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

2024

INTERIM REPORT

* For Identification Purpose Only

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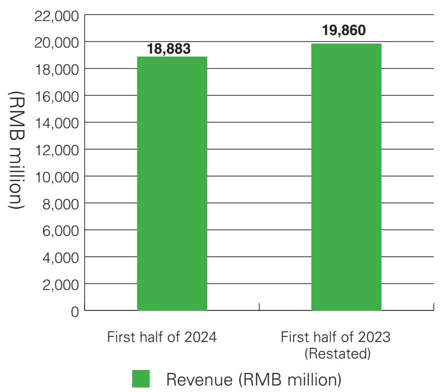
MAIN DATA OF INTERIM RESULTS

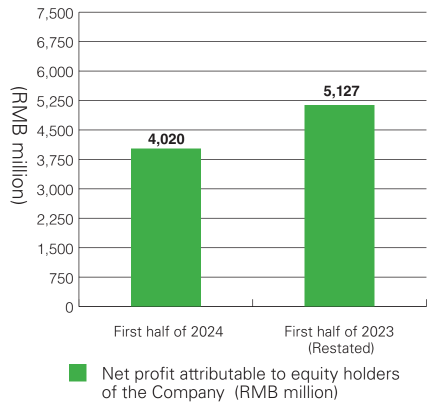
The Board of China Longyuan Power Group Corporation Limited* hereby announced the unaudited operating results for the six months ended 30 June 2024 and a comparison with the operating results for the six months ended 30 June 2023 (the "corresponding period of 2023"). For the six months ended 30 June 2024, the Group recorded consolidated operating revenue of RMB18,883 million, representing a decrease of 4.9% over RMB19,860 million for the corresponding period of 2023. Profit before taxation amounted to RMB5,681 million, representing a decrease of 18.9% over RMB7,002 million for the corresponding period of 2023. Net profit attributable to equity holders of the Company amounted to RMB4,020 million, representing a decrease of 21.6% from RMB5,127 million for the corresponding period of 2023. Basic earnings per share attributable to equity holders of the Company amounted to RMB0.4767, representing a decrease of RMB0.1234 from RMB0.6001 for the corresponding period of 2023. As at 30 June 2024, net assets per share (excluding non-controlling interests) amounted to RMB8.69.

MAIN DATA OF INTERIM RESULTS

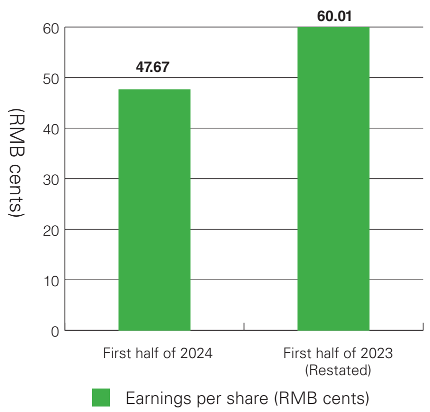
1. Revenue



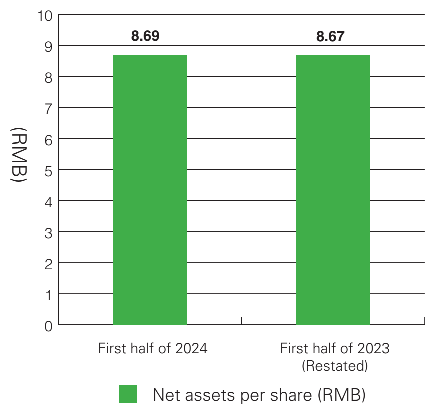
2. Net profit attributable to equity holders of the Company



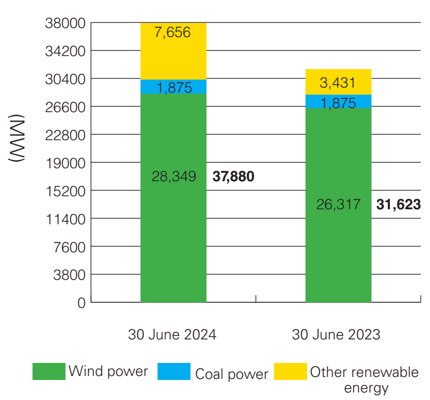
3. Earnings per share



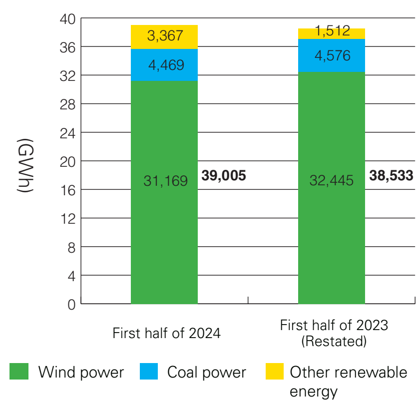
4. Net assets per share



5. Consolidated installed capacity



6. Electricity sales



MAIN DATA OF INTERIM RESULTS

	For the six months ended 30 June	
	2024	2023
		(Restated)
	(RMB'000)	*(RMB'000)*
Revenue	**18,883,467**	19,860,414
Profit before taxation	**5,680,634**	7,001,649
Income tax	**(989,028)**	(1,164,467)
Profit for the period	**4,691,606**	5,837,182
Profit attributable to:		
Equity holders of the Company	**4,020,469**	5,127,030
Non-controlling interests	**671,137**	710,152
Basic and diluted earnings per share *(RMB cents)*	**47.67**	60.01
Total comprehensive income for the period	**4,673,686**	5,840,609
Total comprehensive income attributable to:		
Equity holders of the Company	**4,001,336**	5,128,415
Non-controlling interests	**672,350**	712,194

MAIN DATA OF INTERIM RESULTS

	30 June 2024 *(RMB'000)*	31 December 2023 (Restated) *(RMB'000)*
Total non-current assets	**193,536,451**	185,588,509
Total current assets	**49,091,769**	45,055,716
Total assets	**242,628,220**	230,644,225
Total current liabilities	**80,010,598**	71,256,798
Total non-current liabilities	**78,021,917**	77,165,433
Total liabilities	**158,032,515**	148,422,231
Net assets	**84,595,705**	82,221,994
Capital liability ratio *(note)*	**97%**	93%
Total equity attributable to the equity holders of the Company	**72,657,607**	70,776,313
Non-controlling interests	**11,938,098**	11,445,681
Total equity	**84,595,705**	82,221,994
Net assets per share *(RMB)*	**8.69**	8.44

Note: Capital liability 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 the International Financial Reporting Standards)

I. INDUSTRY REVIEW

(I) Operational Environment

In the first half of 2024, the overall performance of China's economy remained stable with progress being made. Production recorded stable growth, demand continued to recover, employment and prices were generally stable, residents' incomes continued to increase, new growth drivers accelerated, and new progress was made in high-quality development. The country's Gross Domestic Product (GDP) for the first half of the year increased by 5.0% year on year. However, it is important to note that the current external environment is complex, domestic effective demand remains insufficient, and the foundation of the economic recovery still needs to be consolidated.

In the first half of 2024, China's energy consumption continued to grow, supply capacity steadily improved, and energy supply and demand were in balance. According to the statistics from the National Energy Administration and China Electricity Council, in the first half of 2024, the electricity consumption in the PRC amounted to 4,657.5 billion kWh, representing a year-on-year increase of 8.1%, while the power generation from national scale power plants in the PRC was 4,435.4 billion kWh, representing a year-on-year increase of 5.2%.

From January to June 2024, the accumulated average utilisation hours of power generation facilities across the country were 1,666 hours, representing a decrease of 71 hours as compared with the same period of the previous year. Among them, 1,134 hours of on-grid wind power, representing a decrease of 103 hours as compared with the same period of the previous year; and 626 hours of solar power, representing a decrease of 32 hours as compared with the same period of the previous year.

As of 30 June 2024, the power generation installed capacity across the country was 3.07 billion kW, representing a year-on-year increase of 14.1%. Among them, 470 million kW of wind power, representing a year-on-year increase of 19.9%; 710 million kW of solar power, representing a year-on-year increase of 51.6%; and 430 million kW of hydroelectricity, representing a year-on-year increase of 2.2%.

(II) Policy Environment

1. Establishing comprehensive regulatory rules to support the sustainable and compliant development of clean energy projects

In January 2024, the National Energy Administration issued the Work Points for Energy Regulation in 2024, emphasizing green development and focusing on strengthening the regulation of clean energy development. In promoting the participation of new energy in market transactions, a comprehensive mechanism for green electricity trading will be established to gradually expand the scale of green electricity trading and address issues such as the high demand for green electricity by enterprises and the difficulty of cross-provincial and cross-regional green electricity trading. In enhancing fair and open regulation of the power grid, grid operators will be regulated to provide non-discriminatory grid connection services to new energy projects. Additionally, an exploratory regulatory approach will be taken to deeply regulate issues such as difficulties in grid connection for new energy and unreasonable utilisation of energy storage.

In February 2024, the National Development and Reform Commission issued the Supervisory Measures for Full Guaranteed Purchase of Renewable Energy (《全額保障性收購可再生能源電量監管辦法》), which came into effect on 1 April. The measures focus on achieving optimised resource allocation through market-oriented means. Regarding the acquirers, the power grid serves as the ultimate consumer for multiple market participants in a coordinated manner. In terms of electricity pricing mechanisms, a combination of government pricing and market pricing models shall be implemented. In terms of regulatory focus, the measures emphasize the priority of renewable energy in grid connection, dispatch, and trading.

2. *Continuously improving support policies to accelerate the overall societal green and low-carbon transformation*

In March 2024, the National Energy Administration issued the Guiding Opinions on Energy Work in 2024, proposing to thoroughly implement the dual carbon goals, vigorously promote the high-quality development of non-fossil energy, consolidate and expand the favorable development momentum of wind power and photovoltaics, continuously improve the policy system for green and low-carbon transformation, accelerate the cultivation of new energy formats and models, sustainably promote clean energy substitution in key areas, and provide guidance on hydrogen energy industry, ultra-high voltage projects, coal, natural gas, wind power and photovoltaic base construction, hydropower and nuclear power development construction, and other aspects in 2024.

In March 2024, the National Development and Reform Commission, the National Energy Administration, and the Ministry of Agriculture and Rural Affairs jointly issued the Notice on Organizing the Wind Power Coverage Action in Thousands of Villages (《關於組織開展"千鄉萬村馭風行動"的通知》), pointing out the full utilisation of wind energy resources and scattered idle non-agricultural land in rural areas to carry out the "Wind Power Coverage Action in Thousands of Villages". Firstly, opening up new growth areas for wind power development. With the gradual maturation of low wind speed power generation technology, it is increasingly feasible and economical to develop wind power locally and nearby in the central and southern regions. Secondly, promoting the rural energy revolution by implementing the "Wind Power Coverage Action in Thousands of Villages", complementing distributed photovoltaics and biomass power generation to assist in achieving carbon peak and carbon neutrality. Thirdly, supporting rural revitalization through "village-enterprise cooperation" in developing wind power projects to share benefits, provide employment, increase farmers' income, and empower rural revitalization.

3. *Continuously optimizing price mechanisms to ensure the efficient consumption of electricity generated from new energy sources*

In February 2024, the National Development and Reform Commission and the National Energy Administration issued the Notice on Establishing and Improving the Price Mechanism for Power Ancillary Services Market (《關於建立健全電力輔助服務市場價格機制的通知》), requiring regions to reasonably determine the peak-shifting ancillary service price mechanism based on the principle that the consumption cost of new energy projects should not exceed the generation value. The issuance of this notice effectively prevents some regions from consuming new energy electricity at a cost higher than the revenue level of new energy projects, which is beneficial for reducing the ancillary service cost burden on new energy operators. This ensures that the consumption of new energy electricity is reasonable while meeting the economic requirements of the projects.

In May 2024, the National Energy Administration issued the Notice on Ensuring the Consumption of New Energy to Safeguard High-Quality Development of New Energy (《關於做好新能源消納工作保障新能源高質量發展的通知》). The notice proposed that grid enterprises should further increase the proportion of new energy transported through inter-provincial and inter-regional power transmission channels, equitably utilize various adjustment resources, and construct an intelligent dispatching system. It emphasized the need to fully leverage the role of the electricity market mechanism, accelerate the construction of the electricity spot market, and further promote the participation of new energy in the electricity market. Barriers between provinces should be broken down, and inter-provincial new energy transactions should not be restricted. Exploring ways for distributed new energy to participate in market transactions in an orderly and fair manner through aggregation and agency methods was also mentioned. Furthermore, the notice put forward the idea of scientifically determining the new energy utilisation rate targets in various regions.

II. BUSINESS REVIEW

In the first half of 2024, the Group deeply studied and implemented the spirit of the 20th National Congress of the Communist Party of China and the Second Plenary Session of the 20th Central Committee, and fully implemented the development strategy of "one goal, three roles, six commitments"; focused on the diversified, rapid, large-scale, efficient, and scientific development of new energy, and continued to advance the construction of new Longyuan with the principles of "inherent safety, doubled scale, digital transformation, innovation-driven leadership, and proactive growth", persisting in scale development and innovation, laying a solid foundation for accomplishing the annual target tasks.

In the first half of 2024, the Group launched 47 new projects with consolidated installed capacity of 2,286.73 MW, of which 7 were wind power projects with the consolidated installed capacity of 595.00 MW, and 40 were photovoltaic projects with the consolidated installed capacity of 1,691.73 MW, including 7 acquired projects with the consolidated installed capacity of 495.40 MW. In the first half of 2024, the accumulated power generation of the Group amounted to 40,081,845 MWh, representing a year-on-year increase of 0.84%, of which wind power generation amounted to 31,584,604 MWh, representing a year-on-year decrease of 4.60%; coal power generation amounted to 4,907,935 MWh, representing a year-on-year decrease of 2.39%; photovoltaic and other renewable energy power generation amounted to 3,589,306 MWh, representing a year-on-year increase of 122.87%.

(I) Solidifying the safety foundation, and stabilizing the safety and environmental protection situation

In the first half of 2024, the Group consistently adhered to the important expositions and instructions of General Secretary Xi Jinping on production safety, carefully coordinated production safety with various relationships, and insisted on high-quality development and high-level safety benign interaction. We detailed and decomposed the "No.1 document", formulated and implemented a three-year action plan for tackling the root causes of production safety issues, known as "1+3," and strengthened the governance of safe and civilized production. Standardization construction was vigorously promoted, innovative implementation of safety score management was introduced, routine inspections and assessments were carried out to force management to improve with the effectiveness of "process control". We vigorously implemented the principle of "high standard positions, strict standard operations", forming a package of 2.8 million standardized "cards" to ensure that operational risks are controllable. The management of "real-time and on-site" was continuously strengthened, maintaining an average online rate of video equipment of over 98%, and achieving full coverage of safety supervision in all project and production operation sites through nearly 74,000 routes of video, eliminating blind spots.

In the first half of 2024, the total power generation of the Group amounted to 40,081,845 MWh, representing a year-on-year increase of 0.84%, of which wind power generation amounted to 31,584,604 MWh, representing a year-on-year decrease of 4.60%; photovoltaic power generation amounted to 3,586,400 MWh, representing a year-on-year increase of 122.76%. In the first half of 2024, the average utilisation hours of wind power were 1,170 hours, representing a decrease of 101 hours as compared to the same period of 2023. The decrease in power generation and utilisation hours was mainly attributable to the decrease in wind resources, and the average wind speed in the first half of 2024 decreased by 0.25 m/s as compared to the same period of 2023.

