, the closing date of the equity interest as agreed by the parties was 5 January 2022. On 5 January 2022, the transferee had effectively obtained the control over the transferred equity interest and assets, therefore the merger date was determined to be 5 January 2022.

3. As relevant entities were controlled by CHN Energy both before and after the transaction and such control was not temporary, the transaction was business combinations under common control. According to the Agreement on Purchase of Assets through Cash Payment and its supplemental agreement, the closing date of the equity interest as agreed by the parties was 6 January 2022. On 6 January 2022, the transferee had effectively obtained the control over the transferred equity interest and assets, therefore the merger date was determined to be 6 January 2022.

Upon the completion of the Merger, Pingzhuang Energy ceased to be listed. As the surviving company, the Company will inherit and take over all the remaining assets and liabilities of Pingzhuang Energy after the disposal of its assets. At the same time, the A shares issued by the Company for the Merger and its original domestic shares were listed and traded on the Main Board of the Shenzhen Stock Exchange ("**SZSE**"). On 21 January 2022, the Company issued 345,574,164 A shares on the Main Board of the SZSE to absorb and merge Pingzhuang Energy through share swap. On 24 January 2021, the A shares and the original domestic shares issued by the Company for the Merger were listed on the Main Board of the SZSE (SZSE: 001289). Upon the completion of the issuance and listing of the A shares, the total number of issued shares of the Company was 8,381,963,164, comprising 5,041,934,164 A shares and 3,340,029,000 H shares. For details of the above transactions, please refer to the Circular.

27. Pledged Assets

As at 30 June 2022, the general bank loans, bonds and other borrowings of the Group amounting to RMB10,862 million were secured by tariff collection rights of RMB5,726 million, bills receivable with an aggregate carrying amount of RMB14 million, inventories with an aggregate carrying amount of RMB4 million and property, plant and equipment with an aggregate carrying amount of RMB2,332 million.

28. Contingent Liabilities/Guarantees

As of 30 June 2022, the Company provided a counter-guarantee of not more than RMB7 million to the controlling shareholder of an associate. As at 30 June 2022, the bank loan balance for which the Company provided the counter-guarantee amounted to RMB7 million.

29. Cash Flow Analysis

As at 30 June 2022, the bank deposits and cash held by the Company amounted to RMB14,826 million, representing an increase of RMB10,913 million as compared to RMB3,913 million as at 31 December 2021, which was mainly due to the receipt of renewable energy subsidy granted by the State during the current period. The principal sources of funds of the Company mainly included self-owned funds and external borrowings. The Company mainly used the funds for capital turnovers and the construction of projects.

The net cash inflow from the Company's operating activities amounted to RMB16,047 million in the first half of 2022, representing an increase of RMB7,526 million as compared to RMB8,521 million in the corresponding period of 2021, which was mainly due to the increase in the revenue from the sales of electricity and coal.

The net cash outflow from investing activities of the Company was RMB2,038 million in the first half of 2022. The cash outflow from investing activities was mainly used for the construction for wind power projects.

The net cash outflow from financing activities of the Company was RMB3,115 million in the first half of 2022. 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.

V. RISKS FACING THE COMPANY AND COUNTERMEASURES

In the first half of 2022, the Group identified the following risks in its business development practices and took corresponding countermeasures to proactively address internal and external challenges and opportunities.

1. Policy Risk and Countermeasures

In the first half of 2022, as the power market-oriented reform continued to advance and the trading scale of the new energy market continued to expand. In the Guiding Opinions on Accelerating the Building of a Nationwide Unified Electricity Market System, it was proposed to further encourage clean energy to participate in market-based trading and expand the scale of green power trading. At present, the number of regions participating in new energy market-based trading continues to expand, with intra-provincial and inter-provincial spot trading running continuously and the proportion of electricity traded in new energy market-based trading increasing, new energy base hours falling further and risk of tariff falling being severe across trading regions. The Group will continue to track relevant national policies, study the impact of the policies, guide the implementation of favourable policies, actively strive for quality medium and long-term transactions, lock in revenue from electricity sales, keep a close eye on policy adjustments, so as to protect the interests of ourselves.

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 2022, 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 at 30 June 2022, the Group had substantial projects in 32 provinces (autonomous regions and municipalities) 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

With the continued increase in new energy installations, the situation of grid structure curtailment and insufficient transmission capacity is facing the risk of intensifying in some areas and the situation of new energy grid curtailment is still severe. The Group will continue to do a good job in the study of the operation characteristics of new energy, enhance the communications with the competent government authorities and power grid dispatching to strive for favorable policies and power generation spaces, and meanwhile proactively expand consumption channels and promote the improvement of local grid.

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 2022, coal prices remained volatile at a high level and there was a structural shortage of quality coal, which made it more difficult to procure coal suitable for the efficient operation of the generating units in line with the rational price range, and the cost of power generation continued to rise. Late performance of long-term contracts happened occasionally, which adversely affected the production and operating results of the Group's coal power business. The Group is fully committed to implementing the annual long-term agreements on coal supply, improving the working mechanism for coal procurement and supply assurance, ensuring timely performance of long-term coal agreements and supply, keeping a close eye on changes in market conditions, scientifically grasping the procurement strategy for coal and increasing the procurement volume at low cost levels as far as possible to maintain a balance between supply and demand.

7. Internal Control Risk and Countermeasures

Focusing on the five major objectives of strategic development, operational performance, financial reporting, asset security and legal compliance, the Group continues to improve the internal control system, build information technology platforms and strengthen the implementation and application. Through monthly tracking, quarterly reporting and semi-annually summarising, the Group is firmly promoting the standardisation of the system, the standardisation of the procedures and the normalisation of the operations. The Group will take the construction of the internal control risk compliance management system as an opportunity to comprehensively refine the risk-oriented internal control matrix, evaluation standards, early warning indicators and other operational mechanisms, promote the internal control management system up and down, online monitoring and dynamic updates, promote the integration and docking with business systems, enhance the ability and efficiency of collaborative prevention and control, adapt to the development of the new energy industry and model innovation, and keep abreast of the times and promote the iterative update of the internal control management system.

VI. BUSINESS OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of 2022, the Group will be determined to implement the general requirements of "bringing the pandemic under control, stabilising the economy, developing safely", seriously implement the arrangements proposed at the mid-year work conference, highlight the work direction of "stability, synergy, empowerment, quality enhancement", closely focus on the strategic goal of being a leading new energy enterprise in the world, coordinate the work of risk prevention, development, growth stabilization, reform promotion and party building, and ensure that the annual targets and tasks are completed in a high quality manner. The Group will enhance its market competitiveness, modern governance, technological innovation, corporate influence and industry leadership, and strive to build a new Longyuan that is "inherently safe, doubling in scale, transforming digitally and progressing healthily".

In the second half of 2022, the Group will focus on the following work:

1. Preventing risks in a strict and careful manner to ensure safety and stability. Strictly assuming the responsibility for safety production, continuously strengthening the foundation of safety production, focusing on the prevention of major safety risks, and implementing detailed management of various risks.

2. Making every effort to develop and accelerate the development of new energy. Promoting the synchronous play of "independent development, cooperative development and replacing small-capacity units with large-capacity units", adhering to the concurrent of "centralised and distributed projects", and giving full play to the driving force of "technology leadership, innovation and demonstration, resource guarantee and incentive" to ensure that the production target is achieved.

3. Taking multiple measures to stabilise growth and increase the quantity and quality of the results. Working hard to improve the capacity of the equipment to generate electricity, improve the ability to reduce costs and increase efficiency and improve the ability to create efficiencies in marketing and working hard to accelerate digitalisation transformation.

4. Being determined to promote reform and continuing to stimulate vitality and efficiency. Further enhancing the effectiveness of governance, stimulating endogenous driving force, strengthening legal compliance and enhancing technological support.

5. Continuing to strengthen the Party building and leading the Group to develop in a high quality manner. Strengthening political construction comprehensively, enhancing the quality and effectiveness of the Party building, continuing to strengthen team building and promoting strict governance of the Party in all respects.

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

On 22 June 2022, the Company held the 2021 annual general meeting (the "**AGM**"). On the date of the AGM, Mr. Li Zhongjun, the chairman of the Board, Mr. Tang Chaoxiong, Mr. Ma Bingyan and Mr. Michael Ngai Ming Tak, the Directors, were unable to attend the AGM due to other business commitments. Save as disclosed above, during the period from 1 January 2022 to 30 June 2022, 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 2022 to 30 June 2022. 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.

BOARD DIVERSITY POLICY

The Company firmly believes that increasing diversity at the Board level is an essential element in supporting the attainment of its strategic objectives and its sustainable development. Thus, the Company developed the Board Diversity Policy in October 2013 providing that, to determine the Board's composition, the Company should consider Board diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision of the Company will be based on the value and contribution the selected candidates would bring to the Board. All Board nominations will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Nomination Committee will report annually, in the annual report, on the Board's composition under diversified perspectives, monitor the implementation of the Board Diversity Policy, and review this policy, as appropriate, to ensure the effectiveness of this policy. The Nomination Committee will discuss any revisions of Board Diversity Policy that may be required, and recommend any such revisions to the Board for consideration and approval.

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: 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.

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 23 August 2022, the Audit Committee reviewed and confirmed the announcement of interim results of the Group for the six months ended 30 June 2022, 2022 interim report, the unaudited interim condensed consolidated financial information for the six months ended 30 June 2022 prepared under IAS 34, Interim Financial Reporting and the disclosure requirements under the Listing Rules.

SHARE CAPITAL

As of 30 June 2022, the total share capital of the Company amounted to RMB8,381,963,164 divided into 8,381,963,164 shares of RMB1.00 each. The shares of the Company were listed on the Shenzhen Stock Exchange on 24 January 2022. The number of shares under the A share public offering was 345,574,164 shares, all of which were new shares and no old shares were transferred. After the issuance, the original domestic shares of the Company held by CHN Energy and CHN Energy Liaoning Electric Power Co., Ltd. were converted into A shares and listed and circulating on the main board of the SZSE. The total share capital of A shares of the Company was 5,041,934,164 shares and the total share capital of H shares was 3,340,029,000 shares.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2022.