Geographical breakdown of the consolidated power generation of the Group's wind farms for the first half of 2024 and the first half of 2023:

Region	**First half of 2024** ***(MWh)***	First half of 2023 *(MWh)*	**Percentage of change**
Heilongjiang	**1,545,562**	1,721,283	-10.21%
Jilin	**1,171,853**	1,112,142	5.37%
Liaoning	**1,922,360**	2,053,826	-6.40%
Inner Mongolia	**3,559,924**	3,936,034	-9.56%
Jiangsu (onshore)	**1,219,418**	1,321,753	-7.74%
Jiangsu (offshore)	**3,000,991**	2,895,528	3.64%
Zhejiang	**173,817**	182,346	-4.68%
Fujian	**1,524,634**	1,555,877	-2.01%
Hainan	**53,303**	58,475	-8.84%
Gansu	**1,575,146**	1,747,601	-9.87%
Xinjiang	**1,866,321**	2,105,107	-11.34%
Hebei	**1,966,454**	2,310,376	-14.89%
Yunnan	**2,056,269**	1,945,575	5.69%
Anhui	**854,152**	969,878	-11.93%
Shandong	**841,109**	876,248	-4.01%
Tianjin	**578,123**	581,304	-0.55%
Shanxi	**1,337,512**	1,466,928	-8.82%
Ningxia	**843,736**	816,879	3.29%
Guizhou	**1,003,495**	856,051	17.22%
Shaanxi	**889,190**	944,223	-5.83%
Tibet	**9,222**	8,570	7.60%
Chongqing	**281,677**	333,171	-15.46%
Shanghai	**57,904**	61,717	-6.18%
Guangdong	**181,120**	166,065	9.07%
Hunan	**317,828**	391,753	-18.87%

Region	**First half of 2024** ***(MWh)***	First half of 2023 *(MWh)*	**Percentage of change**
Guangxi	**1,414,181**	1,238,195	14.21%
Jiangxi	**246,861**	249,942	-1.23%
Hubei	**92,780**	123,045	-24.60%
Qinghai	**139,231**	162,398	-14.27%
Henan	**272,769**	311,937	-12.56%
Canada	**134,776**	132,056	2.06%
South Africa	**345,626**	377,492	-8.44%
Ukraine	**107,261**	94,646	13.33%
Total	**31,584,604**	33,108,421	-4.60%

Geographical breakdown of the average utilisation hours/load factor of wind power of the Group's wind farms for the first half of 2024 and the first half of 2023:

Region	**Average utilisation hours of wind power for the first half of 2024** *(hour)*	**Average load factor of wind power for the first half of 2024**	Average utilisation hours of wind power for the first half of 2023 *(hour)*	Average load factor of wind power for the first half of 2023	**Percentage of change of the average utilisation hours of wind power**
Heilongjiang	**1,037**	**24%**	1,269	29%	-18.28%
Jilin	**1,261**	**29%**	1,290	30%	-2.25%
Liaoning	**1,319**	**30%**	1,425	33%	-7.44%
Inner Mongolia	**1,171**	**27%**	1,292	30%	-9.37%
Jiangsu (onshore)	**913**	**21%**	987	23%	-7.50%
Jiangsu (offshore)	**1,371**	**31%**	1,320	30%	3.86%
Zhejiang	**759**	**17%**	795	18%	-4.53%
Fujian	**1,404**	**32%**	1,432	33%	-1.96%
Hainan	**538**	**12%**	591	14%	-8.97%
Gansu	**882**	**20%**	1,039	24%	-15.11%
Xinjiang	**1,196**	**27%**	1,288	30%	-7.14%
Hebei	**1,109**	**25%**	1,303	30%	-14.89%
Yunnan	**1,575**	**36%**	1,778	41%	-11.42%
Anhui	**1,024**	**23%**	1,186	27%	-13.66%
Shandong	**1,348**	**31%**	1,364	31%	-1.17%
Tianjin	**1,127**	**26%**	1,192	27%	-5.45%
Shanxi	**991**	**23%**	1,192	27%	-16.86%
Ningxia	**922**	**21%**	1,090	25%	-15.41%
Guizhou	**1,137**	**26%**	1,156	27%	-1.64%
Shaanxi	**1,066**	**24%**	1,051	24%	1.43%
Tibet	**1,230**	**28%**	1,143	26%	7.61%
Chongqing	**973**	**22%**	1,149	26%	-15.32%
Shanghai	**1,219**	**28%**	1,299	30%	-6.16%

Region	**Average utilisation hours of wind power for the first half of 2024** *(hour)*	**Average load factor of wind power for the first half of 2024**	Average utilisation hours of wind power for the first half of 2023 *(hour)*	Average load factor of wind power for the first half of 2023	**Percentage of change of the average utilisation hours of wind power**
Guangdong	**1,448**	**33%**	1,317	30%	9.95%
Hunan	**1,031**	**24%**	1,207	28%	-14.58%
Guangxi	**1,578**	**36%**	1,436	33%	9.89%
Jiangxi	**1,257**	**29%**	1,273	29%	-1.26%
Hubei	**985**	**23%**	1,306	30%	-24.58%
Qinghai	**928**	**21%**	1,083	25%	-14.31%
Henan	**1,220**	**28%**	1,475	34%	-17.29%
Canada	**1,360**	**31%**	1,333	31%	2.03%
South Africa	**1,414**	**32%**	1,544	36%	-8.42%
Ukraine	**1,402**	**32%**	1,237	28%	13.34%
Total	**1,170**	**27%**	1,271	29%	-7.95%

During the Reporting Period, the consolidated power generation from coal power segment of the Group was 4,907,935 MWh, representing a decrease of 2.39% as compared with the corresponding period of 2023. In the first half of 2024, the average utilisation hours of the Group's coal power segment were 2,618 hours, representing a decrease of 64 hours as compared with the corresponding period of 2023. The main reason for the year-on-year decrease in power generation and utilisation hours is the rapid growth of new energy installed capacity in the Jiangsu region, which has led to the occupation of space for coal power generation and distribution channels.

(II) Seizing strategic opportunities and continuously accelerating efforts in green and low-carbon development

In the first half of 2024, the Group maintained its rapid development in terms of scale and quality, aligned with national major development strategies, and promoted large-scale development, breakthroughs and innovations through large-scale projects, and made every effort to promote the “desert, gobi and hungriness” large-scale wind power and photovoltaic power base projects and the offshore wind power projects, so as to build a nationally recognized new energy base with distinctive Longyuan characteristics. We actively promoted local infrastructure development, prioritizing the competitive allocation of indicators in the secure consumption-guaranteed regions of the central and southeast areas. We systematically advanced project acquisitions, focusing on projects with complete procedures, high quality, significant scale, and reputable project owners; implemented the “replacing small-capacity units with large capacity units “projects accurately, scientifically and reasonably; systematically promoted the “bath in the light and ride in the wind “initiative, aligning it with rural revitalization efforts to facilitate contiguous project development. We tailored the advancement of shared energy storage projects to local conditions, strategically laid out the development of power generation, grid, load and energy storage projects, hydrogen-ammonia-methanol projects, centralized and distributed energy storage projects, and steadily advanced distributed projects.

In the first half of 2024, the Group signed 7.59 GW of new development agreements, including 3.955 GW of wind power and 3.635 GW of photovoltaic power, which are all distributed in regions of rich resources. In the first half of 2024, the development quota the Group obtained reached 6.09 GW, representing an increase of 51.87% over the same period last year, including 2.81 GW of wind power and 3.28 GW of photovoltaic power.

(III) Constructing high-quality projects and ensuring quality and speed of engineering construction

In the first half of 2024, the Group accelerated the construction progress by strengthening the implementation of project construction conditions, moving the engineering checkpoints forward and advancing project management. It adopted the mechanism of "daily tracking, weekly rectification and monthly notification" to promptly grasp the progress of the projects through daily reports and on-site supervision, and implemented letter of supervision and "one-to-one" coordination system for projects with large deviation in progress to jointly solve the difficulties in projects. The Group comprehensively created high-quality projects by firmly grasping the source of design, strengthening supervision on the manufacturing of equipment, quality acceptance and construction technology standard control, enhancing quality inspection and rectification, and focusing on the acceptance and documentation of hidden projects. With the visualization of the construction site and the management measure on safety points as the starting point, the Group implemented the Standardised Manual for Safe and Civilised Construction and the Standardised List for Engineering Safety Management, concentrated on the safety performance of personnel at all levels, and improved the inherent safety management level. The Group also comprehensively strengthened the "Three Simultaneities" management, with the main construction of the projects started and put into operation in the year all covering soil and water conservation engineering, so as to build green projects in a comprehensive manner.

In the first half of 2024, 47 new projects of the Group were put into operation with consolidated installed capacity of 2,286.73 MW, of which the consolidated installed capacity of seven wind power projects was 595.00 MW; the consolidated installed capacity of 40 photovoltaic power projects were 1,691.73 MW, including 7 acquired projects with the consolidated installed capacity of 495.40 MW. As of 30 June 2024, the Group recorded 37,880.40 MW consolidated installed capacity, among which, the wind power segment reported 28,349.39 MW consolidated installed capacity, the photovoltaic and other renewable energy segment reported 7,656.01 MW consolidated installed capacity, and the coal power segment reported 1,875.00 MW consolidated installed capacity.

Geographical breakdown of the consolidated installed capacity of the Group's wind farms as at 30 June 2024 and 30 June 2023 is set out as below:

Region	**30 June 2024 *(MW)***	30 June 2023 *(MW)*	**Percentage of change**
Heilongjiang	**1,495.70**	1,345.70	11.15%
Jilin	**943.90**	893.90	5.59%
Liaoning	**1,489.70**	1,441.70	3.33%
Inner Mongolia	**3,034.30**	3,034.30	0.00%
Jiangsu (onshore)	**1,338.50**	1,338.50	0.00%
Jiangsu (offshore)	**2,191.60**	2,191.60	0.00%
Zhejiang	**227.90**	227.90	0.00%
Fujian	**1,053.10**	1,049.10	0.38%
Hainan	**99.00**	99.00	0.00%
Gansu	**2,370.80**	1,690.80	40.22%
Xinjiang	**1,810.30**	1,640.30	10.36%
Hebei	**1,770.10**	1,770.10	0.00%
Yunnan	**1,429.10**	1,078.70	32.48%
Anhui	**834.10**	827.85	0.75%
Shandong	**646.90**	646.90	0.00%
Tianjin	**538.00**	538.00	0.00%
Shanxi	**1,339.75**	1,239.75	8.07%
Ningxia	**974.70**	774.70	25.82%
Guizhou	**1,017.80**	800.10	27.21%
Shaanxi	**833.85**	833.85	0.00%
Tibet	**7.50**	7.50	0.00%
Chongqing	**289.50**	289.50	0.00%
Shanghai	**47.50**	47.50	0.00%
Guangdong	**125.74**	125.74	0.00%
Hunan	**308.35**	308.35	0.00%
Guangxi	**1,034.85**	991.35	4.39%
Jiangxi	**208.90**	196.40	6.36%

Region	30 June 2024 (MW)	30 June 2023 (MW)	Percentage of change
Hubei	**94.20**	94.20	0.00%
Qinghai	**150.00**	150.00	0.00%
Henan	**223.65**	223.65	0.00%
Canada	**99.10**	99.10	0.00%
South Africa	**244.50**	244.50	0.00%
Ukraine	**76.50**	76.50	0.00%
Total	**28,349.39**	26,317.04	7.72%

(IV) Deepening marketing management and actively responding to market challenges

The Company continuously strengthened its market research and judgement capability, conducted in-depth market policy research, focused on policy change orientation, analysed and judged the impact of changes in the market trading mechanism on electricity prices, carried out analysis of the trend of electricity prices in a timely manner, and solidly enhanced its ability to research and judge the supply and demand of electricity, forecast the situation of power generation and make decisions on transactions.

The Company enhanced the level of trading's efficiency, strengthened tariff benchmarking, carried out horizontal benchmarking within the range of electricity's sales price and trading price, deepened the application of the results of benchmarking, identified the weak links, formulated special rectification measures, established a long-term mechanism, and carried out tracking and supervision over subsidiaries and branches that had been long lagging behind. It explored the value of per-kWh electricity, made good use of policies and rules, formulated scientific quotation schemes, matched seasonal and time-period power generation characteristics, and carried out different-period-based trading in a refined manner. Meanwhile, it strengthened internal and external coordination, and actively carried out inter-provincial and inter-regional power generation right swap and other high-priced transactions, so as to realise the optimal comprehensive electricity price.

The Company continuously exerted efforts to generate revenue and increase efficiency by means of green electricity and green certificates, expanded the scale of green electricity and green certificate trading, explored potential opportunities in green electricity and green certificate market, completed the project registration work on schedule, and ensured that the green certificates would be issued on schedule for projects. It kept an eye on the progress of the commissioning of parity projects, striving to be included in the "white list" on time to ensure that the projects would be qualified for green electricity trading.

The Company carried out power rationing management in a solid manner, strived to strengthen the decomposition and implementation of power rationing targets, and allocated the annual power rationing targets to the wind farms and photovoltaic power stations on a monthly basis, so as to further enhance the refined power rationing management. Through tracking and analysing the information on installed capacity of power stations, operation mode of the grid, grid structure, load consumption and major changes in policies, the Company timely pre-judged regional power rationing risks and change trends. Also, it kept tracking and analyzing power rationing, supervised the subsidiaries or branches whose power rationing rebounded or remained high, and focused on analysing the reasons for power rationing and the reasons for year-on-year changes, to formulate targeted work measures.

In the first half of 2024, the average on-grid tariffs for overall power generation segments of the Group amounted to RMB423 per MWh (value added tax ("**VAT**") exclusive), representing a decrease of RMB34 per MWh as compared with RMB457 per MWh (VAT exclusive) in the corresponding period of 2023. The average on-grid tariffs for wind power amounted to RMB441 per MWh (VAT exclusive), representing a decrease of RMB28 per MWh as compared with RMB469 per MWh (VAT exclusive) in the corresponding period of 2023, which was mainly due to the expansion of wind power market transaction volume, the increase in parity production projects and structural factors.

The average on-grid tariffs for photovoltaic power amounted to RMB283 per MWh (VAT exclusive), representing a decrease of RMB31 per MWh as compared with the average on-grid tariffs for photovoltaic power of RMB314 per MWh (VAT exclusive) in the corresponding period of 2023, which was mainly due to the fact that the newly-launched photovoltaic projects are all parity production projects, resulting in a lower average tariff for overall photovoltaic projects. The average on-grid tariffs for coal power amounted to RMB415 per MWh (VAT exclusive), consistent with the average on-grid tariffs for coal power of RMB415 per MWh (VAT exclusive) in the corresponding period of 2023.

(V) Focusing on technological innovation and continuously enhancing development momentum

In the first half of 2024, the Group actively fulfilled the "three roles" of a central enterprise, strengthened the position as the mainstay of scientific and technological innovation, fully leveraged the guarantee role of the '1+1+4+N' organisational system, and accelerated the transformation of innovative achievements. It achieved multiple breakthroughs in scientific and technological innovation. The world's first floating platform integrating wind and fishery – "Guo Neng Gong Xiang Hao (國能共享號)" was put into production, creating a new scenario of marine economic development and application of "underwater fish farming and water-based power generation" in the field of floating offshore wind power, and promoting the formation of a new model of "Green Energy + Blue Granary". It carried out research on grid-constructing energy storage, explored solutions to connection of the new energy bases in "desert, gobi and hungriness" area to the grid, and strived to realise the transformation and upgrading of the new energy bases in "desert, gobi and hungriness" area from the "green power supply" to the "active power grid support"; it completed the demonstration project of materialisation of decommissioning equipment at wind power stations, and successfully developed the waste wind power lubricating oil recycling technology.

In the first half of 2024, the achievements of four projects of the Group reached international leading levels, with two national standards and eleven energy industry standards promulgated and implemented, and one national standard established.

(VI) Optimizing the financing structure to reduce capital costs and improve quality and efficiency

In the first half of 2024, the Group paid close attention to the policy direction, made full use of the green finance policy, continuously optimised the financing structure, proactively launched the replacement of the existing loans, and reduced capital costs of the existing loans. With the qualifications to issue non-financial corporate debt financing instruments and RMB10 billion corporate bonds on the Shenzhen Stock Exchange, it effectively facilitated the Company in launching dual-market financing, ensuring the Company's smooth financing through multiple channels. The Group insisted on the implementation of the rigid management funds plan, and utilized measures such as fund centralization, unified allocation and shareholder loans, to increase the frequency of fund utilization, and maximize the time value of funds.

In the first half of 2024, the Group successfully issued 12 ultra short-term debentures, and seized the policy opportunity of obtaining more than RMB8 billion of green loans, maintaining an industry-leading in terms of the capital costs.

(VII) Expanding international cooperation regions to progress overseas development rapidly and cautiously

During the first half of 2024, the Group remained steadfast in the development of overseas new energy markets, guided by the new energy security strategy of "Four Revolutions and One Cooperation", implemented "The Belt and Road Initiative" initiative, practiced international green energy cooperation, and coordinated development and security, so as to efficiently carry out overseas new energy development. In the face of the complex and volatile international situation, the Group strengthened the research on "The Belt and Road Initiative" and BRICS countries, updated overseas development plans on a rolling basis, and controlled the risks of overseas investment at source. Leveraging its years of experience in the new energy industry, technical strength and financing capability, the Group actively prepared for participation in the South Africa's mining direct power supply and the seventh round of renewable energy bidding, and coordinated the advancement of preliminary works of key overseas projects such as Brunei's fishery-photovoltaic power complementary project and Indonesia's centralised project, totaling over 2 GW. It expanded the project reserves, participated in the pre-qualification of the 1,000 MW class wind power project in Oman, focused on greenfield development while cooperating with local developers, added new reserve projects exceeding 4 GW in regions such as South Africa, Southeast Asia, the Middle East, Central Asia, and Central and Eastern Europe, striving to achieve rolling development of the overseas business and breakthroughs in new regions.

In the first half of 2024, the Group maintained sound project operation by taking proactive measures to cope with complex and changing international situations and strengthening overseas asset management. As at 30 June 2024, Dufferin Wind Farm of the Group in Canada recorded power generation of 134,776 MWh, with utilisation hours reaching 1,360 hours, and it has maintained safe production for 3,499 cumulative days. The wind power projects in De Aar of South Africa recorded power generation of 345,626 MWh, with utilisation hours reaching 1,414 hours, and maintained safe production for 2,434 cumulative days. The wind power projects in Yuzhnyy, Ukraine recorded accumulated power generation of 107,261 MWh, with utilisation hours reaching 1,402 hours, and maintained safe production for 1,053 cumulative days.

(VIII) Strengthening carbon asset management to generate revenue and increase efficiency continuously

In the first half of 2024, the Group actively participated in the construction of the national greenhouse gas voluntary emission reduction market, and obtained the first order of renewable energy projects on the first trading day of the national greenhouse gas voluntary emission reduction trading market. It provided carbon trading knowledge training for enterprises newly included in the pilot carbon market and calculated quota surplus and deficit in preparation for the completion of annual transaction performance. It carried out the development and trading of international voluntary emission reduction projects in an orderly manner, and completed the first VCS emission reduction volume listing transaction in the Hong Kong international carbon market and U.S. CBL market, achieving a new breakthrough in the expansion of international voluntary emission reduction trading. It promoted the application and trading of green certificates, applying for 4.23 million green certificates in the first half of the year, and efficiently carried out a number of green certificate transactions to vigorously enhance the value of environmental rights.

III. CORE COMPETITIVENESS ANALYSIS

(I) Collaborative development enhances synergy

The Group explored multi-coupling development, achieved synergistic development of industries through full cooperation with external enterprises, extended value chain of resource development and achieved coordinated development of resource acquisition, development and utilisation. Leveraging on the integration advantages of CHN Energy, the Group strived for the dominant right of base development, took the initiative to cultivate, plan and create large bases, offshore, overseas large scale whole project. It accumulated rich experience and core technologies in resource assessment, equipment selection and micro-perspective site selection by building an industry-leading technical service system that covered eleven aspects including station design, power prediction, data analysis, modeling and simulation and preliminary consulting. It introduced industry clusters via the "New Energy+" pattern featuring agriculture-photovoltaic power integration and ecological management. The 120,000 kW photovoltaic project and the 480,000 kW wind power project included in the 700,000 kW "Photothermal+" project in Dunhuang, Gansu, where the first batch of large-scale bases, had already put into operation and generated electricity at full capacity, thus comprehensively improving the resource acquisition capability and maintaining a leading position in resource acquisition while developing new energy projects on a large scale.

(II) Digital transformation drives upgrading

The Group actively implemented the requirements of the "Three Priorities" and "Three Avoidances", leveraged the Group's strengths in application scenarios, organisational platform and integrated innovation, and supported the transformation and upgrading of industries and the construction of large-scale projects with technological innovation. In the first half of 2024, the Group was successfully selected as a pilot enterprise for the digital transformation of state-owned enterprises; invested in the construction of an operation project based on the dual-cloud convergence technology framework for the first time, realising 93 heterogeneous algorithms for cloud-side synergistic application, providing 214 types of API data services, 62 types of personalised data services and 27 types of business to the cloud; compiled a report entitled Technical Analysis and Suggestions for the Wind Power Industry Chain, sorting out and analysing the shortcomings and weaknesses in 11 fields such as wind turbine basic materials, wind farm basic software, and deep-sea wind power development, and planned to breakthrough 3 foreign "bottleneck" technical research task, leading the direction of technological innovation in the wind power industry.

(III) Optimizing marketing under the guidance of ensuring quantity and price

The Group adhered to the target principles of "prioritizing price, balancing quantity and price, and risk prevention and control" and actively explored the signing of multi-year medium- and long-term agreements to avoid the risk of price fluctuations. It supplemented monthly transactions flexibly, calculated the trading space on a rolling basis month by month, launched contracted power transfers in a timely manner, reduced the deviation assessment fees, and strived for maximum returns. It continued to expand green power trading, promoted the marketing of large customers in an innovative manner, strengthened communication with various trading centres, grasped green power trading information in a timely manner, seized opportunities for intra-provincial and inter-provincial trading, and strived to enhance marginal gains from trading. Focusing on the convergence between the green power market and the carbon market, the Group coordinated "external green power" and "internal green certificates", as well as project green rights and carbon emission reduction rights, so as to practically enhance the Group's revenue.

(IV) Value creation enhances efficiency

The Group dynamically launched currency balance control, leveraged the capital pool system of the Company, and flexibly utilised short-term liquidity financial instruments such as overdrafts of personal accounts, to improve the efficiency of capital utilisation and achieve low currency balance operations. It promoted the "Tax and Fee Reduction" labour competition, explored the room for tax and fee reduction, launched the special equipment credit project, and completed the sorting out of the equipment procurement situation from 2020 to 2023, to ensure the smooth credit declaration for final settlement. It improved the management mode of project financing, established a cooperation mechanism with potential banks, entered into long-term strategic cooperation agreements, grasped the current market interest rate window of opportunity, and carried out unified negotiation and sub-signing for the implementation of project financing. It increased the volume of supply chain finance business, expanded the cooperation with financial institutions, continuously increased the credit scale, and coordinated the arrangement of large-amount payments. It promoted a steady decline in capital costs and coordinated debt replacement.

(V) Sharing development shapes advantages

The Group deeply implemented the concept of "common construction, sharing and governance", actively promoted the establishment of operation branches for each power generation subsidiary, and commenced work in accordance with the work requirements of "regional maintenance, centralised monitoring, digital empowerment, professionality and high-efficiency", achieving full coverage of regional maintenance; fully leveraged the advantages of division of labour, allowing "professionals to do professional work"; and integrated management, technology, manpower and material resources, significantly improving work efficiency, operation and maintenance quality, staff skill level and staff happiness index. It comprehensively deepened regional benchmarking, closely focused on key core data such as power generation, downtime and long-term operation records, and made subjective efforts to explore the power generation potential of equipment. Utilizing the production digitalization platform, the Group deepened the treatment of equipment defects, urged and guided the recovering progress of long-stop units of relevant subsidiaries, and improved the reliability of power generation equipment.

(VI) Talent cultivation stimulates motivation

The Group highly valued the cultivation of talent teams, and established a practical and performance-based employment orientation to consolidate talent support in all aspects. It selected the outstanding to reinforce "three teams", deepened the management of chief position evaluation, strengthened the construction of a professional talent pool. It strengthened the National Energy Wind Power Operation Technology R&D (Experiment) Center, set up full-time and part-time R&D teams, and provided a platform for the growth and development of scientific and technological talents. It comprehensively promoted the tenure system and contractual management of management team members, revised total salaries, new energy special incentives and other management measures, to achieve more favourable salary distribution to frontline positions and talents who have made outstanding contributions, further strengthen the performance evaluation of all employees, stimulate new entrepreneurial momentum, and strive to enhance the core competitiveness of enterprises.

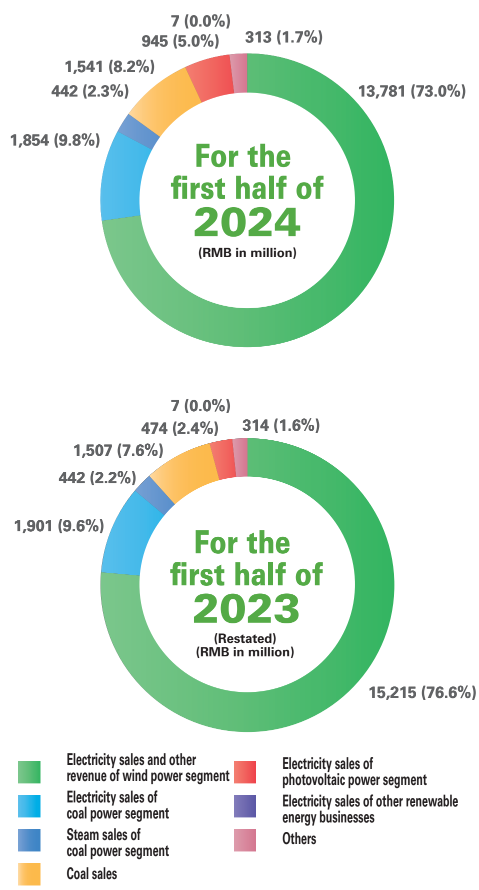
IV. ANALYSIS OF OPERATING RESULTS

In the first half of 2024, the Group achieved a net profit of RMB4,692 million, representing a decrease of 19.6% as compared to RMB5,837 million in the corresponding period of 2023. The net profit attributable to equity holders of the Company was RMB4,020 million, representing a decrease of 21.6% as compared to RMB5,127 million in the corresponding period of 2023. Earnings per share was RMB47.67 cents, representing a decrease of RMB12.34 cents as compared to RMB60.01 cents in the corresponding period of 2023.

Operating revenue

Operating revenue of the Group amounted to RMB18,883 million in the first half of 2024, representing a decrease of 4.9% as compared to RMB19,860 million in the corresponding period of 2023. The decrease of operating revenue was primarily due to: (1) a decrease of RMB1,434 million, or 9.4%, in electricity sales and other revenue of wind power segment to RMB13,781 million in the first half of 2024 as compared to RMB15,215 million in the corresponding period of 2023, which was primarily due to the decrease in electricity sales of wind power resulting from the decrease in the average utilization hours of wind power, and the decrease in the average on-grid tariff; (2) a decrease of RMB47 million, or 2.5%, in revenue from electricity sales of coal power segment to RMB1,854 million in the first half of 2024 as compared to RMB1,901 million in the corresponding period of 2023, a relatively small change compared to the corresponding period of 2023; (3) an increase of RMB34 million, or 2.3%, in coal sales of coal power segment to RMB1,541 million in the first half of 2024 as compared to RMB1,507 million in the corresponding period of 2023, a relatively small change compared to the corresponding period of 2023; and (4) an increase of RMB470 million, or 98.9%, in revenue from photovoltaic power segment to RMB945 million in the first half of 2024 as compared to RMB475 million in the corresponding period of 2023, which was primarily due to the increase in installed capacity and power generation.

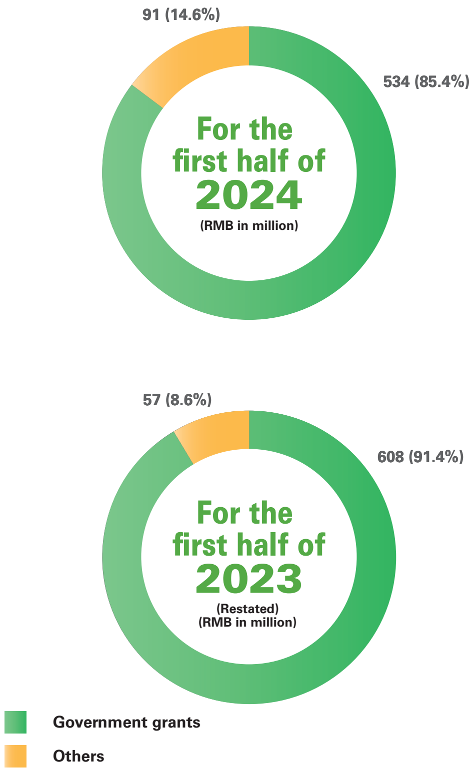
The operating revenue and proportion of each segment are shown in the diagram below:



Other net income

Other net income of the Group amounted to RMB625 million in the first half of 2024, representing a decrease of 6.0% as compared to RMB665 million in the first half of 2023, primarily due to the decrease in government grants as compared to the corresponding period of 2023.

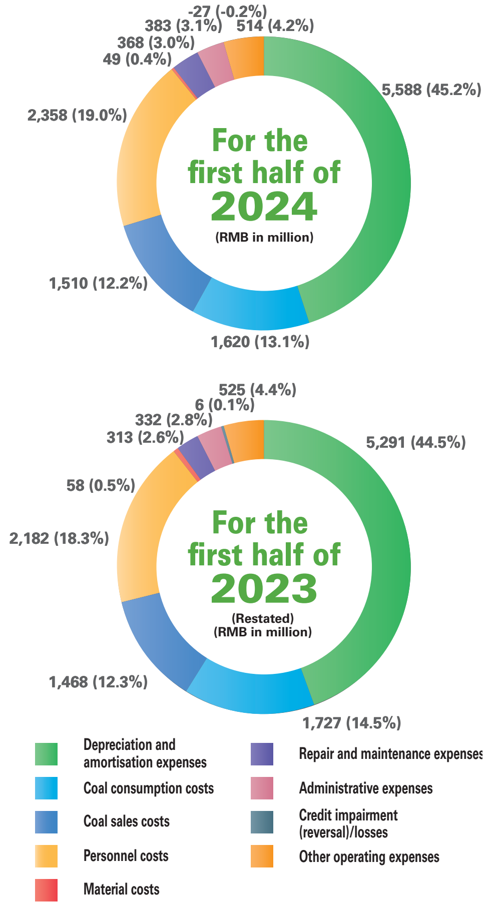
The breakdown of other net income items and their respective proportions are set out in the diagram below:



Operating expenses

Operating expenses of the Group amounted to RMB12,363 million in the first half of 2024, representing an increase of 3.9% as compared to RMB11,902 million in the corresponding period of 2023. The operating expenses for the first half of 2024 increased by RMB461 million as compared to the corresponding period of 2023, primarily due to: (1) the increase of RMB279 million in the depreciation and amortization of the wind power and photovoltaic power segments as a result of the conversion of new projects into fixed assets; and (2) the increase of RMB176 million in personnel costs as more projects were put into operation.

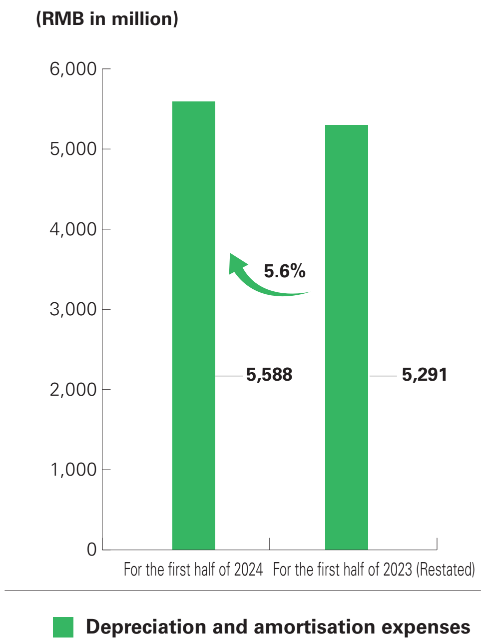
The breakdown of operating expenses items and their respective proportions are set out in the diagram below:



Depreciation and amortisation expenses

Depreciation and amortisation expenses of the Company amounted to RMB5,588 million in the first half of 2024, representing an increase of 5.6% as compared to RMB5,291 million in the corresponding period of 2023, primarily due to the impact of the conversion of new projects into fixed assets, including: (1) an increase of RMB257 million or 157.7% in depreciation and amortisation expenses in photovoltaic power segment over the corresponding period of 2023; and (2) an increase of RMB22 million or 0.4% in depreciation and amortisation expenses in the wind power segment over the corresponding period of 2023.

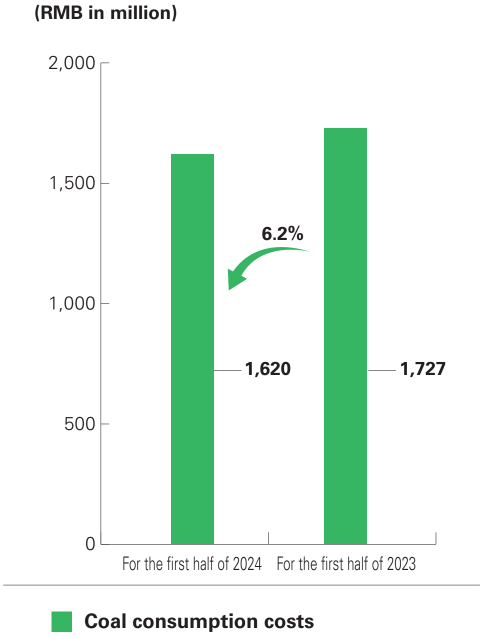
Depreciation and amortisation expenses are set out in the diagram below:



Coal consumption costs

Coal consumption costs of the Company amounted to RMB1,620 million in the first half of 2024, representing a decrease of 6.2% as compared to RMB1,727 million in the corresponding period of 2023, which was primarily due to: (1) the decrease in power generation causing the decrease in coal consumption of power generation; and (2) the decrease of approximately 6.0% in average procurement unit price of thermal coal as compared to the corresponding period of 2023.

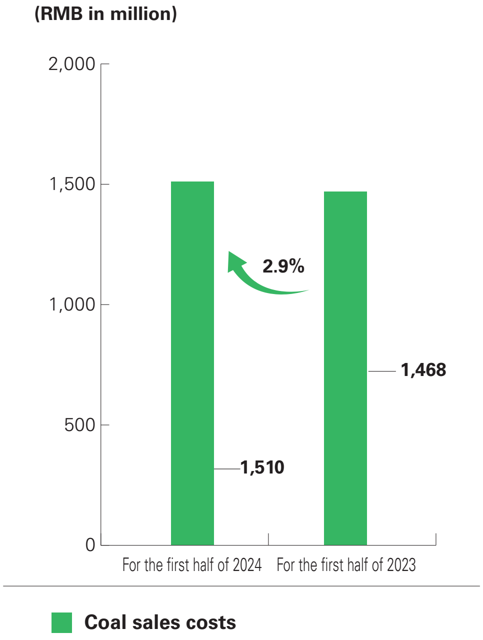
Coal consumption costs are set out in the diagram below:



Coal sales costs

Coal sales costs of the Company amounted to RMB1,510 million in the first half of 2024, representing an increase of 2.9% as compared to RMB1,468 million in the corresponding period of 2023, which was primarily due to: (1) an increase of approximately 17.9% in the sales volume of coal as compared to the corresponding period of 2023; and (2) a decrease of approximately 12.7% in the average procurement unit price of coal as compared to the corresponding period of 2023.

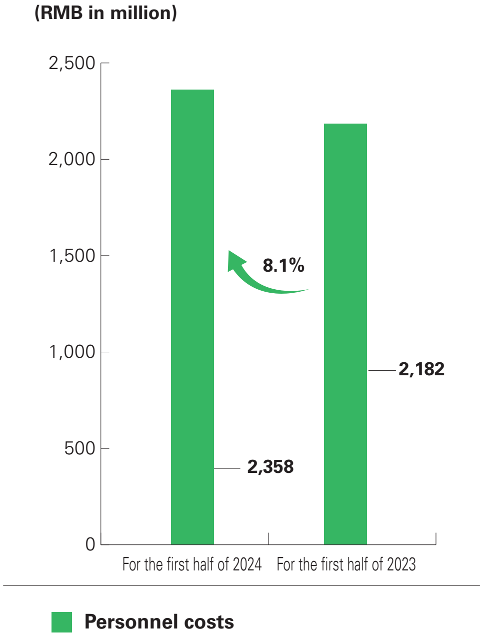
Coal sales costs are set out in the diagram below:



Personnel costs

Personnel costs of the Company amounted to RMB2,358 million in the first half of 2024, representing an increase of 8.1% as compared to RMB2,182 million in the corresponding period of 2023, which was primarily due to: (1) an increase in headcounts as a result of expansion in the installed capacity of photovoltaic and wind power project; and (2) the fact that a portion of the personnel costs were expensed instead of being capitalised as more projects commenced operation.

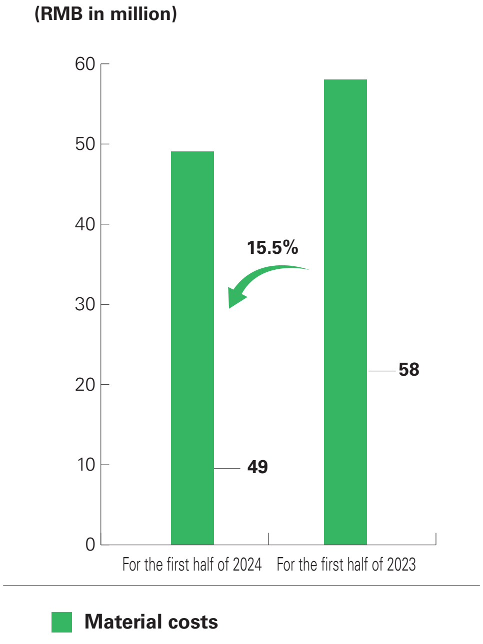
Personnel costs are set out in the diagram below:



Material costs

Material costs of the Company amounted to RMB49 million in the first half of 2024, representing a decrease of 15.5% as compared to RMB58 million in the corresponding period of 2023, which was primarily due to the decrease in external procurement of power generation by-products as a result of the decrease in power generation of coal power segment.