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

As at 30 June 2022, 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.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2022, 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	266,593,746 *(Note 3)* (Long position)	7.98	3.18
Wellington Management Group LLP	H shares	Investment manager	1,529 *(Note 4)* (Short position)	0.00	0.00
BlackRock, Inc.	H shares	Interest of corporation controlled by substantial Shareholders	242,403,792 *(Note 5)* (Long position)	7.26	2.89
BlackRock, Inc.	H shares	Interest of corporation controlled by substantial Shareholders	3,625,000 *(Note 6)* (Short position)	0.11	0.04

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	232,719,033 *(Note 7)* (Long position)	6.96	2.78
JPMorgan Chase & Co.	H shares	Interest of corporation controlled by substantial Shareholders	28,785,554 *(Note 8)* (Short position)	0.86	0.34
JPMorgan Chase & Co.	H shares	Approved lending agent	97,927,884 (Shares in a lending pool)	2.93	1.17
The Bank of New York Mellon Corporation	H shares	Interest of corporation controlled by substantial Shareholders	199,876,794 *(Note 9)* (Long position)	5.98	2.38
The Bank of New York Mellon Corporation	H shares	Approved lending agent	179,867,783 (Shares in a lending pool)	5.39	2.15
Citigroup Inc.	H shares	Interests of corporation controlled by substantial Shareholders and approved lending agent	242,666,756 *(Note 10)* (Long position)	7.26	2.90

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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	Interest of corporation controlled by substantial Shareholders	6,881,300 *(Note 11)* (Short position)	0.20	0.08
Citigroup Inc.	H shares	Approved lending agent	231,148,154 (Shares in a lending pool)	6.92	2.76
Brown Brothers Harriman & Co.	H shares	Agent	239,298,521 (Long position)	7.16	2.85
Brown Brothers Harriman & Co.	H shares	Agent	239,298,521 (Shares in a lending pool)	7.16	2.85
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 2022.

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 266,593,746 H shares, 260,545,737 H shares were held by Wellington Management Company LLP, an indirect non-wholly-owned subsidiary of Wellington Management Group LLP; 5,998,403 H shares were held by Wellington Management International Ltd., an indirect non-wholly-owned subsidiary of Wellington Management Group LLP. 49,606 H shares were held by Wellington Management Singapore Pte. Ltd., 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 equity interests held by its aforesaid subsidiaries.

4. Among these 1,529 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 242,403,792 H shares, 1,071,100 H shares were held by BlackRock Investment Management, LLC, an indirect wholly-owned subsidiary of BlackRock, Inc., 4,485,000 H shares were held by BlackRock Financial Management, Inc., an indirect wholly-owned subsidiary of BlackRock, Inc., 30,792,693 H shares were held by BlackRock Institutional Trust Company, National Association, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 105,144,000 H shares were held by BlackRock Fund Advisors, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 3,161,000 H shares were held by BlackRock Advisors, LLC, an indirect wholly-owned subsidiary of BlackRock, Inc., 8,180,844 H shares were held by BlackRock Japan Co., Ltd., an indirect wholly-owned subsidiary of BlackRock, Inc., 416,000 H shares were held by BlackRock Asset Management Canada Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 1,741,000 H shares were held by BlackRock Investment Management (Australia) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 3,969,332 H shares were held by BlackRock Asset Management North Asia Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 3,532,000 H shares were held by BlackRock (Netherlands) B.V., an indirect non-wholly-owned subsidiary of BlackRock, Inc., 509,000 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., 23,281,000 H shares were held by BlackRock Asset Management Ireland Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 44,540,000 H shares were held by BLACKROCK (Luxembourg) S.A., an indirect non-wholly-owned subsidiary of BlackRock, Inc., 8,037,823 H shares were held by BlackRock Investment Management (UK) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 2,569,000 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., 632,000 H shares were held by BlackRock (Singapore) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 8,000 H shares were held by BlackRock Asset Management Schweiz AG, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 195,000 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.

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6. Among these 3,625,000 H shares, 79,000 H shares were held by BlackRock Investment Management, LLC, an indirect wholly-owned subsidiary of BlackRock, Inc., 320,000 H shares were held by BlackRock Financial Management, Inc., an indirect wholly-owned subsidiary of BlackRock, Inc., 1,256,000 H shares were held by BlackRock Institutional Trust Company, National Association, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 1,638,000 H shares were held by BlackRock Advisors, LLC, an indirect wholly-owned subsidiary of BlackRock, Inc., 7,000 H shares were held by BlackRock Investment Management (Australia) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 325,000 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 232,719,033 H shares, 3,004,000 H shares were held by JPMorgan Asset Management (Taiwan) Limited, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 48,960 H shares were held by J.P. Morgan SE, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 232,050 H shares were held by J.P. Morgan Securities LLC, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 97,927,884 H shares were held by JPMORGAN CHASE BANK, N.A. – LONDON BRANCH, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 1,249,000 H shares were held by JPMORGAN ASSET MANAGEMENT (UK) LIMITED, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 1,916,000 H shares were held by J.P Morgan Investment Management Inc., an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 21,000 H shares were held by J.P. Morgan Prime Inc., an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 670 H shares were held by JPMorgan Asset Management Holdings Inc., an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 191,000 H shares were held by JPMorgan Chase Bank, National Association., a wholly-owned subsidiary of JPMorgan Chase & Co., 97,641,000 H shares were held by JPMorgan Asset Management (Asia Pacific) Limited, an indirect non-wholly-owned subsidiary of JPMorgan Chase & Co., 30,487,469 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 28,785,554 H shares, 80,000 H shares were held by J.P. Morgan Securities LLC, an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 21,000 H shares were held by J.P. Morgan Prime Inc., an indirect wholly-owned subsidiary of JPMorgan Chase & Co, 2 H shares were held by J.P. Morgan Structured Products B.V., an indirect wholly-owned subsidiary of JPMorgan Chase & Co., 28,684,552 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 199,876,794 H shares, 199,876,793 H shares were held by The Bank of New York Mellon, a wholly-owned subsidiary of The Bank of New York Mellon Corporation.1 H share was held by BNY Mellon Corporate Trustee Services Limited, an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation. Accordingly, The Bank of New York Mellon Corporation was deemed as the owner of the H share equity interests held by its aforesaid subsidiaries.

10. Among these 242,666,756 H shares, 231,148,154 H shares were held by Citibank, N.A., an indirect wholly-owned subsidiary of Citigroup Inc., 1,600,558 H shares were held by Citigroup Global Markets Hong Kong Limited, an indirect wholly-owned subsidiary of Citigroup Inc., 6,000 H shares were held by Citigroup Global Markets Inc., an indirect wholly-owned subsidiary of Citigroup Inc., 806,996 H shares were held by Citigroup Global Markets Funding Luxembourg S.C.A., an indirect non-wholly-owned subsidiary of Citigroup Inc., 9,105,048 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.

11. Among these 6,881,300 H shares, 941,854 H shares were held by Citigroup Global Markets Hong Kong Limited, an indirect wholly-owned subsidiary of Citigroup Inc., 6,000 H shares were held by Citigroup Global Markets Inc., an indirect wholly-owned subsidiary of Citigroup Inc., 272,223 H shares were held by Citigroup Global Markets Funding Luxembourg S.C.A., an indirect non-wholly-owned subsidiary of Citigroup Inc., 5,661,223 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 at 30 June 2022, the Group had a total of 8,455 employees. The Group has implemented a three-channel career development system known as "administration, technology and skill", pays attention to the cultivation and use of young cadres, continues to implement special training programmes such as the "Leadership (Craftsmanship) Training Camp (將(匠)星訓練營)"and "Famous Teachers' Lecture (名師講堂)", and further promotes the construction of the "Large-scale Training (大培訓)" system and the "Chief System (首席制)", to vigorously promote the growth and success of employees and fully utilise the leading and driving role of outstanding talents. Focusing on position-based responsibilities and performance assessment, the Group has set up a staff remuneration system which closely links employees' remuneration with corporate economic benefits, individual performance and de facto contribution, and devised a scientific and rational mechanism for incentives and constraints to reward good performers and sanction poor performers with incomes can be increased or reduced, thereby stimulating internal driving force and vitality.

MATERIAL LITIGATION

As at 30 June 2022, the Group had no material litigation.

CHANGE IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Changes of Directors:

As of the Latest Practicable Date, as elected at the 2022 first extraordinary general meeting, Mr. Wang Yiguo has been appointed as a non-executive Director with effect from 14 January 2022 until the expiry of the fifth session of the Board.

As resolved at the Board meeting held on 30 March 2022, Mr. Gao Debu has been appointed as the chairman of the Nomination Committee and Mr. Wang Yiguo has been appointed as a member of the Nomination Committee, with effect from 30 March 2022; with effect from the same date, Mr. Li Zhongjun has ceased to serve as the chairman and a member of the Nomination Committee.

Mr. Liu Jinhuan has resigned as a non-executive Director, a member of Remuneration and Assessment Committee and a member of the Strategic Committee due to age reason, with effect from 30 March 2022.

As elected at the 2022 second extraordinary general meeting, Mr. Ma Bingyan has been appointed as a non-executive Director with effect from 27 April 2022 until the expiry of the fifth session of the Board. Meanwhile, Mr. Ma Bingyan has been appointed as a member of the Remuneration and Assessment Committee and a member of the Strategic Committee with effect from 27 April 2022 until the expiry of the fifth session of the Board.

Mr. Li Zhongjun has resigned as an executive Director, the chairman of the Board and the chairman of the Strategic Committee due to work rearrangements, with effect from 27 July 2022.

Details of the aforementioned changes have been disclosed in the announcement on the proposed appointment of non-executive Director dated 27 December 2021, the circular of the 2022 first extraordinary general meeting dated 29 December 2021, the poll results announcement of the 2022 first extraordinary general meeting dated 14 January 2022, the announcement on the change in the composition of Board committee dated 30 March 2022, the announcement on the proposed change of non-executive Director dated 30 March 2022, the circular of the 2022 second extraordinary general meeting dated 8 April 2022, the poll results announcement of the 2022 second extraordinary general meeting dated 27 April 2022 and the announcement on the resignation of the chairman of the Board dated 27 July 2022 published by the Company.

Changes of Supervisors:

During the Reporting Period, there were no changes of supervisors of the Company.

Changes of Senior Management:

During the Reporting Period, as resolved at the Board meeting held on 20 June 2022, Ms. Ding Jing and Mr. Xia Hui have been appointed as vice presidents of the Company, with effect from 20 June 2022 until the expiry of the fifth session of the Board. Details of the aforementioned changes have been disclosed in the announcement on the appointment of vice presidents dated 20 June 2022 published by the Company.

OTHER INFORMATION

The biographies of Ms. Ding Jing and Mr. Xia Hui are as follows:

Ms. Ding Jing

Aged 52, graduated from Beijing Normal University, majoring in environmental science, and is a master in science and senior engineer. She successively served as a consultant of ERM (China) Environmental Resources Management Consultation Company (伊爾姆(中國)環境資源管理諮詢公司); deputy director of strategic projects in China of World Wide Fund For Nature (Switzerland), Beijing Representative Office (世界自然基金會(瑞士)北京代表處); deputy director of Technology Management Department (International Cooperation Department) of Guodian New Energy Technology Research Institute (國電新能源技術研究院); head of Integrated Management Division of International Cooperation and Overseas Business Department of China Guodian Corporation (中國國電集團公司); assistant and deputy director of Office of Cooperation with the United States of CHN Energy; deputy director of International Cooperation Department (Overseas Cooperation Department, Office of Cooperation with the United States) of CHN Energy.