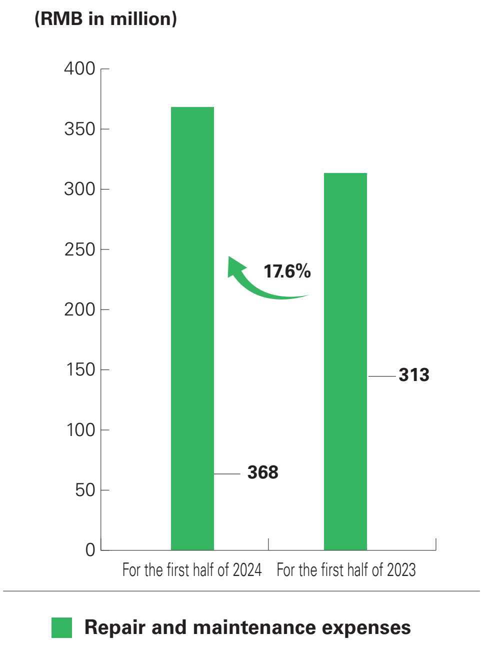
Material costs are set out in the diagram below:



Repair and maintenance expenses

The repair and maintenance expenses of the Company amounted to RMB368 million in the first half of 2024, representing an increase of 17.6% as compared to RMB313 million in the corresponding period of 2023, primarily due to the increase in the frequency and scale of maintenance of the coal power segment in the first half of 2024.

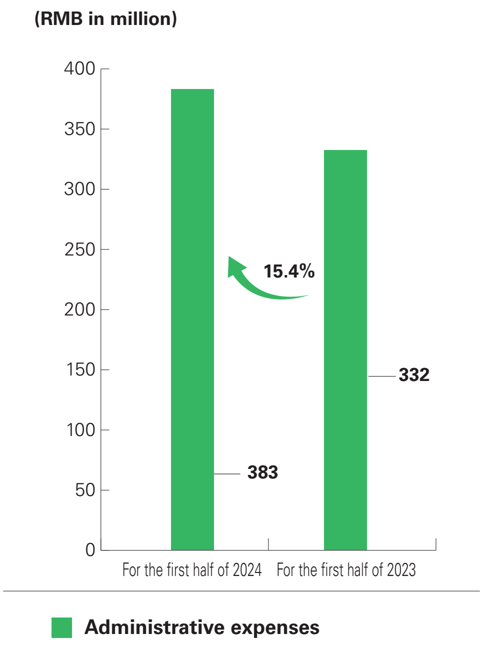
Repair and maintenance expenses are set out in the diagram below:



Administrative expenses

Administrative expenses of the Company amounted to RMB383 million in the first half of 2024, representing an increase of 15.4% as compared to RMB332 million in the corresponding period of 2023, which was primarily due to the general increase in various administrative expenses as a result of the addition of new projects in operation in the wind power and photovoltaic power segments in this period.

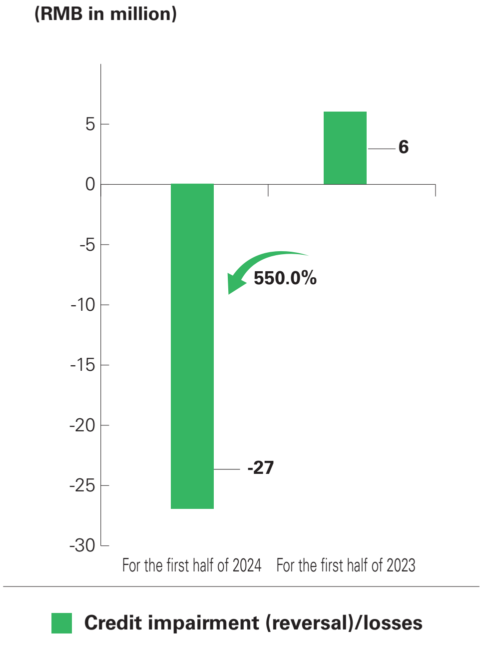
Administrative expenses are set out in the diagram below:



Credit impairment (reversal)/losses

Reversal of credit impairment losses of the Company amounted to RMB27 million in the first half of 2024, and provision for credit impairment losses amounted to RMB6 million in the corresponding period of 2023, which was primarily due to the fact that Ukraine Yuzhne Energy Co., Ltd. recovered its historical electricity bills and the Company reversed such impairment losses for this period.

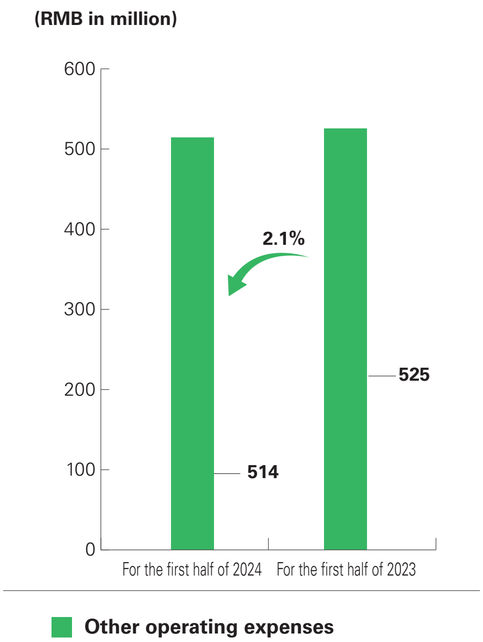
Credit impairment (reversal)/losses are set out in the diagram below:



Other operating expenses

Other operating expenses of the Company amounted to RMB514 million in the first half of 2024, representing a decrease of 2.1% as compared to RMB525 million in the corresponding period of 2023. Other operating expenses in the first half of 2024 showed relatively small changes as compared to the corresponding period of 2023.

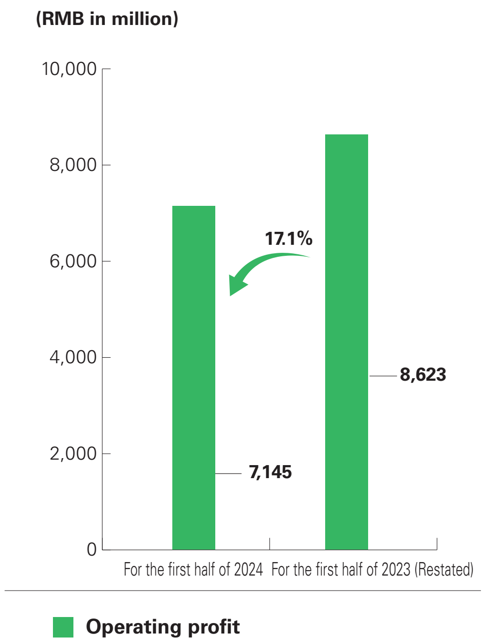
Other operating expenses are set out in the diagram below:



Operating profit

In the first half of 2024, the operating profit of the Company amounted to RMB7,145 million, representing a decrease of 17.1% as compared to RMB8,623 million in the corresponding period of 2023, which was primarily due to a decrease of RMB1,578 million in operating profits of the wind power segment in the first half of 2024 as compared to the corresponding period of 2023 as a result of the decrease of RMB1,449 million in revenue from electricity sales of the wind power segment in the first half of 2024 as compared to the corresponding period of 2023, as well as the increase in depreciation, amortisation and personnel costs expensed due to the conversion of newly-operated projects into fixed assets.

Operating profit is set out in the diagram below:



Net finance expenses

In the first half of 2024, the net finance expenses of the Company amounted to RMB1,620 million, representing an increase of 3.3% as compared to RMB1,568 million in the corresponding period of 2023.

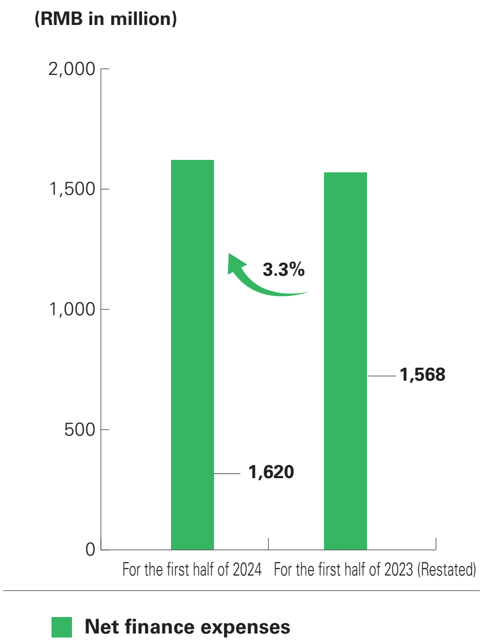
Net finance expenses in this period increased by RMB52 million as compared to the corresponding period of 2023 was primarily due to:

1) an increase of RMB106 million in finance expenses as compared to the corresponding period of 2023 under the effect of decrease in the average deposit balance and interest and dividend income on financial assets in the first half of 2024;

2) a decrease of RMB69 million in finance expenses due to the decrease in the loss arising from the Group's net foreign exchange profit in the first half of 2024 as compared to the corresponding period of 2023;

3) an increase of RMB15 million in finance expenses due to the decrease in profit from changes in fair value of the interest rate swap contracts as compared to the corresponding period of 2023;

Net finance expenses are set out in the diagram below:



4) an increase of RMB14 million in finance expenses due to the decrease in the unrealised gains recognised for trading securities held in the first half of 2024 as compared to the corresponding period of 2023;

5) a decrease of RMB12 million in finance expenses as compared to the corresponding period of 2023 due to the decrease in interest expenses under the combined effect of decrease in fund cost and increase in the interest-bearing liabilities of the Group;

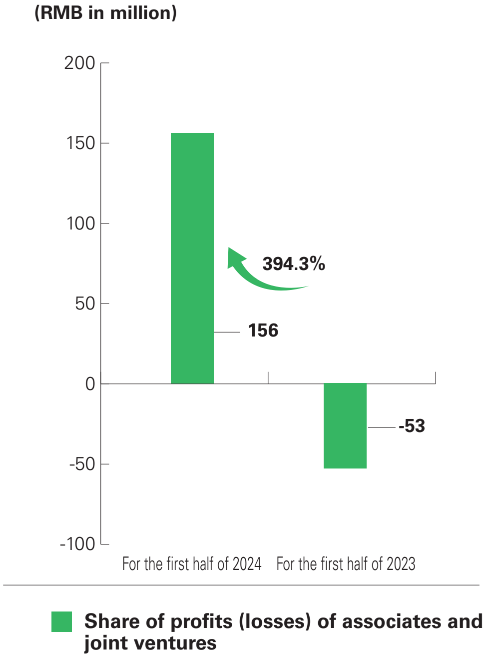
6) a decrease of RMB9 million in finance expenses due to the decrease in the service charge for declining business volume of securitisation of the trade receivables of the Group in the first half of 2024 as compared to the corresponding period of 2023;

7) an increase of RMB7 million in other service charges in the first half of 2024 as compared to the corresponding period of 2023.

Share of profits less losses of associates and joint ventures

The Company's share of profits of associates and joint ventures amounted to RMB156 million in the first half of 2024, representing an increase of 394.3% as compared to the share of losses of RMB53 million in the corresponding period of 2023, which was mainly due to the increase in net profit of two joint ventures, i.e. Jiangsu Nantong Power Generation Co., Ltd. (江蘇南通發電有限公司) and Yimen Longyuan Shangqi Electric New Energy Co., Ltd. (易門龍源上氣新能源有限公司), and an associate, i.e. Guoneng Financial Leasing Co., Ltd. (國能融資租賃有限公司), in the first half of 2024 as compared to the corresponding period of 2023.

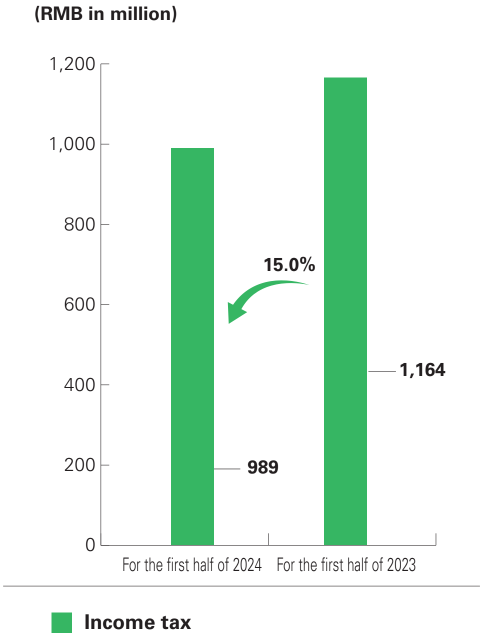
The share of profits less losses of associates and joint ventures is set out in the diagram below:



Income tax

In the first half of 2024, the income tax of the Company amounted to RMB989 million, representing a decrease of 15.0% as compared to RMB1,164 million in the corresponding period of 2023, which was mainly due to that the net profit for the period decreased by approximately 19.6% as compared to the previous period.

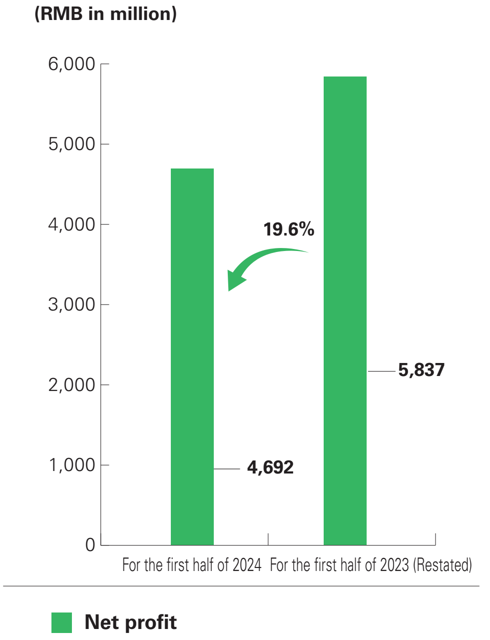
The income tax is set out in the diagram below:



Net profit

In the first half of 2024, the net profit of the Company amounted to RMB4,692 million, representing a decrease of 19.6% as compared to RMB5,837 million in the corresponding period of 2023, which was mainly due to the decrease in net profit of wind power segment.

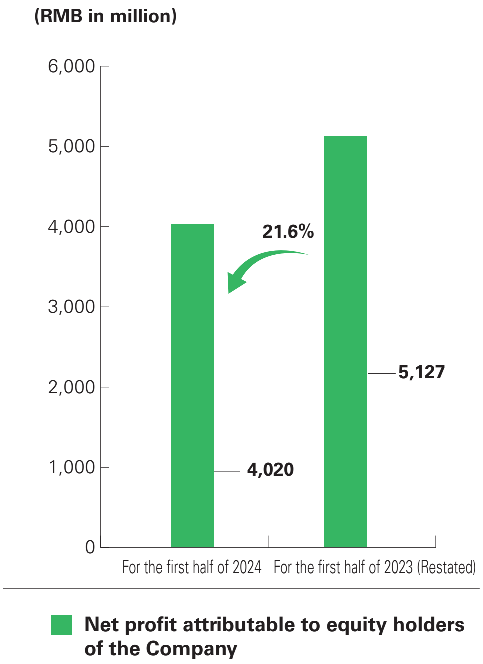
The net profit is set out in the diagram below:



Net profit attributable to equity holders of the Company

In the first half of 2024, the net profit attributable to equity holders of the Company amounted to RMB4,020 million, representing a decrease of 21.6% as compared to RMB5,127 million in the corresponding period of 2023, which was mainly due to the decrease in net profit of wind power segment.

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



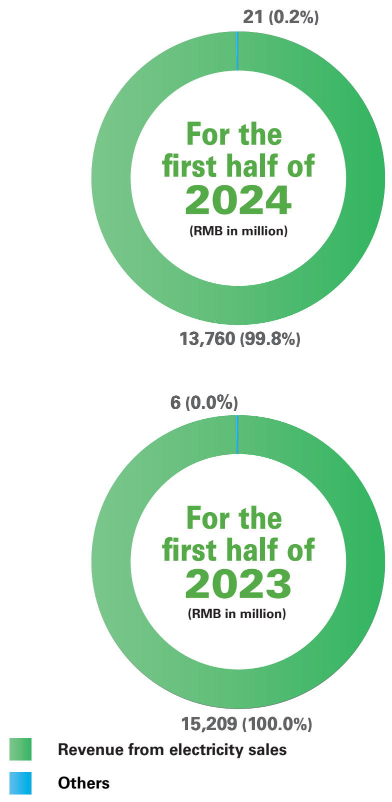
Segment Results of Operations

Wind power segment

Operating revenue

In the first half of 2024, the operating revenue of the wind power segment of the Company amounted to RMB13,781 million, representing a decrease of 9.4% from RMB15,215 million in the corresponding period of 2023, which was mainly due to the decrease in electricity sales of wind power as a result of the decrease in the average utilization hours of wind power equipment in the first half of 2024, as well as the decrease in revenue from electricity sales of wind power segment as a result of the decrease in average on-grid unit price of wind power.