Mr. Xia Hui

Aged 49, graduated from Shenyang Gold Institute, majoring in industrial and electric automation, and is a bachelor in engineering and senior engineer. He successively served as deputy director and director of Repair Department of Xinjiang Wind Power Plant (新疆風力發電廠); deputy chief engineering of Xinjiang Wind Power Plant (新疆風力發電廠); deputy general manager of Gansu Jieyuan Wind Power Generation Co., Ltd. (甘肅潔源風電有限責任公司); deputy general manager of Beijing Zhongneng Lianchuang Wind Power Technology Company Limited (北京中能聯創風電技術有限公司); a member of the Party committee of Zhongneng Power-Tech Development Co., Ltd. (中能電力科技開發有限公司); deputy general manager and a member of the Party committee of Longyuan (Beijing) Wind Power Projects Technology Co., Ltd. (龍源(北京)風電工程技術有限公司); deputy director of Safety Production Department of China Longyuan Power Group Corporation Limited; secretary of the Party committee, secretary of the discipline inspection committee and deputy general manager of Longyuan Ningxia Wind Power Generation Co., Ltd. (龍源寧夏風力發電有限公司); general manager and deputy secretary of the Party Committee of Longyuan (Beijing) Wind Power Projects Technology Co., Ltd. (龍源(北京)風電工程技術有限公司); secretary of the Party Committee and chairman of the board of directors of Longyuan (Beijing) Wind Power Projects Technology Co., Ltd. (龍源(北京)風電工程技術有限公司).

ISSUANCE AND LISTING OF SECURITIES

References are made to the announcements of the Company dated 15 January 2021, 4 June 2021, 18 June 2021, 23 July 2021 and the Circular in relation to, amongst others, the absorption and merger of Pingzhuang Energy by the Company through share swap, and the disposal by Pingzhuang Energy of all its assets and liabilities (excluding the deferred tax assets, deferred revenue and taxes payable) to Inner Mongolia Pingzhuang Coal (Group) Co., Ltd. (內蒙古平莊煤業(集團)有限責任公司), the controlling shareholder of Pingzhuang Energy, and the purchase of certain new energy business assets held by other subsidiaries of China Energy Investment Corporation Limited (國家能源投資集團有限責任公司) by the Company through cash payment (the "**Transaction**"). The third extraordinary general meeting in 2021, the first domestic Shareholders class meeting in 2021 and the first H Shareholders class meeting in 2021 were held on 23 July 2021, at which, among other things, the resolutions on absorption and merger of Pingzhuang Energy through share swap and disposal of material assets and purchase of assets through cash payment were considered and passed. The Transaction involved the issue of a total of 345,574,164 A shares to all shareholders of Pingzhuang Energy on the registration date of implementation of the merger, in exchange for the A shares of Pingzhuang Energy held by such shareholders, with a par value of RMB1 each. As at 15 January 2021, being the date of the agreement on absorption and merger through share swap, the closing price of the H shares of the Company was HK$10.32. The issue price of the A shares of the Company was RMB11.42 per share, adjusted to RMB11.30 per share. All of the A shares issued were for the absorption and merger of Pingzhuang Energy through share swap and no funds were raised. Upon completion of the Transaction, Pingzhuang Energy will be delisted. The Company, as the surviving company, shall inherit and take over, directly or through its designated wholly-owned subsidiaries, the assets and liabilities of Pingzhuang Energy other than the assets to be disposed of.

The Transaction aligned with the national new energy development strategy, could help consolidate and enhance the industry leading position and international competitiveness of the Company, was conducive to broadening financing channels and enhancing competitive advantages of the Company, and to reducing horizontal competition and realizing resource integration. For details of the Transaction, please refer to the Circular.

On 24 January 2022, the Company successfully completed the listing of its A shares on the Shenzhen Stock Exchange. Upon completion of the listing of the A shares, the total number of issued shares of the Company is 8,381,963,164 (comprising 5,041,934,164 A shares and 3,340,029,000 H shares).

SUBSEQUENT EVENTS

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

INDEPENDENT REVIEW REPORT

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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 90 to 157, 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 2022 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

23 August 2022

INTERIM CONDENSED CONSOLIDATED INFORMATION OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2022 (Expressed in thousands of Renminbi)

		Six months ended 30 June	
		2022	2021
		(Unaudited)	*(Unaudited and restated)*
	Notes	***RMB'000***	*RMB'000*
Revenue	6	**21,662,351**	19,384,957
Other net income	7	**612,405**	575,432
Operating expenses			
Depreciation and amortisation		**(4,967,483)**	(4,393,676)
Coal consumption		**(1,808,290)**	(1,370,982)
Coal sales costs		**(4,123,229)**	(2,497,341)
Service concession construction costs		**(12,615)**	(70,779)
Personnel costs		**(1,846,767)**	(1,262,133)
Material costs		**(101,632)**	(78,675)
Repairs and maintenance		**(354,242)**	(405,980)
Administrative expenses		**(330,503)**	(248,022)
Operating expenses		**(533,964)**	(474,608)
		(14,078,725)	(10,802,196)
Operating profit		**8,196,031**	9,158,193
Finance income		**214,650**	205,756
Finance expenses		**(1,990,616)**	(2,031,882)
Net finance expenses	8	**(1,775,966)**	(1,826,126)
Share of profits less losses of associates and joint ventures		**(110,818)**	(75,843)
Profit before taxation	9	**6,309,247**	7,256,224
Income tax	10	**(1,168,299)**	(1,217,581)
Profit for the period		**5,140,948**	6,038,643

The notes on pages 100 to 157 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED INFORMATION OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2022 (Expressed in thousands of Renminbi)

	Notes	Six months ended 30 June **2022** ***(Unaudited)*** ***RMB'000***	 2021 *(Unaudited and restated)* *RMB'000*
Other comprehensive income/(loss)			
Other comprehensive income/(loss) 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/(loss), net of tax		**153,300**	(13,799)
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange difference on translation of financial statements of overseas subsidiaries		**(50,769)**	14,617
Exchange difference on net investment in foreign operations		**(2,875)**	748
Other comprehensive income for the period, net of tax	11	**99,656**	1,566
Total comprehensive income for the period		**5,240,604**	6,040,209

The notes on pages 100 to 157 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED INFORMATION OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2022 (Expressed in thousands of Renminbi)

		Six months ended 30 June	
		2022	2021
		(Unaudited)	*(Unaudited and restated)*
	Notes	***RMB'000***	*RMB'000*
Profit attributable to:			
Equity holders of the Company			
– Shareholders		**4,216,351**	5,131,104
– Perpetual medium-term notes and renewable corporate bonds holders	25	**116,414**	119,450
Non-controlling interests		**808,183**	788,089
Profit for the period		**5,140,948**	6,038,643
Total comprehensive income attributable to:			
Equity holders of the Company			
– Shareholders		**4,315,426**	5,130,154
– Perpetual medium-term notes and renewable corporate bonds holders	25	**116,414**	119,450
Non-controlling interests		**808,764**	790,605
Total comprehensive income for the period		**5,240,604**	6,040,209
Basic and diluted earnings per share *(RMB cents)*	12	**50.52**	63.85

The notes on pages 100 to 157 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED INFORMATION OF FINANCIAL POSITION

AT 30 JUNE 2022 (Expressed in thousands of Renminbi)

	Notes	**30 June 2022 (Unaudited) RMB'000**	31 December 2021 (Restated) RMB'000
Non-current assets			
Property, plant and equipment	13	**147,581,703**	145,929,078
Investment properties		**7,385**	7,680
Right-of-use assets		**3,860,998**	3,734,270
Intangible assets	14	**6,665,274**	6,905,846
Goodwill		**195,617**	195,617
Investments in associates and joint ventures		**4,196,537**	4,166,936
Other assets	15	**3,830,116**	4,736,326
Deferred tax assets		**286,035**	295,991
Total non-current assets		**166,623,665**	165,971,744
Current assets			
Inventories		**940,406**	765,096
Trade and bills receivables	16	**29,927,735**	30,250,343
Prepayments and other current assets	17	**3,410,404**	3,663,413
Tax recoverable		**115,031**	127,128
Other financial assets	18	**760,550**	742,494
Restricted deposits		**269,207**	262,099
Cash at banks and on hand	19	**14,825,649**	3,913,121
Total current assets		**50,248,982**	39,723,694

The notes on pages 100 to 157 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED INFORMATION OF FINANCIAL POSITION

AT 30 JUNE 2022 (Expressed in thousands of Renminbi)

	Notes	30 June 2022 (Unaudited) RMB'000	31 December 2021 (Restated) RMB'000
Current liabilities			
Borrowings	20	41,707,324	42,402,672
Trade and bills payables	21	3,517,761	4,130,038
Other current liabilities	22	21,163,145	15,347,582
Lease liabilities		45,126	37,325
Tax payable		382,151	321,786
Total current liabilities		66,815,507	62,239,403
Net current liabilities		(16,566,525)	(22,515,709)
Total assets less current liabilities		150,057,140	143,456,035
Non-current liabilities			
Borrowings	20	66,225,490	61,165,878
Lease liabilities		1,263,517	1,286,944
Deferred income		1,054,757	1,103,361
Deferred tax liabilities		241,446	200,136
Other non-current liabilities	23	1,437,225	1,675,537
Total non-current liabilities		70,222,435	65,431,856
NET ASSETS		79,834,705	78,024,179

The notes on pages 100 to 157 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED INFORMATION OF FINANCIAL POSITION

AT 30 JUNE 2022 (Expressed in thousands of Renminbi)

	Notes	30 June 2022 (Unaudited) RMB'000	31 December 2021 (Restated) RMB'000
CAPITAL AND RESERVES			
Share capital	24	8,381,963	8,036,389
Perpetual medium-term notes and renewable corporate bonds	25	5,942,666	6,061,652
Reserves		54,356,388	53,990,014
Total equity attributable to equity holders of the Company		68,681,017	68,088,055
Non-controlling interests		11,153,688	9,936,124
TOTAL EQUITY		79,834,705	78,024,179

Approved and authorised for issue by the board of directors on 23 August 2022.

Tang Jian
Executive Director

The notes on pages 100 to 157 are an integral part of this unaudited interim condensed consolidated financial information .

INTERIM CONDENSED CONSOLIDATED INFORMATION OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2022 (Expressed in thousands of Renminbi)

	Attributable to the equity holders of the Company									
	Share capital *RMB'000* *(Note 24(b)(i))*	Equity attributable to the holders of perpetual medium-term notes and renewable corporate bonds *RMB'000* *(Note 25)*	Capital reserve *RMB'000* *(Note 24(c)(i))*	Statutory surplus reserve *RMB'000* *(Note 24(c)(ii))*	Exchange reserve *RMB'000* *(Note 24(c)(iii))*	Fair value reserve *RMB'000* *(Note 24(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	14,688,374	2,637,321	(254,319)	(71,692)	31,835,159	62,932,884	9,387,786	72,320,670
Effect of adoption of IAS 16	-	-	-	-	-	-	362,111	362,111	35,757	397,868
Business combination under common control *(Note 3)*	-	-	2,879,685	-	-	-	1,913,375	4,793,060	512,581	5,305,641
Balance as at 1 January 2022 *(Restated)*	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
Changes in equity:										
Profit for the period	-	116,414	-	-	-	-	4,216,351	4,332,765	808,183	5,140,948
Other comprehensive income *(Note 11)*	-	-	-	-	(52,244)	151,319	-	99,075	581	99,656
Total comprehensive income	-	116,414	-	-	(52,244)	151,319	4,216,351	4,431,840	808,764	5,240,604
Issue of shares *(Note 24(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 *(Note 3)*	-	-	(5,774,114)	-	-	-	-	(5,774,114)	-	(5,774,114)
Transfer of fair value reserve upon the disposal of equity investment 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 *(Unaudited)*	8,381,963	5,942,666	14,851,156*	2,637,321*	(306,563)*	(22,950)*	37,197,424*	68,681,017	11,153,688	79,834,705

* These reserve accounts comprise the consolidated reserves of RMB54,356,388,000 (30 June 2021: RMB51,967,572,000) in the consolidated statement of financial position.

The notes on pages 100 to 157 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED INFORMATION OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2022 (Expressed in thousands of Renminbi)

	Attributable to the equity holders of the Company									
	Share capital *RMB'000*	Equity attributable to the holders of perpetual medium-term notes and renewable corporate bonds *RMB'000* *(Note 25)*	Capital reserve *RMB'000* *(Note 24(c)(i))*	Statutory surplus reserve *RMB'000* *(Note 24(c)(ii))*	Exchange reserve *RMB'000* *(Note 24(c)(iii))*	Fair value reserve *RMB'000* *(Note 24(c)(iv))*	Retained earnings *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance as at 31 December 2020 *(Audited)*	8,036,389	6,045,435	14,699,774	2,043,659	(341,707)	(11,242)	27,215,267	57,687,575	8,761,399	66,448,974
Business combination under common control	–	–	2,745,256	–	–	–	1,551,490	4,296,746	507,905	4,804,651
Balance as at 1 January 2021 *(Restated)*	8,036,389	6,045,435	17,445,030	2,043,659	(341,707)	(11,242)	28,766,757	61,984,321	9,269,304	71,253,625
Changes in equity:										
Profit for the period	–	119,450	–	–	–	–	5,131,104	5,250,554	788,089	6,038,643
Other comprehensive income *(Note11)*	–	–	–	–	16,019	(16,969)	–	(950)	2,516	1,566
Total comprehensive income	–	119,450	–	–	16,019	(16,969)	5,131,104	5,249,604	790,605	6,040,209
Capital contributions by non-controlling interests	–	–	–	–	–	–	–	–	266,249	266,249
Appropriation	–	–	–	317,361	–	–	(317,361)	–	–	–
Dividends paid by subsidiaries to non-controlling interests	–	–	–	–	–	–	–	–	(279,710)	(279,710)
Dividends to shareholders of the Company	–	–	–	–	–	–	(945,079)	(945,079)	–	(945,079)
Distribution for perpetual medium-term notes and renewable corporate bonds	–	(238,900)	–	–	–	–	–	(238,900)	–	(238,900)
Business combination under common control	–	–	–	–	–	–	(120,000)	(120,000)	26,360	(93,640)
Balance as at 30 June 2021 *(Unaudited)*	8,036,389	5,925,985	17,445,030*	2,361,020*	(325,688)*	(28,211)*	32,515,421*	65,929,946	10,072,808	76,002,754

The notes on pages 100 to 157 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED INFORMATION OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2022 (Expressed in thousands of Renminbi)

		Six months ended 30 June	
		2022	2021
		(Unaudited)	*(Unaudited and restated)*
	Notes	***RMB'000***	*RMB'000*
Operating activities			
Cash generated from operations		**17,034,751**	9,687,875
Tax paid		**(987,867)**	(1,166,471)
Net cash generated from operating activities		**16,046,884**	8,521,404
Investing activities			
Payments for acquisition of property, plant and equipment, land use rights and intangible assets		**(6,494,462)**	(7,034,871)
Payments for acquisition of investments in associates and joint ventures, and equity investments		**(249,453)**	(18,796)
(Purchase)/redemption of short-term investments		**(83,300)**	1,313,410
Other cash flows generated from/(used in) investing activities		**4,788,784**	(1,451,763)
Net cash used in investing activities		**(2,038,431)**	(7,192,020)
Financing activities			
Proceeds from borrowings		**89,507,618**	53,372,649
Repayment of borrowings		**(85,370,395)**	(54,884,264)
Interest paid for borrowings		**(1,750,654)**	(2,016,052)
Other cash flows (used in)/generated from financing activities		**(5,501,980)**	347,365
Net cash used in financing activities		**(3,115,411)**	(3,180,302)

The notes on pages 100 to 157 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED INFORMATION OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2022 (Expressed in thousands of Renminbi)

		Six months ended 30 June	
		2022	2021
		(Unaudited)	*(Unaudited and restated)*
	Notes	***RMB'000***	*RMB'000*
Net increase/(decrease) in cash and cash equivalents		**10,893,042**	(1,850,918)
Cash and cash equivalents at 1 January	19	**3,913,121**	5,608,249
Effect of foreign exchange rate changes		**19,486**	(4,858)
Cash and cash equivalents at 30 June	19	**14,825,649**	3,752,473

The notes on pages 100 to 157 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 2022 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, 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 2021. This interim financial information was approved by the board of the directors of the Company for issuance on 23 August 2022.

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 2022 amounting to RMB16,566,525,000 (31 December 2021 (restated): RMB22,515,709,000). 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 2022, 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 2021, except for the adoption of the revised International Financial Reporting Standards ("IFRSs") effective as of 1 January 2022. Details of any changes in accounting policies are set out in Note 4.

(Expressed in thousands of Renminbi)

3 RESTATEMENTS ARISING FROM BUSINESS COMBINATIONS UNDER COMMON CONTROL

On 15 January 2021, the Company entered into the Agreement on Purchase of Assets through Cash Payment("Purchase Agreement")with CHN Energy Northeast Electric Power Co., Ltd. ("Northeast Electric Power"), CHN Energy Shaanxi Electric Power Co., Ltd. ("Shaanxi Electric Power"), CHN Energy Guangxi Electric Power Co., Ltd. ("Guangxi Electric Power"), CHN Energy Yunnan Electric Power Co., Ltd. ("Yunnan Electric Power"), CHN Energy Gansu Electric Power Co., Ltd. ("Gansu Electric Power") and CHN Energy North China Electric Power Co., Ltd. ("North China Electric Power") (the "Acquisition I"). According to the Purchase Agreement, the details of the assets to be purchased are as follows:

No.	Counterparty	Target Assets	Shareholding Percentage	Transaction Price *(RMB'000)*
1	Northeast Electric Power	Guoneng Northeast New Energy Development Co., Ltd. (formly known as Guodian Northeast New Energy Development Co., Ltd.) ("Northeast New Energy")	100%	794,000
2	Shaanxi Electric Power	Guoneng Dingbian New Energy Co., Ltd ("Dingbian New Energy")	100%	816,000
3	Guangxi Electric Power	Guangxi Guoneng Energy Development Co., Ltd. (formly known as Guodian Guangxi New Energy Development Co., Ltd.) ("Guangxi Energy")	100%	986,000
4	Yunnan Electric Power	Guoneng Yunnan New Energy Co., Ltd. ("Yunnan New Energy")	100%	752,000
5	Gansu Electric Power	Guodian Gansu New Energy Co., Ltd. ("Gansu New Energy")	100%	442,000
6	North China Electric Power	Tianjin Guodian Jieneng Electric Power Co., Ltd. ("Tianjin Jieneng")	100%	600,000
		Guodian North China Inner Mongolia New Energy Co., Ltd. ("Inner Mongolia New Energy")	100%	791,000
		Guodian Shanxi Jieneng Co., Ltd. ("Shanxi Jieneng")	100%	593,000

3 RESTATEMENTS ARISING FROM BUSINESS COMBINATIONS UNDER COMMON CONTROL (CONTINUED)

The above mentioned Acquisition I was completed on 4 January 2022, 5 January and 6 January 2022 respectively. Besides, Longyuan Tibet New Energy Co., Ltd ("Tibet New Energy"), the subsidiary of the Company, entered into the equity transfer agreement with CHN Energy Tibet Electric Power Co., Ltd. (the "Agreement"). According to the Agreement, Tibet New Energy purchased 95% equity interest of CHN Energy Longyuan Ali Energy (ALI) Co., Ltd ("Ali Energy") with cash consideration of RMB114,000 (the "Acquisition II"). The Acquisition II was completed on 24 June 2022.

As the Group, Northeast New Energy, Dingbian New Energy, Guangxi Energy, Yunnan New Energy, Inner Mongolia New Energy, Shanxi Jieneng, Tianjin Jieneng, Gansu New Energy and Ali Energy were under common control of CHN Energy before and after the Acquisition I and the Acquisition II (the "2022 Acquisitions"), it is considered as a business combination under common control. The principle of merger accounting for business combination involving businesses under common control has therefore been applied. As a result, the consolidated financial statements of the Group have been prepared as if Northeast New Energy, Dingbian New Energy, Guangxi Energy, Yunnan New Energy, Inner Mongolia New Energy, Shanxi Jieneng, Tianjin Jieneng, Gansu New Energy and Ali Energy were the subsidiaries of the Company ever since they became under common control of CHN Energy.

Accordingly, the condensed consolidated statement of financial position as at 31 December 2021 has been restated to include the assets and liabilities of Northeast New Energy, Dingbian New Energy, Guangxi Energy, Yunnan New Energy, Inner Mongolia New Energy, Shanxi Jieneng, Tianjin Jieneng, Gansu New Energy and Ali Energy at carrying amounts in the books of the Group. The condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months ended 30 June 2021 have been restated to include the results and cash flows of Northeast New Energy, Dingbian New Energy, Guangxi Energy, Yunnan New Energy, Inner Mongolia New Energy, Shanxi Jieneng, Tianjin Jieneng, Gansu New Energy and Ali Energy as if these above mentioned companies were the subsidiaries of the Company throughout the six months ended 30 June 2021. Respective notes to the condensed consolidated financial information have also been restated. All significant intra-group transactions, balances, income and expenses are eliminated on combination.