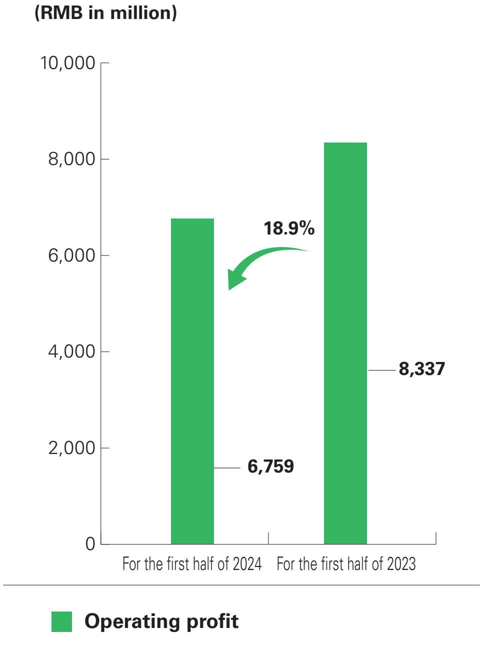
Operating revenue in the wind power segment and proportions are set out in the diagram below:



Operating profit

In the first half of 2024, the operating profit of the wind power segment of the Company amounted to RMB6,759 million, representing a decrease of 18.9% from RMB8,337 million in the corresponding period of 2023, which was mainly due to the decrease in operating revenue from electricity sales and the increase in operating expenses such as depreciation and amortisation in the wind power segment.

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

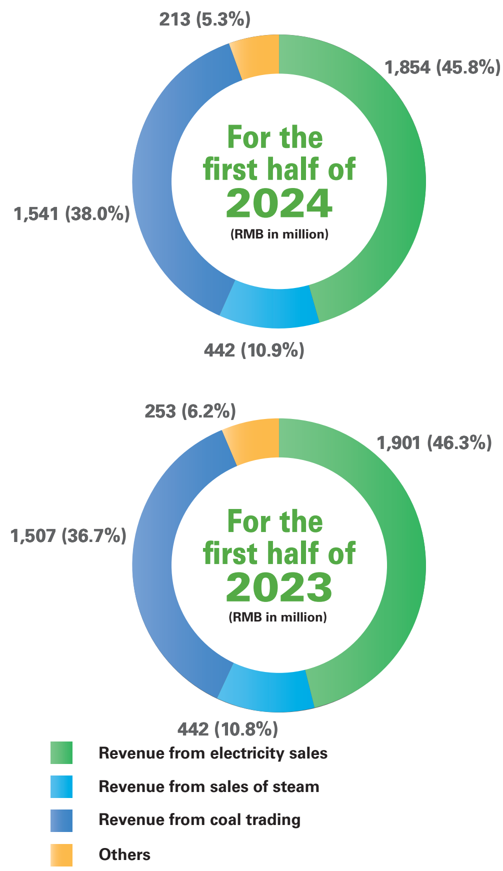


Coal Power Segment

Operating revenue

In the first half of 2024, the operating revenue of the coal power segment of the Company amounted to RMB4,050 million, representing a decrease of 1.3% as compared to RMB4,103 million in the corresponding period of 2023, which was mainly due to the decrease in the revenue from electricity sales of coal power segment in the first half of 2024 as compared to the corresponding period of 2023 as a result of decreasing quantity of electricity sales.

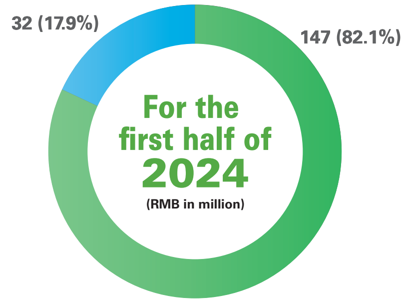
Operating revenue of the coal power segment and proportions are set out in the diagram below:

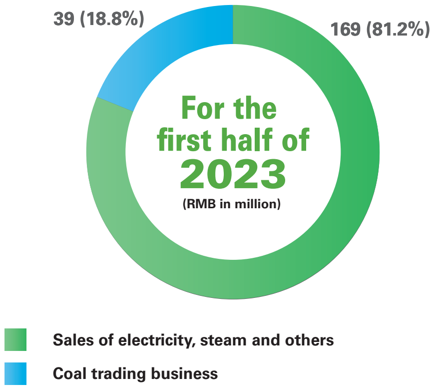


Operating profit

In the first half of 2024, the operating profit of the coal power segment of the Company amounted to RMB179 million, representing a decrease of 13.9% as compared to RMB208 million in the corresponding period of 2023, which was mainly due to the decrease in revenue from electricity sales against no significant changes in fixed cost of personnel and depreciation.

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



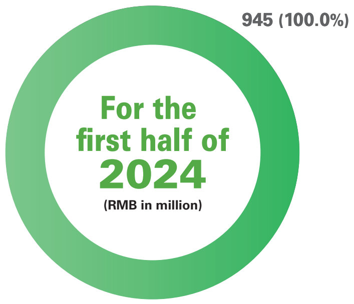


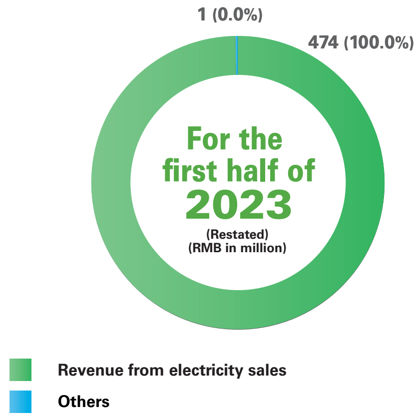
Photovoltaic Power Segment

Operating revenue

In the first half of 2024, the operating revenue of the photovoltaic power segment of the Company amounted to RMB945 million, representing an increase of 98.9% as compared to RMB475 million in the corresponding period of 2023, which was mainly due to the increase in the power generation resulting from the increase in installed capacity.

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

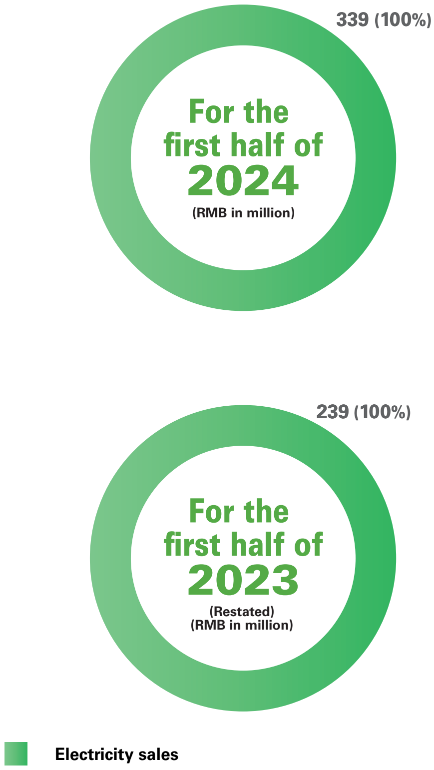




Operating profit

In the first half of 2024, the operating profit of the photovoltaic power segment of the Company amounted to RMB339 million, representing an increase of 41.8% as compared to RMB239 million in the corresponding period of 2023, which was mainly due to the significant increase in revenue from electricity sales of photovoltaic power segment resulting from the increase in the power generation and the increase in the installed capacity of photovoltaic power segment.

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

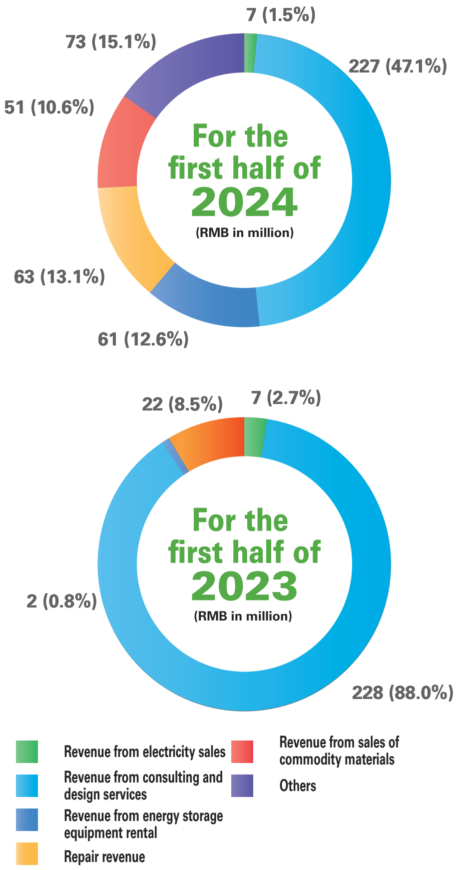


Other Segments

Operating revenue

In the first half of 2024, the operating revenue of other segments of the Company amounted to RMB482 million, representing an increase of 86.1% as compared to RMB259 million in the corresponding period of 2023, which was mainly due to the increase in revenues from energy storage equipment rental, repair and sales of commodity materials.

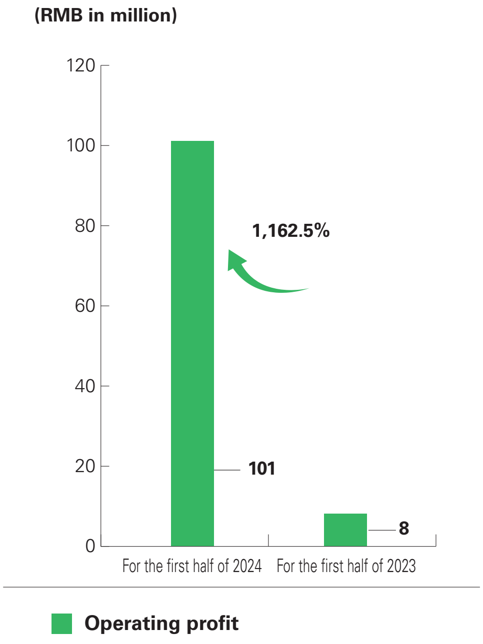
Operating revenue of other segments and proportions are set out in the diagram below:



Operating profit

In the first half of 2024, the operating profit of other segments of the Company amounted to RMB101 million, representing an increase of RMB93 million compared to the corresponding period of 2023, which was mainly due to the increase in revenues from energy storage equipment rental, repair and sales of commodity materials for the period.

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



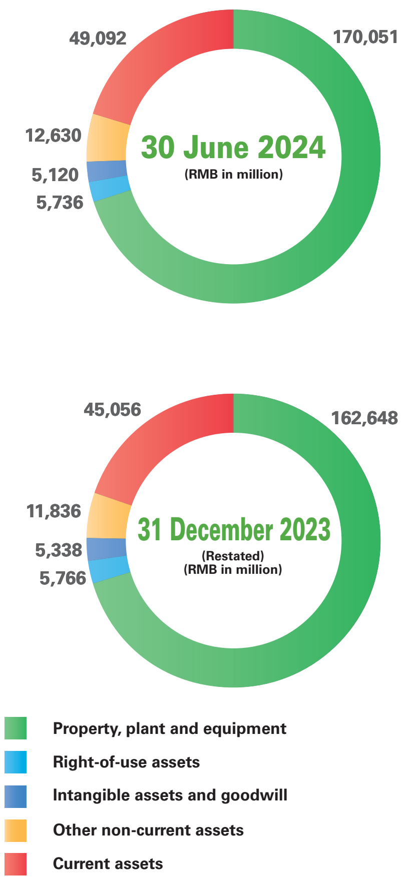
Assets and Liabilities

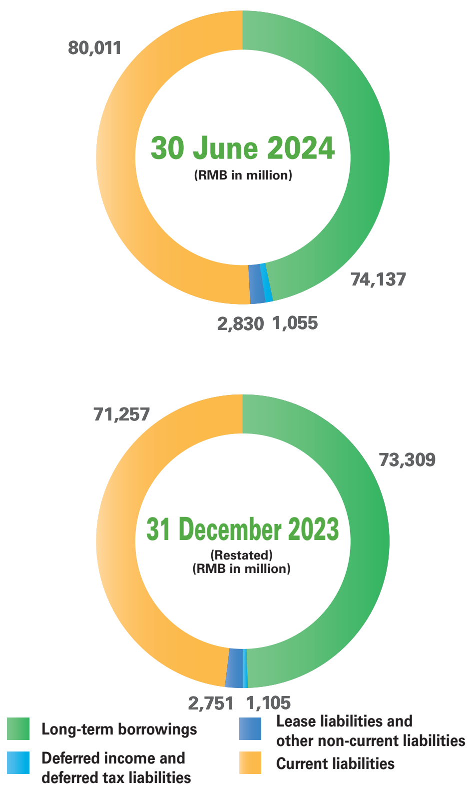
As at 30 June 2024, the total assets of the Company amounted to RMB242,629 million, representing an increase of RMB11,985 million as compared with total assets of RMB230,644 million as at 31 December 2023. This was primarily due to: (1) an increase of RMB4,036 million in current assets including trade and bills receivables; and (2) an increase of RMB7,949 million in non-current assets including property, plant and equipment.

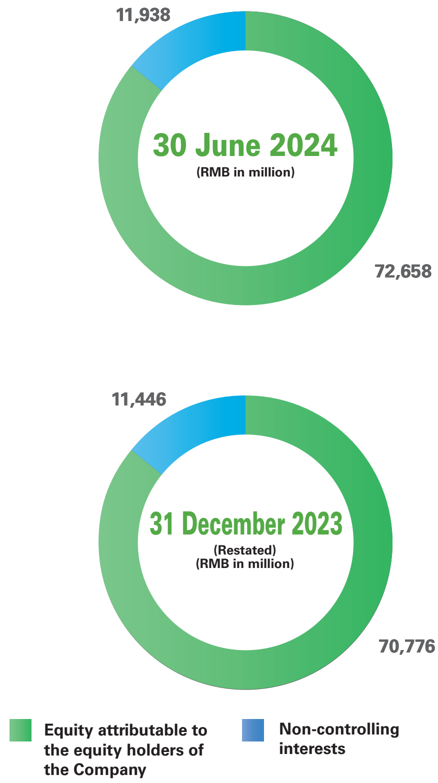
As at 30 June 2024, the total liabilities of the Company amounted to RMB158,033 million, representing an increase of RMB9,611 million as compared to total liabilities of RMB148,422 million as at 31 December 2023. This was primarily due to: (1) an increase of RMB8,754 million in liabilities including short-term borrowings; and (2) an increase of RMB857 million in non-current liabilities including long-term borrowings.

As at 30 June 2024, the equity attributable to equity holders of the Company amounted to RMB72,658 million, representing an increase of RMB1,882 million as compared with RMB70,776 million as at 31 December 2023, which was mainly due to the increase in earnings from business in the first half of 2024.

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



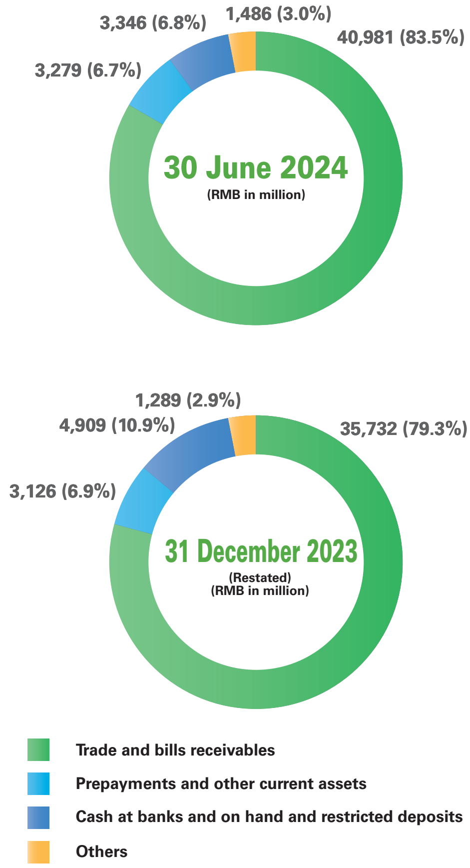

80,011
30 June 2024
(RMB in million)
74,137
2,830
1,055
71,257
73,309
31 December 2023
(Restated)
(RMB in million)
2,751
1,105
Long-term borrowings
Lease liabilities and other non-current liabilities
Deferred income and deferred tax liabilities
Current liabilities


11,938
30 June 2024
(RMB in million)
72,658
11,446
31 December 2023
(Restated)
(RMB in million)
70,776
Equity attributable to the equity holders of the Company
Non-controlling interests

Capital Liquidity

As at 30 June 2024, the current assets of the Company amounted to RMB49,092 million, representing an increase of RMB4,036 million as compared with the current assets of RMB45,056 million as at 31 December 2023, which was mainly attributable to the increase in trade and bills receivables.

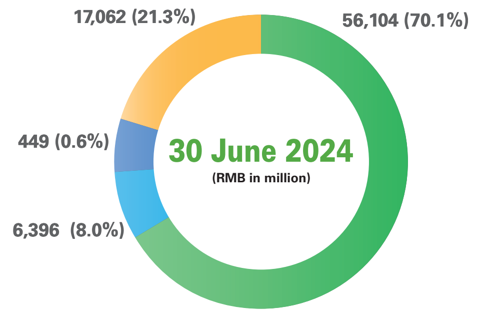
Current assets by item and proportions are set out in the diagram below:

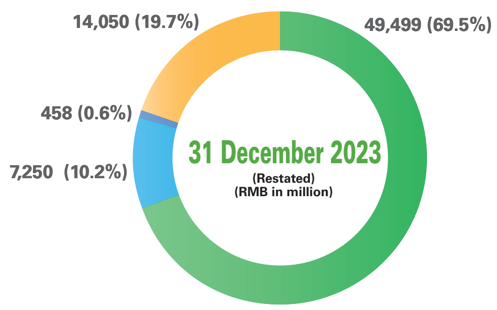


As at 30 June 2024, the current liabilities of the Company amounted to RMB80,011 million, representing an increase of RMB8,754 million as compared with the current liabilities of RMB71,257 million as at 31 December 2023, which was mainly attributable to the increase in short-term borrowings and dividend payable.