(Expressed in thousands of Renminbi)

3 RESTATEMENTS ARISING FROM BUSINESS COMBINATIONS UNDER COMMON CONTROL (CONTINUED)

As a result of the 2022 Acquisitions, the relevant line items in the condensed consolidated statement of financial position as at 31 December 2021 and the condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows for the six months ended 30 June 2021 have been restated. Details of the restatement of the Group's interim condensed consolidated financial information are as follows:

	As at 31 December 2021				
	The Group (as previously reported) *RMB'000*	Effect of 2022 Acquisition *RMB'000*	Elimination *RMB'000*	Effect of Application of Amendments to IAS16 *(Note 4(b))* *RMB'000*	The Group *(Restated)* *RMB'000*
Total non-current assets	153,989,412	11,584,464	–	397,868	165,971,744
Total current assets	35,865,380	3,883,376	(25,062)	–	39,723,694
Total assets	189,854,792	15,467,840	(25,062)	397,868	205,695,438
Total non-current liability	58,988,297	6,443,559	–	–	65,431,856
Total current liability	58,545,825	3,718,640	(25,062)	–	62,239,403
Total liabilities	117,534,122	10,162,199	(25,062)	–	127,671,259
Equity attributable to the equity holders of the Company	62,932,884	4,793,060	–	362,111	68,088,055
Non-controlling interests	9,387,786	512,581	–	35,757	9,936,124
Total equity	72,320,670	5,305,641	–	397,868	78,024,179
Total equity and liabilities	189,854,792	15,467,840	(25,062)	397,868	205,695,438

(Expressed in thousands of Renminbi)

3 RESTATEMENTS ARISING FROM BUSINESS COMBINATIONS UNDER COMMON CONTROL (CONTINUED)

	For the six months ended 30 June 2021			
	The Group (as previously reported) *RMB'000*	Effect of 2022 Acquisition *RMB'000*	Effect of Application of Amendments to IAS16 *RMB'000*	The Group *(Unaudited and restated)* *RMB'000*
Revenue	17,876,758	1,268,833	239,366	19,384,957
Operating expenses	(10,321,923)	(443,442)	(36,831)	(10,802,196)
Operating profit	8,109,388	846,270	202,535	9,158,193
Profit before taxation	6,374,623	679,066	202,535	7,256,224
Profit for the period	5,249,241	586,867	202,535	6,038,643
Other comprehensive income	1,566	–	–	1,566
Total comprehensive income for the period	5,250,807	586,867	202,535	6,040,209
Profit for the period attributable to:				
Equity holders of the Company	4,539,632	508,387	202,535	5,250,554
Non-controlling interests	709,609	78,480	–	788,089
Total comprehensive income for the period attributable to:				
Equity holders of the Company	4,538,682	508,387	202,535	5,249,604
Non-controlling interests	712,125	78,480	–	790,605

(Expressed in thousands of Renminbi)

4 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 2021, except for the adoption of the following revised IFRSs for the first time for the current period's financial information.

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRSs 2018–2020	*Amendments to IFRS 1, IFRS 9, Illustrative* Examples accompanying IFRS 16, and IAS 41

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

(Expressed in thousands of Renminbi)

4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021.

Set out below are the amounts by which each financial statement line item was affected as at 1 January 2022 as a result of the adoption of the amendments to IAS 16:

	Increase/(decrease) *RMB'000*
Assets	
Property, plant and equipment	399,842
Deferred tax assets	(1,974)
Total assets	397,868
Equity	
Retained earnings	362,111
Non-controlling interests	35,757
	397,868

4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) Annual Improvements to IFRSs 2018–2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

IFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

IFRS 16 Leases: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

5 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.

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.

(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.

(Expressed in thousands of Renminbi)

5 SEGMENT REPORTING (CONTINUED)

(a) Segment results (Continued)

The measure used for reporting segment profit is the operating profit. Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2022 and 2021 is set out below:

For the six months ended 30 June 2022

	Wind power *(Unaudited)* *RMB'000*	Coal power *(Unaudited)* *RMB'000*	All others *(Unaudited)* *RMB'000*	Total *(Unaudited)* *RMB'000*
Revenue from external customers				
– Sales of electricity	14,278,323	2,039,837	352,528	16,670,688
– Others	15,254	4,906,986	56,808	4,979,048
Subtotal	14,293,577	6,946,823	409,336	21,649,736
Inter-segment revenue	–	–	97,471	97,471
Reportable segment revenue	**14,293,577**	**6,946,823**	**506,807**	**21,747,207**
Reportable segment profit (operating profit)	**7,973,374**	**307,573**	**62,084**	**8,343,031**
Depreciation and amortisation before inter-segment elimination	(4,700,639)	(148,292)	(139,624)	(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	41,405	72,570
Interest expenses	(1,679,378)	(26,105)	(127,345)	(1,832,828)
Expenditures for reportable segment non-current assets during the period	5,461,898	193,218	948,425	6,603,541

(Expressed in thousands of Renminbi)

5 SEGMENT REPORTING (CONTINUED)

(a) Segment results (Continued)

For the six months ended 30 June 2021

	Wind power *(Unaudited and restated)* *RMB'000*	Coal power *(Unaudited)* *RMB'000*	All others *(Unaudited and restated)* *RMB'000*	Total *(Unaudited and restated)* *RMB'000*
Revenue from external customers				
– Sales of electricity	14,203,701	1,638,847	248,953	16,091,501
– Others	4,032	3,187,457	31,188	3,222,677
Subtotal	14,207,733	4,826,304	280,141	19,314,178
Inter-segment revenue	–	–	66,628	66,628
Reportable segment revenue	14,207,733	4,826,304	346,769	19,380,806
Reportable segment profit (operating profit)	8,897,379	272,351	76,031	9,245,761
Depreciation and amortisation before inter-segment elimination	(4,199,397)	(142,062)	(70,869)	(4,412,328)
Reversal of provision/(provision) of trade and other receivables	98	–	(1,716)	(1,618)
Interest income	9,756	7,186	16,371	33,313
Interest expenses	(1,633,128)	(20,207)	(76,847)	(1,730,182)
Expenditures for reportable segment non-current assets during the period	6,565,556	132,018	355,855	7,053,429

(Expressed in thousands of Renminbi)

5 SEGMENT REPORTING (CONTINUED)

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

	Six months ended 30 June	
	2022	2021
	(Unaudited)	*(Unaudited and restated)*
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**21,747,207**	19,380,806
Service concession construction revenue	**12,615**	70,779
Elimination of inter-segment revenue	**(97,471)**	(66,628)
Consolidated revenue	**21,662,351**	19,384,957
Profit		
Reportable segment profit	**8,343,031**	9,245,761
Elimination of inter-segment (profit)/losses	**(16,596)**	11,269
	8,326,435	9,257,030
Share of profits less losses of associates and joint ventures	**(110,818)**	(75,843)
Net finance expenses	**(1,775,966)**	(1,826,126)
Unallocated head office and corporate expenses	**(130,404)**	(98,837)
Consolidated profit before taxation	**6,309,247**	7,256,224

(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)

6 REVENUE

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

For the six months ended 30 June 2022

	Wind power (Unaudited) RMB'000	Coal power (Unaudited) RMB'000	Other business (Unaudited) RMB'000	Total (Unaudited) RMB'000
Types of goods and services				
Sales of electricity	14,278,323	2,039,837	352,528	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	409,336	21,662,351
Geographic markets				
Mainland China	13,971,262	6,946,823	409,336	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	409,336	21,662,351
Timing of revenue recognition				
Goods transferred at a point of time	14,278,323	6,783,286	352,528	21,414,137
Services transferred over time	27,869	163,537	56,808	248,214
	14,306,192	6,946,823	409,336	21,662,351

(Expressed in thousands of Renminbi)

6 REVENUE (CONTINUED)

For the six months ended 30 June 2021

	Wind power *(Unaudited and restated)* *RMB'000*	Coal power *(Unaudited)* *RMB'000*	Other business *(Unaudited and restated)* *RMB'000*	Total *(Unaudited and restated)* *RMB'000*
Types of goods and services				
Sales of electricity	14,203,701	1,638,847	248,953	16,091,501
Sales of steam	–	394,909	–	394,909
Service concession construction revenue	70,779	–	–	70,779
Sales of coal	–	2,552,324	–	2,552,324
Others	4,032	240,224	31,188	275,444
	14,278,512	4,826,304	280,141	19,384,957
Geographic markets				
Mainland China	13,994,081	4,826,304	280,141	19,100,526
Canada	108,689	–	–	108,689
South Africa	175,742	–	–	175,742
	14,278,512	4,826,304	280,141	19,384,957
Timing of revenue recognition				
Goods transferred at a point of time	14,203,701	4,754,021	248,953	19,206,675
Services transferred over time	74,811	72,283	31,188	178,282
	14,278,512	4,826,304	280,141	19,384,957

(Expressed in thousands of Renminbi)

7 OTHER NET INCOME

	Six months ended 30 June	
	2022	2021
	(Unaudited)	*(Unaudited and restated)*
	RMB'000	*RMB'000*
Government grants	**569,664**	528,976
Rental income from investment properties	**3,151**	3,922
Gains/(losses) on disposal of property, plant and equipment	**2,504**	(1,316)
Others	**37,086**	43,850
	612,405	575,432

(Expressed in thousands of Renminbi)

8 FINANCE INCOME AND EXPENSES

	Six months ended 30 June	
	2022	2021
	(Unaudited)	*(Unaudited and restated)*
	RMB'000	*RMB'000*
Interest income on financial assets	**72,570**	33,313
Dividend income	**5,050**	4,284
Net unrealised profits on trading securities and derivative financial instruments	**100,384**	160,468
Foreign exchange gains	**36,646**	7,691
Finance income	**214,650**	205,756
Less:		
Interest on banks and other borrowings	**1,944,966**	1,983,796
Interest expenses capitalised into property, plant and equipment and right-of-use assets	**(112,138)**	(253,614)
	1,832,828	1,730,182
Foreign exchange losses	**40,236**	43
Net unrealised losses on trading securities	**74,913**	–
Bank charges and others	**42,639**	301,657
Finance expenses	**1,990,616**	2,031,882
Net finance expenses recognised in profit or loss	**(1,775,966)**	(1,826,126)

The borrowing costs have been capitalised at rates of 3.00% to 4.83% per annum for the period ended 30 June 2022 (six months ended 30 June 2021: 3.05% to 4.78%).

(Expressed in thousands of Renminbi)

9 PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2022	2021
	(Unaudited)	*(Unaudited and restated)*
	RMB'000	*RMB'000*
Amortisation		
– intangible assets	**256,434**	273,320
Depreciation		
– investment properties	**295**	295
– property, plant and equipment	**4,623,920**	4,000,472
– right-of-use assets	**86,834**	119,589
Provision/(reversal) of impairment losses		
– property, plant and equipment	**56,646**	–
– trade and other receivables	**(6,863)**	1,618
Cost of inventories	**6,033,151**	3,946,998

(Expressed in thousands of Renminbi)

10 INCOME TAX

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

	Six months ended 30 June	
	2022	2021
	(Unaudited)	*(Unaudited and restated)*
	RMB'000	*RMB'000*
Current tax		
Provision for the period	**968,507**	1,169,280
Underprovision in respect of prior years	**91,324**	18,889
	1,059,831	1,188,169
Deferred tax		
Origination and reversal of temporary differences	**108,468**	29,412
	1,168,299	1,217,581

(Expressed in thousands of Renminbi)

10 INCOME TAX (CONTINUED)

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

	Six months ended 30 June	
	2022	2021
	(Unaudited)	*(Unaudited and restated)*
	RMB'000	*RMB'000*
Profit before taxation	**6,309,247**	7,256,224
Notional tax on profit before taxation	**1,577,312**	1,814,056
Tax effect of non-deductible expenses	**8,154**	10,458
Tax effect of share of profits less losses of associates and joint ventures	**27,705**	18,961
Effect of differential tax rates of certain subsidiaries of the Group *(Note (i))*	**(684,388)**	(714,342)
Use of unrecognised tax losses in prior years	**(58,981)**	(51,064)
Tax effect of unused tax losses and timing differences not recognised	**132,515**	120,623
Underprovision in respect of prior years	**91,324**	18,889
Others	**74,658**	–
Income tax	**1,168,299**	1,217,581

10 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 2022 and the six months ended 30 June 2021, 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.

Pursuant to CaiShui [2011] No. 58, the Company's subsidiaries established in the Western Region of the PRC were entitled to a preferential income tax rate of 15% from 1 January 2011 to 31 December 2020. In addition, 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 aforementioned 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.

10 INCOME TAX (CONTINUED)

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

Notes (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 28%. 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)

11 OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2022	2021
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Other comprehensive income/(loss) that will not to be reclassified to profit or loss in subsequent periods		
Net profit/(loss) 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	**168,897**	(36,544)
Tax expense	**(16,783)**	8,660
Net of tax amount	**152,114**	(27,884)
Net profit on equity investments in listed companies at FVOCI:		
Changes in fair value recognised during the period		
Before tax amount	**1,582**	18,780
Tax expense	**(396)**	(4,695)
Net of tax amount	**1,186**	14,085
Other comprehensive (loss)/income 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	**(50,769)**	14,617
Exchange difference on net investment in foreign operations:		
Net of tax amount	**(2,875)**	748
Other comprehensive income	**99,656**	1,566

(Expressed in thousands of Renminbi)

12 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 2022 of RMB4,216,351,000 (six months ended 30 June 2021: RMB5,131,104,000) and the weighted average number of shares in issue during the six months ended 30 June 2022 of 8,345,486,000 (six months ended 30 June 2021: 8,036,389,000 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	
	2022	2021
	(Unaudited)	*(Unaudited and restated)*
	RMB'000	*RMB'000*
Consolidated net profit attributable to equity holders of the Company	**4,332,765**	5,250,554
Less: Cumulative distribution of perpetual medium-term notes and renewable corporate bonds holders	**116,414**	119,450
Consolidated net profit attributable to ordinary shareholders of the Company	**4,216,351**	5,131,104
Weighted average number of the Company's outstanding ordinary shares *('000)*	**8,345,486**	8,036,389
Basic and diluted earnings per share *(RMB cents)*	**50.52**	63.85

13 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired items of property, plant and equipment of RMB6,410,451,000 (six months ended 30 June 2021 (restated): RMB6,793,272,000). Items of property, plant and equipment with a net book value of RMB6,565,000 were disposed of during the six months ended 30 June 2022 (six months ended 30 June 2021: RMB66,623,000), resulting in a loss on disposal of RMB934,000 (six months ended 30 June 2021: loss on disposal of RMB3,468,000). The Group made impairment loss of RMB56,646,000 (six months ended 30 June 2021: nil).

14 INTANGIBLE ASSETS

Intangible assets mainly represent service concession assets of RMB6,097,834,000 (31 December 2021 (restated): RMB6,327,833,000), software and others of RMB567,440,000 (31 December 2021 (restated): RMB578,013,000).

During the six months ended 30 June 2022, the additions to intangible assets mainly represent service concession assets of RMB12,615,000 (six months ended 30 June 2021: RMB70,779,000).

(Expressed in thousands of Renminbi)

15 OTHER ASSETS

	30 June 2022 **(Unaudited)** **RMB'000**	31 December 2021 (Restated) RMB'000
Listed equity investments designated at FVOCI *(Note (i))*	**44,572**	42,990
Unlisted equity investments designated at FVOCI *(Note (ii))*	**232,149**	654,596
Loans and advances to:		
– Non-controlling equity owners *(Note (iii))*	**49,877**	49,405
Others	**2,864**	158,260
Subtotal	**329,462**	905,251
Deductible value-added tax ("VAT") *(Note (iv))*	**3,500,654**	3,832,275
	3,830,116	4,737,526
Less: Allowance for doubtful debts	**–**	(1,200)
	3,830,116	4,736,326

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). The company holds 9.51% equity of Guodian Finance Co., Ltd. ("Guodian finance"). On 18 March 2022, Guodian finance completed the liquidation and cancellation, and the remaining property was distributed to all shareholders in monetary form in proportion to the shareholding ratio.

(Expressed in thousands of Renminbi)

15 OTHER ASSETS (CONTINUED)

(iii) The loans to non-controlling equity owners are unsecured, not past due as at the end of the reporting period, and bear interest at the rate of 7.63% per annum for the period ended 30 June 2022 (31 December 2021: 6.89%).

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

16 TRADE AND BILLS RECEIVABLES

	30 June 2022 ***(Unaudited)*** ***RMB'000***	31 December 2021 *(Restated)* *RMB'000*
Amounts due from third parties	**30,046,093**	30,446,186
Amounts due from fellow subsidiaries	**33,094**	47,614
Amounts due from associates	**121,671**	31,492
	30,200,858	30,525,292
Less: Allowance for doubtful debts	**(273,123)**	(274,949)
	29,927,735	30,250,343

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 2022 ***(Unaudited)*** ***RMB'000***	31 December 2021 *(Restated)* *RMB'000*
Within 1 year	**29,903,331**	30,186,747
Between 1 and 2 years	**16,139**	56,404
Between 2 and 3 years	**8,265**	7,192
	29,927,735	30,250,343

16 TRADE AND BILLS RECEIVABLES (CONTINUED)

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.

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.

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 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 come 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.

As at 30 June 2022, 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.

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)

17 PREPAYMENTS AND OTHER CURRENT ASSETS

	30 June 2022	31 December 2021
	(Unaudited)	*(Restated)*
	RMB'000	*RMB'000*
Loans and advances to *(Note (i))*		
– Associates and joint ventures	**43,253**	52,799
– Third parties	**368,603**	369,313
Government grant receivables	**192,590**	164,096
Dividend receivable from		
– Associates	**146,403**	201,324
– Fellow subsidiaries	**–**	95,100
Deductible VAT	**1,439,351**	1,418,689
Refundable deposits for aborted planned acquisitions	**321,750**	891,750
Prepayments and others	**1,233,634**	810,559
	3,745,584	4,003,630
Less: Allowance for doubtful debts	**(335,180)**	(340,217)
	3,410,404	3,663,413

Note:

(i) As at 30 June 2022, there was no interest-bearing loans and advances (31 December 2021: nil).

(Expressed in thousands of Renminbi)

18 OTHER FINANCIAL ASSETS

	30 June 2022 (Unaudited) RMB'000	31 December 2021 (Audited) RMB'000
Financial assets at fair value through profit or loss		
– Listed equity securities on the Hong Kong Stock Exchange	228,550	293,794
– Financial products *(Note (i))*	532,000	448,700
	760,550	742,494

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 0.40% to 3.65% (31 December 2021: 0.04% to 3.60%).

19 CASH AT BANKS AND ON HAND

	30 June 2022 (Unaudited) RMB'000	31 December 2021 (Restated) RMB'000
Cash on hand	2	2
Cash at banks and other financial institutions	14,825,647	3,913,119
	14,825,649	3,913,121
Including:		
– Cash and cash equivalents	14,825,649	3,913,121

(Expressed in thousands of Renminbi)

20 BORROWINGS

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

	30 June 2022 ***(Unaudited)*** ***RMB'000***	31 December 2021 *(Restated)* *RMB'000*
Bank loans		
– Secured *(Note (i))*	**8,999,712**	10,287,054
– Unsecured *(Note (ii))*	**46,308,201**	41,256,852
Loans from fellow subsidiaries		
– Secured *(Note (i))*	**530,000**	500,000
– Unsecured *(Note (ii))*	**4,827,800**	1,284,500
Loans from an associate		
– Secured *(Note (i))*	**100,000**	100,000
Other borrowings *(Note 20(c) (i))*		
– Secured *(Note (i))*	**730,550**	726,370
– Unsecured *(Note (ii))*	**22,266,759**	23,189,502
	83,763,022	77,344,278
Less: Current portion of long-term borrowings *(Note 20(b))*		
– Bank loans	**(7,480,726)**	(6,652,302)
– Other borrowings	**(10,056,806)**	(9,526,098)
	66,225,490	61,165,878

Notes:

(i) Certain secured borrowings from the subsidiaries of the Group were an aggregate secured by trade debtors' beneficial rights arising from future electricity sales with a carrying amount of RMB5,725,971,000 (31 December 2021 (restated): RMB5,317,252,000), inventories with an aggregate carrying amount of RMB3,541,000 (31 December 2021: RMB3,404,000), bills receivables with an aggregate carrying amount of RMB14,068,000 (31 December 2021: RMB28,870,000), property, plant and equipment with an aggregate carrying amount of RMB2,331,743,000 (31 December 2021: RMB2,217,945,000).

(ii) As at 30 June 2022, the Group's borrowings guaranteed by CHN Energy amounted to RMB130,814,000 (31 December 2021: RMB158,845,000).