As at 30 June 2024, the net current liabilities of the Company amounted to RMB30,919 million, representing an increase of RMB4,718 million as compared with the net current liabilities of RMB26,201 million as at 31 December 2023. The liquidity ratio was 0.61 as at 30 June 2024, representing a decrease of 0.02 as compared with the liquidity ratio of 0.63 as at 31 December 2023. The decrease in liquidity ratio was mainly attributable to the increase in the current liabilities such as short-term borrowings and other current liabilities being greater than the increase in current assets such as trade and bills receivables. The restricted deposits amounted to RMB318 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:



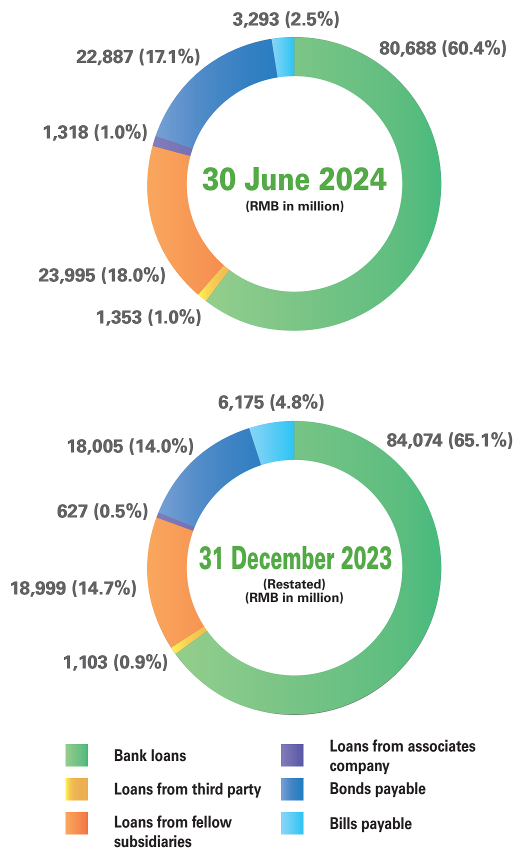


- Borrowings
- Trade and bills payables
- Tax payable
- Lease liabilities and other non-current liabilities

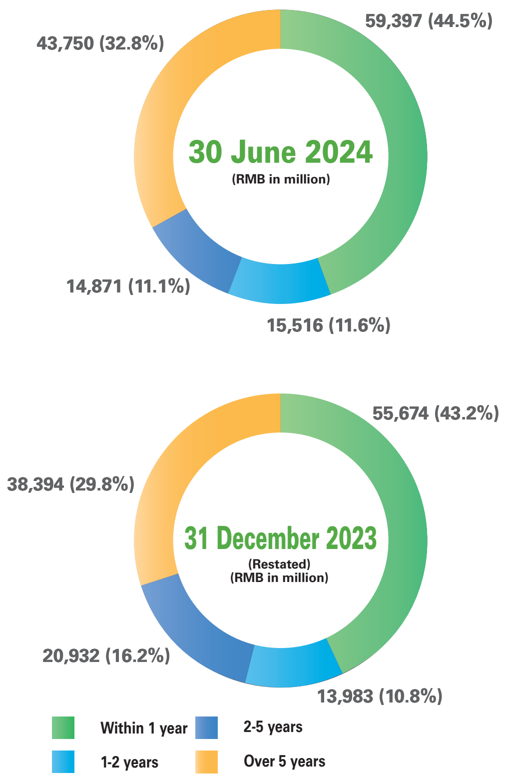
Borrowings and Bills Payables

As at 30 June 2024, the Company's balance of the borrowings and bills payables amounted to RMB133,534 million, representing an increase of RMB4,551 million as compared with the balance of RMB128,983 million as at 31 December 2023. As at 30 June 2024, the Company's outstanding borrowings and bills included short-term borrowings and bills payables of RMB59,397 million (including long-term borrowings due within one year of RMB5,473 million, debentures payables due within one year of RMB10,346 million and bills payables of RMB3,293 million) and long-term borrowings amounting to RMB74,137 million (including debentures payables of RMB541 million). The abovementioned borrowings included borrowings denominated in Renminbi of RMB128,385 million, borrowings denominated in U.S. dollars of RMB1,551 million and borrowings denominated in other foreign currencies of RMB3,598 million. As at 30 June 2024, the long-term liabilities with fixed interest rates of the Company included long-term borrowings with fixed interest rates of RMB673 million and corporate bonds with fixed interest rates of RMB541 million. As at 30 June 2024, the balance of bills payables issued by the Company amounted to RMB3,293 million.

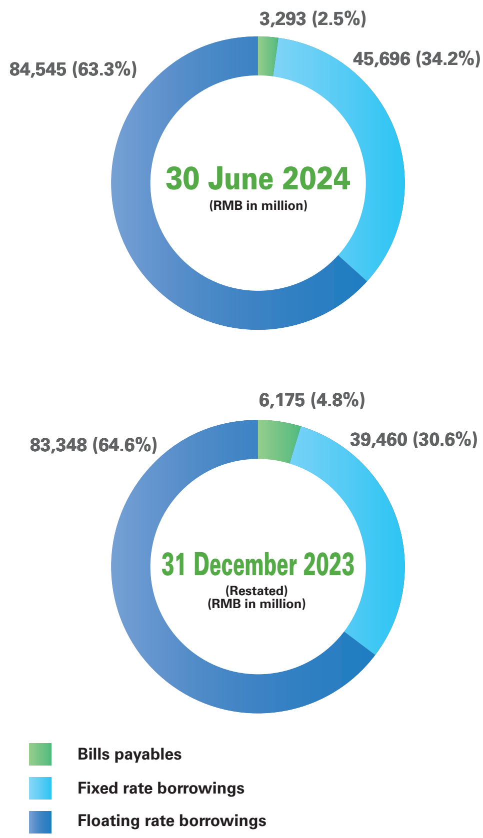
Borrowings and bills payables by type and proportions are set out in the diagram below: (Items as set out in the diagram below can be adjusted according to the actual situation)



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



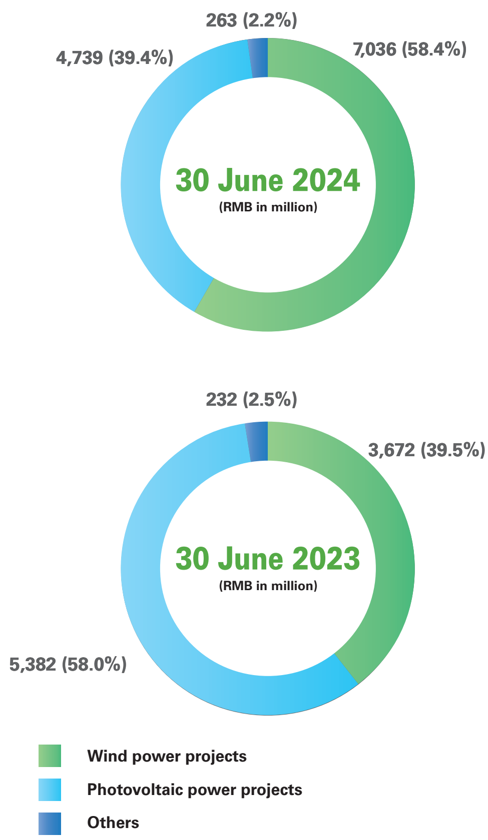
The types of interest rate structure of borrowings and bills payables and their respective proportions are set out in the diagram below:



Capital Expenditure

The capital expenditures of the Company amounted to RMB12,038 million as at 30 June 2024, representing an increase of 29.6% as compared to RMB9,286 million as at 30 June 2023, among which, the expenditures for the construction of wind power projects amounted to RMB7,036 million, the expenditures for the construction of photovoltaic power projects amounted to RMB4,739 million, and the expenditures for the construction of other projects amounted to RMB263 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:



Net Gearing Ratio

As at 30 June 2024, the net gearing ratio of the Company, which is calculated by dividing net debt (the sum of borrowings and lease liabilities less cash and cash equivalents) by the sum of net debt and total equity, was 60.33%, representing an increase of 1.01 percentage points from 59.32% as at 31 December 2023. This was primarily due to the increase in debts being higher than the increase in total equity in the first half of 2024.

Significant Investments

In the first half of 2024, the Company had no significant investments.

Material Acquisitions and Disposals

The Group made no material assets acquisitions and disposals in the first half of 2024.

Disclosure pursuant to Rule 14A.63 of the Listing Rules

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 announcements dated 29 March 2023, and 10 May 2023 (the "**Announcements**"), as well as the circular dated 8 July 2021 (the "**Circular**"), in relation to the entering into of the Profit Compensation Agreement and the implementation of profit commitments for the year 2022.

On 18 June 2021, the Company entered into the Profit Compensation Agreement with each of Liaoning Electric Power, Gansu Electric Power, Guangxi Electric Power, North China Electric Power, Shaanxi Electric Power, and Yunnan Electric Power (individually or collectively, the "**Performance Undertaker(s)**"). According to the completion of this transaction and the provisions of the Profit Compensation Agreement, the performance commitment period set by the Performance Undertakers in respect of Valuation Adjustment Targets is the year following the completion of the purchase of the assets (i.e. the transfer of the assets of the Valuation Adjustment Targets) and the two financial years thereafter, namely 2022, 2023 and 2024 (collectively, the "**Performance Commitment Period**"). Performance Undertakers shall make compensation to the Company in cash for the difference in the valuation result corresponding to the difference in net profit pursuant to the agreement if the amount of the actual net profit (being the net profit attributable to shareholders of the parent company after deduction of non-recurring profit or loss) of the valuation adjustment targets in any accounting year during the Performance Commitment Period is lower than the amount of the committed net profit. In 2023, the predicted net profit of each Valuation Adjustment Target is shown in the table below:

Unit: RMB0'000

Performance Undertaker	Valuation Adjustment Target	Committed Net Profit in 2023	Actual Audited Net Profit in 2023
Liaoning Electric Power	Northeast New Energy	**9,205.16**	**9,403.18**
Shaanxi Electric Power	Dingbian New Energy	**10,642.48**	**11,656.19**
Guangxi Electric Power	Guangxi New Energy	**23,820.20**	**24,337.31**
Yunnan Electric Power	Yunnan New Energy	**13,017.78**	**13,560.73**
Gansu Electric Power	Gansu New Energy	**3,958.41**	**8,868.81**
North China Electric Power	Tianjin Jieneng Inner Mongolia New Energy Shanxi Jieneng	**14,115.01** *Note*	**14,945.17**

Note: The undertaking made by North China Electric Power represents undertaking in respect of the aggregate amount of the net profit in 2023 for relevant Valuation Adjustment Targets (which, in the case of North China Electric Power, comprises three companies, namely, Tianjin Jieneng, Inner Mongolia New Energy and Shanxi Jieneng).

The actual net profit of the above-mentioned Valuation Adjustment Targets in 2023 has been audited by Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership), and the actual net profit of each Performance Undertaker has met the requirement regarding the committed net profit set out in the Profit Compensation Agreement for the year 2023.

Pledged Assets

As at 30 June 2024, the property, plant and equipment of the Company with a carrying amount of RMB3,517 million and inventories with a carrying amount of RMB3 million were pledged.

Contingent Liabilities/Guarantees

As at 30 June 2024, the Company provided a counter-guarantee of RMB14 million to the controlling shareholder of an associate. As at 30 June 2024, the bank loan balance for which the Company provided the counter-guarantee amounted to RMB7 million.

Cash Flow Analysis

As at 30 June 2024, the bank deposits and cash held by the Company amounted to RMB3,027 million, representing a decrease of RMB1,535 million as compared to RMB4,562 million as at 31 December 2023, which was mainly due to the decrease in operating revenue and the increase in investment in wind power and photovoltaic power projects. The principal sources of funds of the Company included self-owned funds and external borrowings. The Company mainly used the funds for replenishing working capital and the construction of projects.

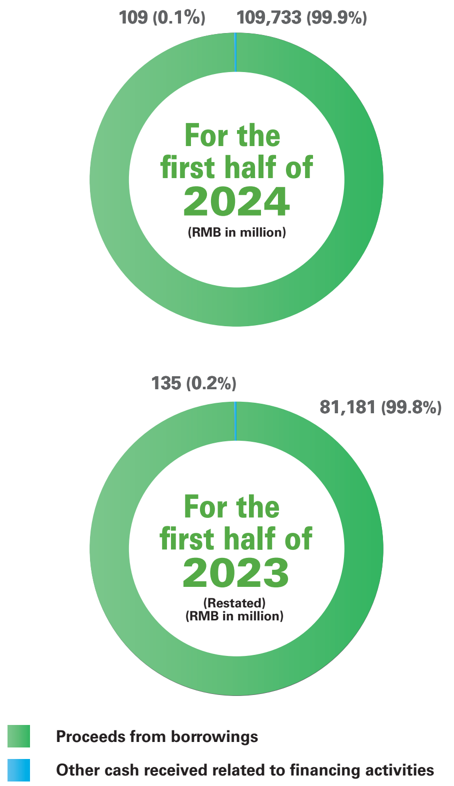
The net cash inflow from the Company's operating activities amounted to RMB6,950 million in the first half of 2024, representing a decrease of RMB1,092 million as compared to RMB8,042 million in the corresponding period of 2023, which was mainly due to the decrease in the operating revenue for the period.

The net cash outflow from investing activities of the Company was RMB12,627 million in the first half of 2024. The cash outflow from investing activities was mainly used for the construction of wind power and photovoltaic power projects.

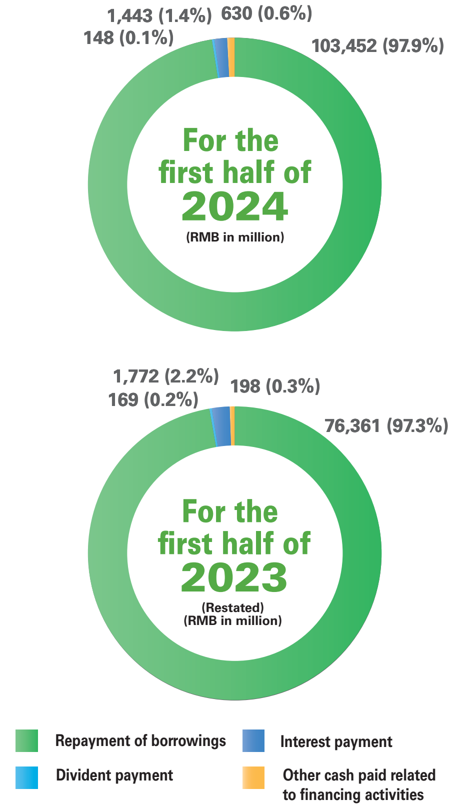
The net cash inflow from financing activities of the Company was RMB4,169 million in the first half of 2024. The cash inflow from financing activities was mainly generated from the proceeds from the issuance of corporate bonds and bank loans. The cash outflow from financing activities was primarily used for the repayment of borrowings and payments of interest of borrowings.

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

Cash inflows from financing activities



Cash outflows from financing activities



V. RISK FACTORS AND RISK MANAGEMENT

(I) Policy Risk and Countermeasures

With the deepening of the electricity market-oriented reform, a series of major policies have been intensively rolled out, accelerating the restructuring of the market value system. The construction of the spot market is further speeding up, the proportion of new energy market continues to expand, and the implementation of the coal-fired power capacity tariff mechanism is driving down the prices of new energy transactions. Meanwhile, the introduction of time-of-use electricity fee policy has significantly widened the price difference between peak period and valley period, further amplifying the risk of continued decrease in electricity price. In May 2024, the National Energy Administration issued the Notice on Improving the Consumption of New Energy to Ensure High-Quality Development of New Energy, in which it was proposed that in regions with relatively favorable resource conditions, the target on utilization rate could be relaxed to some extent, which shall not be lower than 90% in principle. Some regions may, during the implementation of policies, tend to focus solely on the relaxation of utilization rate but without adequately taking into account relevant factors in determining such target, leading to the occurrence of risks such as intensification in irrationalness when planning the development of new energy and a certain level of deterioration in consumption.

The Group will track relevant national policies, analyse the impact of the policies in a timely manner, take effective measures, and actively pursue high-quality medium- to long-term transactions, to secure electricity sales revenue; it will closely monitor the setting and changes of utilization rate target, communicate timely with relevant departments, and put forward reasonable demands, to effectively safeguard the interests of new energy enterprises.

(II) 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 2024, the average wind velocity at the Group's wind farms and the solar irradiation at the photovoltaic power farms were slightly below the normal annual level, and the power generation was slightly lower than the normal condition. In response to different climate conditions in different regions, the Group carried out the nationwide dispersed layout to reduce investment risks. As of the end of June 2024, the Group had substantial projects in 31 provincial-level administrative regions in China, formulating an increasingly optimised and rational project layout. In the future, the Group will further balance the project development ratio in the regions subject to the impact of different climates.

(III) Risks Relating to Power Grids and Countermeasures

During the "14th Five Year Plan" period, the grid-connection scale of new energy has significantly increased. However, the growth in electricity demand and the enhancement of system regulation capabilities are relatively limited. In some areas, the grid structure is weak, and the insufficiency in capacity of the main transformers and outgoing transmission lines is becoming more prominent. When wind and solar resources in a region have a relatively high simultaneity rate, the pressure on consumption in new energy becomes significant. Meanwhile, with the continuous construction of wind power and photovoltaic power bases primarily focusing on ultra-high voltage outgoing transmission, the construction of outgoing transmission channels lags behind, posing consumption risks for base projects. Based on different characteristics and situations in each region, the Group will enhance the communications with the competent government authorities and power grid dispatching, actively expand consumption channels, strive for favorable policies and power generation spaces, and promote the improvement of local grid.

(IV) Internationalization-related Risks and Countermeasures

The current external environment is complex and ever-changing, highlighting the characteristics in a period of international turmoil and change. Developed countries are grappling with deep internal conflicts, the conflict between Russia and Ukraine remains acute, and a short-term resolution seems unlikely. Competition for national projects in key regions such as Southeast Asia and South Africa is becoming increasingly fierce. In the first half of 2024, the Group took overall measures to prevent risks of overseas projects in operation and new projects, formulated and issued relevant regulations on investment management, construction operations, risk control and compliance management, endeavored to establish an institutional system that covers the full lifecycle management of overseas projects, thereby ensuring that there are rules to follow and regulations to comply with, to solidify the foundation for compliance. The Group intensified tracking analysis of the conflict between Russia and Ukraine as well as the risk prevention of Ukrainian projects, maintained close communication with stakeholders, and ensured the local operation and maintenance of projects in operation and the equipment safety of projects under construction and supplier relationship maintenance, laying a solid foundation for subsequent resumption of work and production. Our subsidiary in Ukraine conducted emergency drills as scheduled, dynamically revised emergency plans, continuously improved warning mechanisms and emergency response procedures, to ensure timely and effective rescue and relief operations when emergencies occur. It established a monitoring mechanism for tracking risks in key countries, and continuously enhanced its overall safety protection capabilities through the implementation of information collection and analysis efforts.

(V) Interest Rate-related Risk and Countermeasures

Changes in macro-economic environment at home and abroad, national economic policies and other factors caused the change in market interest rate, and the fluctuation of market interest rate had a certain impact on loans of the Company and the issuance interest rate of relevant bonds. Global economic growth is slowing down, and global inflation may persist at a relatively high level for an extended period, with intensified fluctuations in exchange rates and interest rates. Keeping abreast of market changes, the Group established financial market information sharing mechanism with several financial institutions, focused on macro environment, fiscal and monetary policies, specific operations of the central bank, and market risk events, and selected a favorable issue window to avoid the risk in interest rate resulting from the acute market volatility; the Group continued to increase the type of financing, did well in setting product terms and quotas, and matching long-term and short-term so as to ensure the stabilities of overall interest rate; the Group kept close cooperation with the financial institutions, to guarantee that issuance interest rate can be at a comparable low level in the degree of marketization.

(VI) Currency Exchange Rate-related Risk and Countermeasures

The Group's foreign exchange management principles are not involved in any speculative arbitrage, but for the purpose of risk aversion. Foreign exchange risk management runs through the whole lifetime cycle of the Company. In the preliminary investigation and preparation stage of new overseas projects, overseas subsidiaries of the Group propose 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, they shall review the relevant foreign exchange risk items mainly through the fund plan and financial statements data reported by overseas subsidiaries. Once the foreign exchange risk exposure caused by currency mismatch and other factors of overseas subsidiaries is found, they will immediately verify the relevant potential risks, study, judge and put forward risk hedging plans, and strictly implement them to ensure that foreign exchange risks are under control.

(VII) Fuel Prices-related Risk and Countermeasures

The Group has two coal power plants with a consolidated installed capacity of 1,875 MW. The fluctuations in coal price will affect the operating results of the Group's coal power business. At present, the main risk is that the supply and demand relationship in the coal market, policy adjustments, and international market changes may all have an impact on coal prices. In 2024, the Group has completed the full coverage of the medium to long-term contracts over coal procurement. The Group will make every effort to ensure the performance of annual medium to long-term contracts on coal supply, and communicate with suppliers to ensure compliance with the demand rate as required by the National Development and Reform Commission. At the same time, the Group will maintain communication with other suppliers in the market to procure imported coal, coal slurry, low-grade coal and other types of coal as planned for delivery to the plants. The Group will make good efforts in securing annual quotas for imported coal, and pay close attention to changes in coal prices and freight rates to purchase at low cost.

(VIII) Risk in Production Safety and Countermeasures

Since its establishment in 1993, the Group has been committed to the development, operation, and management of new energy. The longest running wind farm was first put into operation in 1994. Currently it has nearly 10,000 units of 1.5MW and below, approximately accounting for 66% of the total number of units in operation. Photovoltaic power stations were first put into operation in 2010, with 11 photovoltaic power stations operating for over 10 years. The equipment put into production in the early stages gradually exposed problems such as electrical components breakdown, decreased cable insulation, and aging sealing rings, resulting in high treatment costs and certain safety risks.

To cope with the risk of equipment aging, the Group strengthened equipment governance by enhancing equipment monitoring, status evaluation, point inspections, and intelligent monitoring to timely detect anomalies and hidden dangers. At the same time, it optimized equipment systems and solved problems through thematic analysis and technical breakthroughs. Standardized unit maintenance management, priority maintenance arrangements for key equipment, and full process management all aim to ensure the stability and reliability of equipment operation. In addition, the Group accelerated the renovation and upgrading of old wind farms, established a dedicated team responsible for planning and implementation, and continued to carry out unit life extension work relying on the principle of "overall planning and step-by-step implementation" to ensure targeted plans and measures in place, thereby safeguarding the efficient and long-term operation of the wind farms.

VI. BUSINESS OUTLOOK

The present and the upcoming period are crucial for the comprehensive construction of the Company as a world-class leading enterprise in new energy technology. The Group will grasp the overall situation, set clear objectives, and unite forces to thoroughly implement the "12556" working idea.

Sticking to 1 objective. The Group will continue to advance the construction of new Longyuan with the principles of "inherent safety, doubled scale, digital transformation, innovation-driven leadership, and proactive growth", and build, in an all-round way, itself into a world-class and technologically-leading new energy enterprise.

Deepening 2 development paths. The Group will adhere to the concept of large-scale development, achieving strong growth in quantity; insist on innovation and change, achieving effective improvement in quality.

Improving "5 Capabilities" and building "5 World-Class Platforms". The Group will improve its ability of implementing strategies, to build a world-class new energy asset management platform; improve its ability of seizing and utilizing opportunities, to build a world-class new energy business development platform; improve its ability of integrating resources, to build a world-class new energy sharing and coordination platform; improve its ability of reform and innovation, to build a world-class new energy technology innovation and R&D platform; and improve its ability of organization and leading, to build a world-class new energy platform empowered by Party building.

Playing role as "6 Main Forces". Firstly, in shaping the new advantages of the whole-chain energy supply guarantee, it will play a role as the "Main Force" for security and stability; secondly, in shaping the new advantages of high-level science and technology and self-reliance, it will play a role as the "Main Force" for reform and innovation; thirdly, in shaping the new advantages of green development, it will play a role as the "Main Force" for low-carbon transition; fourthly, in shaping the new advantages of integration, digitalization and internationalization, it will play a role as the "Main Force" for coordinated development; fifthly, in shaping the new advantages of quality enhancement and efficiency improvement, it will play a role as the "Main Force" for value creation; sixthly, in shaping the new advantages of deep integration, leadership and guarantee, it will play a role as the "Main Force" for the Party building.

The Group will focus on the following five aspects of work.

1. Enhance the ability to implement strategies and build a world-class new energy asset management platform. Focusing on the "One Goal, Three Roles, Six Commitments" development strategy of CHN Energy, concentrate on the preservation and appreciation of new energy assets, implement a diversified, fast, large-scale, efficient, and scientific new energy development strategy to enhance overall value creation. Always occupy the commanding heights of the new energy industry's development, maintaining a leading position in the global new energy sector.

2. Improve the ability to grasp opportunities and build a world-class new energy business development platform. Coordinate both domestic and international markets and resources, explore new markets, and enhance industry and global influence. Coordinate development and construction in two stages, implement various measures to achieve more indicators, and create more high-quality projects with a "two-high-one-low" approach.

3. Enhance the ability to integrate resources and build a world-class new energy sharing and collaborative platform. Promote the construction of the "three new patterns," transform investment, construction, and operation integrated methods towards a platform-based, grid-like, open transformation, forming a world-class new energy sharing and collaborative platform that integrates "shared development, regional collaboration, and industrial synergy."

4. Enhance the ability for change and innovation and build a world-class new energy scientific and technological innovation R&D platform. Establish a first-class research and development platform, promote the transformation of results and data services, build core competitiveness through innovative leadership and digital transformation, achieve a transformation of driving forces and energy conversion for high-quality development.

5. Enhance organizational leadership capabilities and build a world-class new energy empowerment platform for Party building. Lead and ensure high-quality development through high-quality Party building.

VII. WORKING PLAN FOR THE SECOND HALF OF 2024

In the second half of 2024, the Company shall be united and cooperative, make concerted efforts to implement properly, strive to complete the annual goals and tasks, and focus on goals and practical commitments, to complete the following four tasks with high quality.

1. Strengthen the implementation of responsibilities to promote the consolidation of safety and environmental protection foundation. The Company will strengthen the implementation of key tasks, strictly implement the three-year action plan for tackling the root cause of safety production, solidly promote the specific tasks of the No. 1 document on safety and environmental protection, and adhere to the management of safety points as the main starting point, and take digital supervision as the means to continuously strengthen process control and promote the transformation of safety management from "focusing on results" to "focusing on processes". The Company will grasp the management and control of risk areas, combine the characteristics of "small, scattered and remote" in new energy operation sites, adhere to the normalization of safety education and skills training, continuously strengthen the rigidity of the implementation of safety production systems, regulations and measures, and ensure the implementation of safety management measures. The Company will prevent the occurrence of new risks, improve the safety management ability of distributed projects, actively explore new safety management methods such as energy storage and hydrogen ammonia alcohol, and strengthen the safety assessment, risk early warning and prevention and control of overseas investment and operation.

2. Exert the utmost effort to speed up the pace of development and construction. The Company will insist on going all out to promote the "expansion". Focusing on the development of large bases, the Company will make every effort to obtain offshore project indicators, grasp the acquisition of land resources, continue to strengthen integration of regional resources, and steadily promote overseas projects in key areas. The Company will strengthen innovation and exploration, promote the development of "new business", optimize the design schemes of projects such as hydrogen and ammonia production from wind and photovoltaic power, carbon neutralization, hydrogen production and hydrogen-ammonia- methanol storage, promote high-quality power generation, grid, load and energy storage projects, and further broaden the development path of the Company. Focusing on synergistic efforts to promote the implementation of "ensuring production" and focusing on the target of starting production throughout the year, and strive to break through the difficulties and blockages, the Company always practices the concept of "design is the soul, quality is the life, and innovation shall be the leading", strengthens preliminary design review, design optimization and design innovation to further reduce costs, strengthen quality and improve efficiency.

3. Focus on creating efficiency through management to promote the improvement of quality and efficiency. The Company will insist on taking multiple measures, strive for volume increase and price maintaining, do everything possible to grab the power generation and compensate for the shortage, improve the rationality of the maintenance plan, raise the reliability and power generation capacity of the equipment, further promote the fine management and control of power rationing, explore the method to promote the consumption by using energy storage, expand the share of green electricity and green certificate transactions, make preparations for subsidy recovery, and continuously improve the capabilities of creating benefits through marketing. The Company will strengthen financial management, enhance value creation, strengthen comprehensive budget control, continuously reduce costs and expenses, explore potentials and increase efficiency from various perspectives, and carry out in-depth labor competitions of "tax reduction and fee reduction" and "loss reduction and excellent compensation" to reduce financial expenses with intensive advantages. The Company will enhance management to create efficiency, enhance intrinsic value, further expand the scope of intensive procurement, effectively reduce procurement costs, strengthen the construction of ESG system, and continuously enhance the leading position in the industry.

4. Adhere to the problem orientation and promote the deepening of reform and innovation initiatives. Focusing on production and operation, the Company will deepen digital empowerment, continuously promote digital transformation of operation and management, actively build a new energy cloud computing centre system, strengthen data collection and analysis of power market transactions, accelerate the research and development of new energy intelligent decision-making support system, improve the supply chain system of new energy materials, and accelerate the construction of financial data middle ground. Focusing on targeted efforts to boost scientific and technological innovation, the Company will implement major scientific and technological innovations and equipment upgrades in large projects such as the desert, gobi and hungriness large-scale base, offshore wind power, grid-constructing energy storage and hydrogen-ammonia-methanol, actively participate in major national scientific and technological innovations and technological innovation projects that lead the industry, strive to build a new energy technology innovation highland, and build a national R&D centre for wind power operation and a new energy innovation research centre in Xi'an at a high level. The Company will continue to strengthen the construction of "three teams", select and nurture talents through large-scale projects, and promote the efficient integration of talent chain and innovation chain.

I. ENVIRONMENTAL PROTECTION

(I) Environmental protection related policies and industry standards

The Group strictly complies with laws and regulations such as the Environmental Protection Law of the People's Republic of China, Water and Soil Conservation Law of the People's Republic of China, and Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes, and has, taking into account the Company's actual situation, formulated regulations such as the Measures for the Management of Ecological and Environmental Protection, Rules for Ecological and Environmental Protection, and Management Measures for Hazardous Waste, prepared the "No. 1 Document" on ecological and environmental protection and task breakdown tables, detailing and decomposing them into 71 specific measures in 23 articles in 6 aspects, in particular for key tasks, and regularly tracked the completion of the tasks.

(II) Environmental protection administrative licensing situation

The enterprises under the Group completed environmental protection, water conservation, and water taking-related procedures in accordance with national legal requirements to ensure full compliance with laws and regulations throughout the entire process. The two coal power enterprises under the Group have organized and carried out environmental impact assessment work in accordance with the Classification and Management List of Construction Project Environmental Rating and obtained approval from relevant departments.

Name of company or subsidiary	Type of major pollutants and specific pollutants	Name of major pollutants and specific pollutants	Mode of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration/ intensity *(mg/m³)*	Pollutant discharge standards implemented *(mg/m³)*	Total amount of discharge *(t)*	Total amount of discharge approved *(t)*	Excessive discharge
Jiangyin Sulong Heat and Power Generating Co., Ltd.	Gaseous pollutant	Sulfur dioxide	Continuously	3	Unit discharge outlet	11.44	35	200.11	1209.89	Nil
Jiangyin Sulong Heat and Power Generating Co., Ltd.	Gaseous pollutant	Nitrogen oxide	Continuously	3	Unit discharge outlet	23.69	50	413.86	1728.41	Nil
Jiangyin Sulong Heat and Power Generating Co., Ltd.	Gaseous pollutant	Smoke	Continuously	3	Unit discharge outlet	0.89	10	15.40	178.12	Nil
Nantong Tianshenggang Power Generating Co., Ltd.	Gaseous pollutant	Sulfur dioxide	Continuously	2	Unit discharge outlet	6.86	35	46.26	462.00	Nil

Name of company or subsidiary	Type of major pollutants and specific pollutants	Name of major pollutants and specific pollutants	Mode of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration/ intensity *(mg/m³)*	Pollutant discharge standards implemented *(mg/m³)*	Total amount of discharge *(t)*	Total amount of discharge approved *(t)*	Excessive discharge
Nantong Tianshenggang Power Generating Co., Ltd.	Gaseous pollutant	Nitrogen oxide	Continuously	2	Unit discharge outlet	24.14	50	162.84	660.00	Nil
Nantong Tianshenggang Power Generating Co., Ltd.	Gaseous pollutant	Smoke	Continuously	2	Unit discharge outlet	1.15	10	7.75	132.00	Nil

(III) Treatment of pollutants

To build itself into a zero-waste enterprise, the Group prepares construction planning implementation plans, and organizes all its entities to dispose of solid waste in the principles of reducing amount, resource recycling and zero waste. Emissions of flue gas pollutants from coal power plant meet the standards, and ash, slag and desulfurized gypsum are all comprehensively utilized as building materials, concrete admixtures, etc.

(IV) Contingency plan for environmental emergencies

The Group conducts ecological environment risk assessment and emergency resource investigation to dynamically grasp ecological environment risks, improve emergency measures, and reserve sufficient emergency supplies. Emergency response plans for sudden environmental risks are filed with the environmental protection department. The Group strengthens regional emergency response coordination, develops emergency response drills, and conducts emergency response drills for typical incidents such as soil erosion and waste oil pollution.

(V) Investment in environmental governance and protection and payment of environmental protection-related taxes

The Group arranges for key ecological and environmental concerns during the operational and construction phases of projects, advancing the rectification and governance of hidden troubles. To build itself into a zero-waste enterprise, the Group prepares construction planning implementation plans, and stores discarded blades in a centralized manner. It carries out monitoring of soil and water conservation over the production site according to its plan.

The Group implements the green development concept contained in environmental protection tax, practices the concept of "more emissions and more payments, less emissions and less payments, and no emissions and no payments" in the Environmental Protection Tax Law, and consciously takes the initiative to remove "pollution". In the first half of 2024, the Group paid RMB3,616,200 of environmental protection tax, representing a decrease of RMB535,600 or 12.90% compared to the corresponding period of last year, which was mainly due to the increased procurement of low-sulfur coal, resulting in a decrease in pollutant emissions, leading to a decline in environmental protection tax compared to the corresponding period of last year.

(VI) Environmental self-monitoring plan

The Group makes every effort to prevent environmental risks, supervises ecological and environmental issues according to its plan, and conducts thorough on-site reviews in conjunction with the inspections in spring and autumn; consistently implements the requirements of the laws for ecological protection in the Qinghai-Tibet Plateau and the laws for black soil conservation, and carries out soil and water conservation monitoring. Two coal power enterprises of the Group have prepared self-monitoring plan, effectively monitored various projects according to the plan, and the monitoring frequency and results meet the relevant national and industry standards.

(VII) Any administrative penalties caused by environmental issues during the Reporting Period

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

(VIII) Other disclosable environmental information

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

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

The Group places great importance on economic operations and optimization of energy-saving management on-site; organizes inspection and analysis of the optimal operating conditions of wind turbine heating and heat dissipation facilities, as well as cooling, ventilation and dehumidification facilities of power distribution equipment at each power farm and station, and adjusts operational methods reasonably to reduce the electricity consumption rate; encourages its subsidiaries and branches to use energy-efficient lighting, advocates for the driving of new energy vehicles among its employees, and promotes the use of green travel methods such as public transportation and walking. By integrating such detailed requirements into daily work, a culture of energy conservation is gradually forming throughout the Company. The Group adheres to the principles of repairing old items and recycling waste, and continuously strengthens whole-lifecycle material management.