(Expressed in thousands of Renminbi)

20 BORROWINGS (CONTINUED)

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

	30 June 2022	31 December 2021
	(Unaudited)	*(Restated)*
	RMB'000	*RMB'000*
Bank loans		
– Secured *(Note (i))*	**501,907**	359,400
– Unsecured	**11,072,886**	13,174,411
Loans from other financial institutions		
– Unsecured *(Note (ii))*	**41,000**	41,000
Loans from fellow subsidiaries		
– Unsecured	**4,554,000**	5,649,460
Other borrowings		
– Unsecured *(Note 20(c) (ii))*	**8,000,000**	7,000,000
	24,169,793	26,224,271
Current portion of long-term borrowings *(Note 20(a))*		
– Bank loans	**7,480,725**	6,652,303
– Other borrowings	**10,056,806**	9,526,098
	41,707,324	42,402,672

Notes:

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

(ii) As at 30 June 2022, the outstanding loans of the Group amounted to RMB41,000,000 (31 December 2021: RMB41,000,000) were borrowed from a third party by the Company's subsidiary, China Fulin Wind Power Engineering Co., Ltd.

(Expressed in thousands of Renminbi)

20 BORROWINGS (CONTINUED)

(c) Significant terms of other borrowings

	30 June 2022	31 December 2021
	(Unaudited)	*(Audited)*
	RMB'000	*RMB'000*
Long-term *(Note (i))*		
Current portion of long-term other borrowings	**10,056,806**	9,526,098
Non-current portion of long-term other borrowings	**12,940,503**	14,389,774
Short-term		
Short-term financing bonds *(Note (ii))*	**8,000,000**	7,000,000

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 2022, CAD 59,666,000 of the corporate bond was repaid.

On 16 May 2017, the Company issued a five-year unsecured corporate bond of RMB2,000 million at par with a coupon rate of 4.90% per annum. The effective interest rate is 4.98%. On 18 May 2020, the Company completed the coupon rate adjustment from 4.90% to 2.50% from 16 May 2020, and the exercise of put option for the amount of RMB484,500,000.The Company fully repaid the unsecured corporate bond of RMB1,515,500,000 in 2022.

On 1 August 2017, the Company issued a seven-year unsecured corporate bond of RMB3,000 million at par with a coupon rate of 4.78% per annum. The effective interest rate is 4.84%.

20 BORROWINGS (CONTINUED)

(c) Significant terms of other borrowings (Continued)

Notes (Continued):

(i) (Continued)

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%.

On 26 April 2019, the Company issued a three-year unsecured medium-term note of RMB2,000 million at par with a coupon rate of 4.09% per annum. The effective interest rate is 4.27%. The Company fully repaid the unsecured corporate bond of RMB2,000 million in 2022.

On 17 June 2019, the Company issued a three-year unsecured medium-term note of RMB1,000 million at par with a coupon rate of 3.80% per annum. The effective interest rate is 3.99%. The Company fully repaid the unsecured corporate bond of RMB1,000 million in 2022.

On 26 September 2019, the Company issued a three-year unsecured medium-term note of RMB2,000 million at par with a coupon rate of 3.52% per annum. The effective interest rate is 3.64%.

On 27 April 2020, the Company issued a three-year unsecured 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%.

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

On 16 July 2021, the Company issued a three-year unsecured medium-term note of RMB1,000 million at par with a coupon rate of 3.20% per annum. The effective interest rate is 3.30%.

20 BORROWINGS (CONTINUED)

(c) Significant terms of other borrowings (Continued)

Notes (Continued):

(i) (Continued)

On 4 August 2021, the Company issued a three-year unsecured medium-term note of RMB791 million at par with a coupon rate of 3.05% per annum. The effective interest rate is 3.15%.

On 20 August 2021, the Company issued a three-year unsecured medium-term note of RMB2,000 million at par with a coupon rate of 3.05% per annum. The effective interest rate is 3.10%.

On 2 December 2021, the Company issued a three-year unsecured 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 13 January 2022, the Company issued a three-year unsecured medium-term note of RMB2,000 million at par with a coupon rate of 2.93% per annum. The effective interest rate is 2.99%.

On 12 May 2022, the Company issued a three-year unsecured medium-term note 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 interest rates from 1.74% to 2.34% issued in 2022.

(Expressed in thousands of Renminbi)

21 TRADE AND BILLS PAYABLES

	30 June 2022 **(Unaudited)** **RMB'000**	31 December 2021 *(Restated)* *RMB'000*
Bills payable	**1,979,722**	3,009,660
Trade payables	**1,420,202**	980,560
Amounts due to associates	**24,602**	24,111
Amounts due to fellow subsidiaries	**93,235**	115,707
	3,517,761	4,130,038

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

	30 June 2022 **(Unaudited)** **RMB'000**	31 December 2021 *(Restated)* *RMB'000*
Within 1 year	**2,995,192**	3,826,278
Between 1 and 2 years	**406,944**	235,939
Between 2 and 3 years	**74,218**	34,039
Over 3 years	**41,407**	33,782
	3,517,761	4,130,038

As at 30 June 2022 and 31 December 2021, all trade and bills payables are payable and expected to be settled within one year.

(Expressed in thousands of Renminbi)

22 OTHER CURRENT LIABILITIES

	30 June 2022 (Unaudited) RMB'000	31 December 2021 (Restated) RMB'000
Payables for acquisition of property, plant and equipment	10,089,287	9,240,748
Payables for staff-related costs	721,432	230,144
Payables for other taxes	457,693	401,157
Dividends payable	2,112,683	733,703
– CHN Energy	878,924	138,297
– Fellow subsidiaries	184,235	202,367
– Non-controlling equity owners of subsidiaries	303,539	393,039
– Third parties	745,985	–
Amounts due to associates and joint ventures *(Note (i))*	1,108,403	1,131,136
Amounts due to fellow subsidiaries *(Note (i))*	332,239	247,219
Amounts due to CHN Energy *(Note (i))*	30,501	30,549
Payables for acquisition of a subsidiary	85,793	130,713
Other accruals and payables	5,772,976	2,914,625
Derivative financial instruments		
– Interest rate swap contracts *(Note (ii))*	30,082	125,438
Contract liabilities	422,056	162,150
– Associates and joint ventures	22,562	12,798
– Fellow subsidiaries	969	1,910
– Third parties	398,525	147,442
	21,163,145	15,347,582

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 2022 and 31 December 2021.

(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)

23 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 RMB276,897,000 (31 December 2021 (restated): RMB325,959,000) is due to associates of the Group, and RMB3,740,000 (31 December 2021 (restated): RMB57,122,000) is due to fellow subsidiaries.

24 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 2022 (six months ended 30 June 2021: nil).

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

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Final dividend in respect of the financial year ended 31 December 2021, approved during the following interim period, of RMB0.1470 per share (2020: RMB0.1176 per share)	**1,232,149**	945,079

Dividends in respect of the financial year ended 31 December 2021 have been fully paid on 18 August 2022.

(Expressed in thousands of Renminbi)

24 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Share capital

	30 June 2022	31 December 2021
	(Unaudited)	*(Audited)*
	RMB'000	*RMB'000*
Issued and fully paid:		
Domestic state-owned ordinary shares of RMB1.00 each *(Note (i))*	**5,041,934**	4,696,360
H shares of RMB1.00 each	**3,340,029**	3,340,029
	8,381,963	8,036,389

Notes:

(i) On 21 January 2022, the Company merged with 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.

24 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.

(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.

24 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Nature and purpose of reserves (Continued)

(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.

25 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.

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.

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

On 27 October 2020, the Company issued the green renewable corporate bonds of the second tranche for the year of 2020 which was recorded as equity. The bonds are divided into two types, of which type one is fixed interest rate bonds with a term of one plus N years and an issuance size of RMB1 billion and the coupon rate is 3.59% and type two is fixed interest rate bonds with a term of two plus N years and an issuance size of RMB1 billion and the coupon rate is 3.90%. The interest of the green renewable corporate bonds is recorded as distributions, which are paid annually in arrears in October 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 October 2021 and October 2022, respectively, and the payment of the principal may be deferred for each renewal period to 1 year and 2 years, respectively. The applicable distribution rate will be reset, on the first call date and each renewal period after the first call date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum. On the first call date of the type one green renewable corporate bonds in October 2021, the Company decided to exercise the callable option, the bonds were redeemed in whole in October 2021.

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 2022, the profit attributable to the holders of perpetual medium-term notes, and renewable corporate bonds, based on the applicable interest rate, was RMB116,414,000 (six months ended 30 June 2021: RMB119,450,000).

26 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)

26 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Fair value hierarchy (Continued)

	Fair value at 30 June 2022	Fair value measurements as at 30 June 2022 categorised into *(Unaudited)*		
		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	232,149	–	–	232,149
Listed equity investments designated at FVOCI	44,572	44,572	–	–
Listed investments designed at fair value through profit or loss	228,550	228,550	–	–
Financial assets designated at fair value through profit or loss	532,000	–	532,000	–
Trade and bills receivables designated at FVOCI	29,292,299	–	1,610,350	27,681,949
Financial liabilities:				
Derivative financial instruments – interest rate swap contracts	30,082	–	30,082	–

(Expressed in thousands of Renminbi)

26 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Fair value hierarchy (Continued)

	Fair value at 31 December 2021	Fair value measurements as at 31 December 2021 categorised into *(Restated)*		
		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	654,596	–	–	654,596
Listed equity investments designated at FVOCI	42,990	42,990	–	–
Listed investments designed at fair value through profit or loss	293,794	293,794	–	–
Financial assets designated at fair value through profit or loss	448,700	–	448,700	–
Trade and bills receivables designated at FVOCI	29,845,726	–	1,773,519	28,072,207
Financial liabilities:				
Derivative financial instruments – interest rate swap contracts	125,438	–	125,438	–

26 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Fair value hierarchy (Continued)

During the six months ended 30 June 2022 there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2021: 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.

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.

26 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)

26 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 2022 and 31 December 2021:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B multiple of peers	1.4 (31 December 2021: 1.1 to 1.4)	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB19,944,000 (31 December 2021 (restated) :RMB 65,166,000)
		Discount for lack of marketability	26% (31 December 2021: 30%)	10% increase/decrease in discount would result in decrease/increase in fair value by RMB7,007,000 (31 December 2021 (restated) : RMB 27,928,000)

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)

26 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:

	2022 *(Unaudited)* *RMB'000*	2021 *(Restated)* *RMB'000*
Equity investments at fair value through other comprehensive income -unlisted:		
At 1 January	654,596	743,084
Changes in fair value recognized in other comprehensive income	168,897	(36,544)
Disposals	(621,344)	–
Purchases	30,000	–
At 30 June	232,149	706,540

(Expressed in thousands of Renminbi)

26 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(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 2022 and 31 December 2021, except for the following:

	30 June 2022		31 December 2021	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	(Unaudited)	***(Unaudited)***	*(Restated)*	*(Restated)*
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Other borrowings	**12,940,503**	**12,389,731**	14,389,774	14,419,456
Fixed rate long-term loans	**3,511,512**	**3,233,731**	2,833,608	2,772,447
	16,452,015	**15,623,462**	17,223,382	17,191,903

27 TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are derecognised in their entirety

At 30 June 2022, 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 RMB17,024,000 (31 December 2021 (restated): RMB105,568,000) and factored certain bills receivable accepted by banks in Mainland China with a carrying amount of RMB331,500,000 (31 December 2021 (restated): RMB444,110,000) (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 2022, the Group has incurred back charges of RMB7,404,000 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.

27 TRANSFERS OF FINANCIAL ASSETS (CONTINUED)

Transferred financial assets that are not derecognised in their entirety

On 15 January 2020, the Group completed the establishment of the "Longyuan Power Renewable Energy Electricity Price Surcharge Phase I Green Asset-Backed Special Plan" ("first phase of ABS"),with an initial scale of RMB792 million; On 18 March 2021, "Longyuan Power Renewable Energy Electricity Price Surcharge Phase 2 Green Asset Backed Special Plan" (specifically for carbon neutrality) ("second phase of ABS") was issued, with an initial size of RMB1,139 million and an expected expiry date of 30 April 2023. The original carrying value of the trade receivables transferred under the arrangement of the first phase of ABS, which was issued on 15 January 2020 that had not been settled as at 30 June 2022 as well as the second phase of ABS, which was issued on 18 March 2021, was RMB268,966,000 (31 December 2021: RMB1,075,315,000).

Since the Group neither transferred nor retained substantially all the risks and rewards of ownership of the trade receivables and retained control of the underlying assets as at 30 June 2022, the Group only recognised the transferred assets to the extent of its continuing involvement amounting to RMB111,489,000 as prepayment and other current assets as at 30 June 2022 (31 December 2021: RMB55,725,000 in prepayment and other current assets and RMB55,764,000 in other assets), and the associated liabilities amounting to RMB111,489,000 as other current liabilities as at 30 June 2022 (31 December 2021: RMB55,725,000 in other current liabilities and RMB55,764,000 in other non-current liabilities),which approximate the maximum exposure to losses from its involvement in such arrangements and the unconsolidated structured entities.

(Expressed in thousands of Renminbi)

28 CAPITAL COMMITMENTS

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

	30 June 2022 ***(Unaudited)*** ***RMB'000***	31 December 2021 *(Audited)* *RMB'000*
Contracted, but not provided for	**11,327,780**	9,545,580

29 CONTINGENT LIABILITIES

At 30 June 2022, 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 2022, the balance counter-guaranteed by the Company amounted to RMB6,962,000 (31 December 2021: RMB7,347,000).

(ii) As disclosed in Note 27, the Group has entered into certain agreements with certain financial institutions so as to establish the ABS. 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 2022, such ABS has been issued to investors with an aggregate amount of RMB2,262,737,000 (31 December 2021: RMB2,729,200,000). The directors of the Company evaluated the expected credit loss of such credit commitment is minimal.

(Expressed in thousands of Renminbi)

30 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	
	2022	2021
	(Unaudited)	*(Unaudited and restated)*
	RMB'000	*RMB'000*
Sales of goods/provision of services to		
CHN Energy	**–**	29
Fellow subsidiaries	**31,513**	20,462
Associates and joint ventures	**176,999**	91,822
Purchase of goods/receipt of services from		
Fellow subsidiaries	**1,058,214**	1,201,481
Associates and joint ventures	**312,647**	908,491
Working capital received from		
CHN Energy	**–**	80
Fellow subsidiaries	**9,546**	12,990
Associates and joint ventures	**–**	134
Loan guarantees revoked from		
CHN Energy	**(28,031)**	(1,570,411)
Associates and joint ventures	**–**	(5,500)

(Expressed in thousands of Renminbi)

30 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

	Six months ended 30 June	
	2022	2021
	(Unaudited)	*(Unaudited and Restated)*
	RMB'000	*RMB'000*
Loans repaid from		
Fellow subsidiaries	**–**	(180,000)
Associates and joint ventures	**–**	(53,500)
Loans provided by		
Fellow subsidiaries	**2,325,840**	190,558
Interest income		
Fellow subsidiaries	**2,920**	2,750
Associates and joint ventures	**3,962**	7,853
Interest expenses		
CHN Energy	**–**	1,314
Fellow subsidiaries	**68,324**	42,295
Associates and joint ventures	**3,045**	2,102
Rental income		
Fellow subsidiaries	**–**	1,574
Associates and joint ventures	**1,327**	–
Lease payment		
Fellow subsidiaries	**16,797**	–
Associates and joint ventures	**9,094**	1,525
Cash deposited with		
Fellow subsidiaries	**192,049**	266,690
New and additional investment to		
Associates and joint ventures	**140,420**	18,796
Return of investment from		
Fellow subsidiaries	**621,343**	–

30 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties

As at 30 June 2022, deposits placed with a fellow subsidiary amounted to RMB2,897,667,000 (31 December 2021 (restated): RMB2,705,618,000). Details of material outstanding balances with related parties are set out in Notes 15, 16, 17, 20, 21,22 and 23.

(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.

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.

(Expressed in thousands of Renminbi)

30 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

	Six months ended 30 June	
	2022	2021
	(Unaudited)	*(Unaudited and restated)*
	RMB'000	*RMB'000*
Sales of electricity	**16,335,758**	15,807,070
Sales of other products	**1,004,287**	866,591
Interest income	**60,092**	18,687
Interest expenses	**1,676,499**	1,829,559
Loans received	**(5,380,015)**	(3,432,570)
Cash deposits placed/(withdrawn)	**10,721,844**	(279,993)
Purchase of materials and receipt of construction services	**2,662,874**	2,685,258
Service concession construction revenue	**12,615**	70,779

(Expressed in thousands of Renminbi)

30 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 2022 (Unaudited) RMB'000	31 December 2021 (Restated) RMB'000
Receivables from sales of electricity	**29,548,405**	30,082,269
Receivables from sales of other products	**143,713**	348,065
Bank deposits (including restricted deposits)	**11,745,822**	1,023,978
Borrowings	**106,197,835**	100,817,820
Payable for purchase of materials and receiving construction work services	**2,764,298**	1,539,567

(d) Key management personnel remuneration

Remuneration for key management personnel is as follows:

	Six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Salaries and other emoluments	**1,158**	1,003
Discretionary bonuses	**2,787**	3,012
Retirement scheme contributions	**314**	379
	4,259	4,394

(Expressed in thousands of Renminbi)

30 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Commitments with related parties

	30 June 2022 *(Unaudited)* *RMB'000*	31 December 2021 *(Audited)* *RMB'000*
Capital commitments with		
Associates and joint ventures	**16,877**	449,126

31 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.

32 APPROVAL OF THE FINANCIAL INFORMATION

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2022 was approved and authorised for issue by the board of directors on 23 August 2022.

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**	
	2022	2021	**30 June 2022**	31 December 2021
Consolidated net profit/equity attributable to equity holders of the Company under PRC GAAP	**4,332,848**	5,242,744	**69,070,982**	68,499,464
Impact of IFRS adjustments:				
Difference on revaluation of certain assets upon the reorganisation in 2009 *(Note (i))*	**7,793**	7,793	**(350,080)**	(357,873)
Others	**(4,430)**	7,865	**(23,058)**	(40,158)
Profit/equity attributable to non-controlling interests on the adjustments above	**(3,446)**	(7,848)	**(16,827)**	(13,378)
Consolidated net profit/equity attributable to equity holders of the Company under IFRSs	**4,332,765**	5,250,554	**68,681,017**	68,088,055

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.

GLOSSARY OF TERMS

"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
"CHN Energy"	China Energy Investment Corporation Limited. As at the Latest Practicable Date, CHN Energy directly and indirectly held a total of 4,908,598,141 A shares of the Company, representing approximately 58.56% of the total issued share capital of the Company
"code provisions"	as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules
"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
"consolidated power generation"	the aggregate gross power generation including our project companies that we fully consolidate in our financial statements for a specified period
"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 equals gross power generation less comprehensive auxiliary electricity
"Group"	China Longyuan Power Group Corporation Limited* and its subsidiaries

GLOSSARY OF TERMS

"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
"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 2022, being the latest practicable date prior to the printing of this report for the purpose of updating certain information
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"load factor"	the ratio (expressed as a percentage) of the gross amount of electricity generated by a power plant in a given period divided by the number of hours in the given period multiplied by the plant's installed capacity
"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
"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 (中華人民共和國國家發展和改革委員會)

"Nomination Committee"	the nomination committee of the Board
"our Company", "the Company" or "Longyuan Power"	China Longyuan Power Group Corporation Limited* (龍源電力集團股份有限公司)
"Pingzhuang Energy"	Inner Mongolia Pingzhuang Energy Co., Ltd. (內蒙古平莊能源股份有限公司)
"PRC" or "China"	The People's Republic of China
"renewable energy"	sustainable sources that are regenerative or, for all practical purposes, cannot be depleted, such as wind, water or sunlight
"Reporting Period"	from 1 January 2022 to 30 June 2022
"RMB"	Renminbi, the lawful currency of the PRC
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council
"Shareholder(s)"	holder(s) of shares of the Company
"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

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

Block c
6 Fuchengmen North Street
Xicheng District
Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

BOARD OF DIRECTORS

Executive Director

Mr. Tang Jian *(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

AUTHORIZED REPRESENTATIVES

Mr. Tang Jian
Ms. Chan Sau Ling

* *For identification purposes* 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

Da Hua Certified Public Accountants
(Special General Partnership)
12/F, Building 7
16 Xi Si Huan Zhong Road,
Haidian District, Beijing
the PRC

LEGAL ADVISERS

as to Hong Kong law

Clifford Chance
27th Floor, Jardine House
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

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

China Construction Bank Corporation
Beijing Branch
Building No. 28
Xuanwumenxi Street
Xicheng District
Beijing
PRC

Bank of Communications Co., Ltd.
Beijing Branch
No. 33 Financial Street
Xicheng District
Beijing
PRC

CORPORATE INFORMATION

H SHARE REGISTRAR

Computershare Hong Kong Investor
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

FOR INVESTOR ENQUIRIES

Investor hotline: 86 10 6388 8199
Fax: 86 10 6388 7780
Website: www.clypg.com.cn
Email: lyir@ceic.com

龍 源 電 力 集 團 股 份 有 限 公 司

China Longyuan Power Group Corporation Limited*

* For Identification Purpose Only