(X) Other environmental protection-related information

The coal power enterprises of the Group actively responded to the requirements of the local environmental protection department on air quality control, and voluntarily reduced the emission concentrations of three pollutants in flue gas in accordance with voluntary emission reduction measures. The emissions concentration of smoke, sulfur dioxide and nitrogen oxides were controlled to be below 3, 15, and 25 mg/m^3 respectively, effectively reducing pollutant emissions and contributing to the improvement of local air quality.

In the first half of 2024, two coal power enterprises under the Group operated with ultra-low emissions by strengthening the management of effective environmental protection facilities, optimizing operation, and continuously implementing energy-saving and consumption reduction measures.

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

		Data in the first half of 2024	
Items		**Total** *(t)*	**Density** *(g/kWh)*
Emission of pollutants	Carbon dioxide	4,814,913	834
	Sulfur dioxide	246.373	0.045
	Nitrogen oxide	576.702	0.106
	Dust	23.147	0.004
Energy consumption	Water	4,638,234	948
	Fuel	96.64	0.02
	Standard coal	1,690,758.31	293

II. SOCIAL RESPONSIBILITIES

In the first half of 2024, the Group effectively carried out the key work of rural revitalization and high-quality development based on the current achievements of Youyu County in Shanxi Province in consolidating and expanding poverty alleviation, invested RMB3.18 million of paid assistance funds to build and expand Youyu Laoqianshan wind power projects; invested RMB18 million of free assistance funds, and solidly promoted rural revitalization work around ecological assistance, industrial development, education and people's livelihood. Up to now, we have completed the allocation of RMB9.24 million for the first batch of assistance projects, of which RMB600,000 was invested in the outdoor activity premise upgrading project of Dongjie Kindergarten in Youyu County, which has been completed by 90% and is in condition for use; and RMB1.14 million was invested in the installation of water storage equipment for 38 greenhouses, which has been completed and is in the process of contract signing and payment procedures. The Group provided 191 re-employment for people out of poverty; introduced external assistance funds of RMB311,700 which is non-reimbursable and RMB8.72 million which is reimbursable, respectively; and provided 1,640 trainings for grass-roots cadres and talents in Youyu County.

In the first half of 2024, the Group completed 2 external donations totaling RMB70.10 million, of which the donations to the Guoneng Foundation totaled RMB70 million, and donated RMB100,000 to Yushu Nursing Home in Yushu Prefecture, Qinghai Province to help enhance the local elderly service facilities, earning high social reputation.

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 C1 to the Listing Rules. The Company has also adopted the Corporate Governance Code as its own corporate governance practices.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the period from 1 January 2024 to 30 June 2024, the Company has fully complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and had complied with most of the recommended best practises as set out in Appendix C1 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 C3 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 2024 to 30 June 2024. The Board will examine the corporate governance and operation of the Company from time to time so as to ensure the compliance with relevant requirements under the Listing Rules and to protect Shareholders' interests.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has appointed a sufficient number of independent non-executive Directors with appropriate professional qualifications, or appropriate accounting or relevant financial management expertise in accordance with the requirements of the Listing Rules. The Company appointed a total of three independent non-executive Directors, namely, Mr. Michael Ngai Ming Tak, Mr. Gao Debu and Ms. Zhao Feng.

AUDIT COMMITTEE

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

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

On 28 August 2024, the Audit Committee reviewed and confirmed the announcement of interim results of the Group for the six months ended 30 June 2024, 2024 interim report, the unaudited interim condensed consolidated financial information for the six months ended 30 June 2024 prepared under IAS 34, Interim Financial Reporting and the disclosure requirements under the Listing Rules.

SHARE CAPITAL

As of 30 June 2024, the total share capital of the Company amounted to RMB8,359,816,164, divided into 8,359,816,164 shares with a par value of RMB1.00 each, comprising 5,041,934,164 A shares and 3,317,882,000 H shares. On 11 March 2024, the Company cancelled an aggregate of 22,147,000 H shares previously repurchased. Save as aforesaid, there was no change in the share capital of the Company during the Reporting Period.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2024.

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

In order to safeguard the value of the Company and the interests of the Shareholders and to facilitate the benign development of the Company, the Company repurchased 11,812,000 H shares on the Hong Kong Stock Exchange at an aggregate consideration of HK$59,883,175.10 during the Reporting Period. Such shares together with the 10,335,000 H shares repurchased in 2023 (totaling 22,147,000 H shares) were cancelled on 11 March 2024, after which the total issued shares of the Company were 8,359,816,164, comprising 5,041,934,164 A shares and 3,317,882,000 H shares. Details of the shares repurchased are as follows:

Month of repurchase	**Number of shares repurchased**	**Highest**	**Lowest**	**Aggregate consideration**
		(HK$)	*(HK$)*	*(HK$)*
January 2024	11,812,000	5.90	4.37	59,883,175.10

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2024 (including sales of treasury shares (as defined in the Listing Rules)). As at the end of the Reporting Period, there were no treasury shares held by the Company or its subsidiaries.

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

As at 30 June 2024, none of the Directors, supervisors and chief executives of the Company had any interest 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 registered in the register indicated in the section, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2024, 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	58,72
BlackRock, Inc.	H shares	Interest of corporation controlled by substantial Shareholders	199,516,504 *(Note 3)* (Long position)	6.01	2.39

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) (%)*
BlackRock, Inc.	H shares	Interest of corporation controlled by substantial Shareholders	7,899,000 *(Note 4)* (Short position)	0.24	0.09
GIC Private Limited	H shares	Investment manager	267,183,000 (Long position)	8.05	3.20
Citigroup Inc.	H shares	Interest of corporation controlled by substantial Shareholders and approved lending agent	379,046,452 *(Note 5)* (Long position)	11.42	4.53
Citigroup Inc.	H shares	Interest of corporation controlled by substantial Shareholders	5,192,548 *(Note 6)* (Short position)	0.16	0.06
Citigroup Inc.	H shares	Approved lending agent	371,863,357 (Shares in a lending pool)	11.21	4.45
Lazard Asset Management LLC	H shares	Investment manager	167,128,772 (Long position)	5.04	2.00
Brown Brothers Harriman & Co.	H shares	Approved lending agent	166,389,736 (Long position)	5.01	1.99
Brown Brothers Harriman & Co.	H shares	Approved lending agent	166,389,736 (Shares in a lending pool)	5.01	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 2024.

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 199,516,504 H shares, 28,000 H shares were held by BlackRock Investment Management, LLC, an indirect wholly-owned subsidiary of BlackRock, Inc., 14,437,000 H shares were held by BlackRock Financial Management, Inc., an indirect wholly-owned subsidiary of BlackRock, Inc., 51,744,693 H shares were held by BlackRock Institutional Trust Company, National Association, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 81,511,000 H shares were held by BlackRock Fund Advisors, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 3,990,196 H shares were held by BlackRock Japan Co., Ltd., an indirect non-wholly-owned subsidiary of BlackRock, Inc., 746,000 H shares were held by BlackRock Asset Management Canada Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 1,093,000 H shares were held by BlackRock Investment Management (Australia) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 5,405,506 H shares were held by BlackRock Asset Management North Asia Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 6,956,085 H shares were held by BlackRock (Netherlands) B.V., an indirect non-wholly-owned subsidiary of BlackRock, Inc., 22,846,000 H shares were held by BlackRock Asset Management Ireland Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 132,000 H shares were held by BLACKROCK (Luxembourg) S.A., an indirect non-wholly-owned subsidiary of BlackRock, Inc., 3,605,030 H shares were held by BlackRock Investment Management (UK) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 6,142,261 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., 737,333 H shares were held by BlackRock (Singapore) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 45,000 H shares were held by BlackRock Asset Management Schweiz AG, an indirect non-wholly-owned subsidiary of BlackRock, Inc., and 49,400 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.

4. Among these 7,899,000 H shares, 4,451,000 H shares were held by BlackRock Financial Management, Inc., an indirect non-wholly-owned subsidiary of BlackRock, Inc., and 3,448,000 H shares were held by BlackRock Institutional Trust Company, National Association, 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.

5. Among these 379,046,452 H shares, 372,463,118 H shares were held by Citibank, N.A., an indirect wholly-owned subsidiary of Citigroup Inc., 33,100 H shares were held by Citigroup Global Markets Inc., an indirect wholly-owned subsidiary of Citigroup Inc., and 6,550,234 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.

6. Among these 5,192,548 H shares, 599,761 H shares were held by Citibank, N.A., an indirect wholly-owned subsidiary of Citigroup Inc., 685,787 H shares were held by Citigroup Global Markets Hong Kong Limited, an indirect wholly-owned subsidiary of Citigroup Inc., and 3,907,000 H shares were held by Citigroup Global Markets Limited, an indirect 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.

EMPLOYEES

As of 30 June 2024, the Group had a total of 9,035 employees. The Group has formulated the Administration Measures for Positions and Ranks, and implemented a three-channel career development system known as "administration, technology and skill", developed the Action Plan for the Construction of a Skilled and Technical Professional Talent Team to promote the construction of a high-quality team of skilled and technical talents; paid attention to selecting and cultivating outstanding young cadres, and further stimulated the vitality of the cadre team; continuously deepened the construction of the "1+2+N" training base system, strengthened the construction of the "Chief Engineer" team, established an upon-registration reward mechanism, vigorously promoted employee growth and talent, and fully leveraged the leading and driving role of outstanding talents. The Group implements a comprehensive performance evaluation system for all employees, scientifically sets evaluation indicators, strengthens equal distribution, highlighted incentives, and continuously improves the construction of the performance evaluation system. The salary income of employees is closely linked to personal work performance, enterprise economic benefits, etc., effectively mobilizing and stimulating the vitality and potential of cadres and employees to work hard.

MATERIAL LITIGATION

As of 30 June 2024, the Company had no material litigation.

OTHER INFORMATION

CHANGE IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the Reporting Period and as of the Latest Practicable Date, the changes of Directors, supervisors and senior management are set out below:

Changes of Directors:

On 27 February 2024, Mr. Wang Yiguo resigned as a non-executive Director and a member of the nomination committee of the Company due to age reason with effect from 27 February 2024.

On 24 May 2024, Mr. Tang Jian resigned as an executive Director, the chairman of the Board, the chairman of the strategic committee and the chairman of the sustainable development committee under the Board of the Company due to work rearrangements. His resignation took effect from 24 May 2024 onwards. As elected at the 5th meeting of the fifth session of the Board in 2024, Mr. Gong Yufei has been appointed as the Chairman of the Board, the chairman of the strategic committee and the sustainable development committee under the Board of the Company with effect from 24 May 2024 until the expiry of the fifth session of the Board.

As elected at the 2023 annual general meeting, Ms. Wang Xuelian has been appointed as a non-executive Director and a member of the strategic committee under the Board, Ms. Chen Jie has been appointed as a non-executive Director and a member of the nomination committee under the Board, with the terms of office of Ms. Wang Xuelian and Ms. Chen Jie being effective from 6 June 2024 until the expiry of the fifth session of the Board.

As elected at the 2024 first extraordinary general meeting, Mr. Wang Liqiang has been appointed as an executive Director and a member of the strategic committee under the Board of the Company with effect from 27 June 2024 until the expiry of the fifth session of the Board.

On 24 July 2024, Mr. Ma Bingyan resigned as a non-executive Director and a member of each of the remuneration and assessment committee and strategic committee of the Board of the Company due to age reason with effect from 24 July 2024.

As elected at the 2024 second extraordinary general meeting, Mr. Zhang Tong has been appointed as a non-executive Director, a member of the strategic committee and a member of the remuneration and assessment committee under the Board of the Company with effect from 28 August 2024 until the expiry of the fifth session of the Board.

Details of the aforementioned changes have been disclosed in the announcement on resignation of non-executive Director dated 27 February 2024, the announcement on proposed appointment of non-executive Directors dated 17 May 2024, the supplemental circular of the 2023 annual general meeting dated 22 May 2024, the announcement on the change of chairman, change of president and the proposed appointment of an executive Director dated 24 May 2024, the circular of the 2024 first extraordinary general meeting dated 6 June 2024, the poll results announcement of the 2023 annual general meeting dated 6 June 2024, the poll results announcement of the 2024 first extraordinary general meeting dated 27 June 2024, the announcement on the resignation of non-executive Director dated 24 July 2024, announcement on the proposed appointment of non-executive Director dated 1 August 2024, the circular of the 2024 second extraordinary general meeting dated 8 August 2024 and the poll results announcement of the 2024 second extraordinary general meeting dated 28 August 2024.

Changes of Supervisors:

There was no change of supervisors of the Company during the Reporting Period.

Changes of Senior Management:

As resolved at the Board meeting held on 27 March 2024, Ms. Ding Jing has been appointed as Secretary to the Board of the Company, with effect from 27 March 2024 until the expiry of the term of office of the fifth session of the Board.

As resolved at the Board meeting held on 3 April 2024, Mr. Shi Wenyi has been appointed as vice president of the Company, with effect from 3 April 2024 until the expiry of the term of office of the fifth session of the Board.

On 24 May 2024, Mr. Gong Yufei resigned as the president of the Company due to work rearrangements with effect from 24 May 2024. As resolved at the Board meeting held on 24 May 2024, Mr. Wang Liqiang has been appointed as the president of the Company, with effect from 24 May 2024 until the expiry of the term of office of the fifth session of the Board.

Details of the aforementioned changes have been disclosed in the overseas regulatory announcement dated 27 March 2024, the overseas regulatory announcement on appointment of vice president dated 3 April 2024, and the announcement on change of chairman, change of president and proposed appointment of an executive director dated 24 May 2024, and the overseas regulatory announcement dated 24 May 2024.

SUBSEQUENT EVENTS

On 23 August 2024, the Company, Hero Asia (BVI) Company Limited ("Hero Asia Company") and Jiangyin Power Investment Co., Ltd. ("Jiangyin Power", 江陰電力投資有限公司) entered into an equity transaction contract and agreed to sell the entire 27% equity interests the Company and Hero Asia Company hold in Jiangyin Sulong Thermal Power Co.,Ltd. ("Jiangyin Sulong" 江陰蘇龍熱電有限公司), a subsidiary of the Group, to Jiangyin Power, which is a connected person of the Company at the subsidiary level, at a consideration of RMB1,319,150,070. Upon completion of this disposal, Jiangyin Sulong will no longer be included in the Group's consolidated financial statements, nor be a subsidiary of the Company. For details, please refer to the announcements of the Company dated 27 June 2024 and 23 August 2024.

As of the Latest Practicable Date, the Company has issued a series of ultra short-term debentures of RMB4.6 billion with a term of 180 to 210 days and coupon rates of 1.73% to 1.75%, and mid-term notes of RMB8.0 billion with a term of 3 to 10 years and coupon rate of 2.07% to 2.50%.

As of the Latest Practicable Date, save for the afore-mentioned events, the Company has no other material subsequent events after the Reporting Period.

INDEPENDENT REVIEW REPORT

Review report to the board of directors of China Longyuan Power Group Corporation Limited

(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 93 to 156 which comprises the consolidated statement of financial position of China Longyuan Power Group Corporation Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") as of 30 June 2024 and the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-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 an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors of the Company (the "Board") are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

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

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants

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

28 August 2024

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED
(Expressed in thousands of Renminbi)

		Six months ended 30 June	
		2024	2023
			(Restated)
	Note	***RMB'000***	*RMB'000*
Revenue	5	**18,883,467**	19,860,414
Other net income	6	**624,659**	664,938
Operating expenses			
Depreciation and amortisation		**(5,588,297)**	(5,291,379)
Coal consumption		**(1,619,618)**	(1,726,852)
Coal sales costs		**(1,509,942)**	(1,468,421)
Personnel costs		**(2,357,904)**	(2,182,457)
Material costs		**(49,231)**	(57,793)
Repairs and maintenance		**(368,033)**	(312,552)
Administrative expenses		**(382,511)**	(331,503)
Other operating expenses		**(514,301)**	(524,695)
Impairment reversals/(losses) on financial assets, net		**26,567**	(6,303)
		(12,363,270)	(11,901,955)
Operating profit		**7,144,856**	8,623,397
Finance income		**125,884**	215,036
Finance expenses		**(1,745,898)**	(1,783,481)
Net finance expenses	7	**(1,620,014)**	(1,568,445)
Share of profits less losses of associates and joint ventures		**155,792**	(53,303)
Profit before taxation	8	**5,680,634**	7,001,649
Income tax	9	**(989,028)**	(1,164,467)
Profit for the period		**4,691,606**	5,837,182

The notes on pages 103 to 156 form part of this interim financial report.

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED
(Expressed in thousands of Renminbi)

		Six months ended 30 June	
		2024	2023
			(Restated)
	Note	***RMB'000***	*RMB'000*
Other comprehensive income/(losses):			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax		**1,411**	12,104
Other comprehensive losses that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(15,474)**	(6,652)
Exchange differences on net investments in foreign operations		**(3,857)**	(2,025)
Other comprehensive (losses)/income for the period, net of tax	10	**(17,920)**	3,427
Total comprehensive income for the period		**4,673,686**	5,840,609

The notes on pages 103 to 156 form part of this interim financial report.

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED
(Expressed in thousands of Renminbi)

		Six months ended 30 June	
		2024	2023
			(Restated)
	Note	***RMB'000***	*RMB'000*
Profit attributable to:			
Shareholders		**3,985,864**	5,029,637
Holders of other equity instruments	24	**34,605**	97,393
Non-controlling interests		**671,137**	710,152
Profit for the period		**4,691,606**	5,837,182
Total comprehensive income attributable to:			
Shareholders		**3,966,731**	5,031,022
Holders of other equity instruments		**34,605**	97,393
Non-controlling interests		**672,350**	712,194
Total comprehensive income for the period		**4,673,686**	5,840,609
Basic and diluted earnings per share *(RMB cents)*	11	**47.67**	60.01

The notes on pages 103 to 156 form part of this interim financial report.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AT 30 JUNE 2024 – UNAUDITED
(Expressed in thousands of Renminbi)

	Note	**30 June 2024**	31 December 2023 *(Restated)*
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment	12	**170,050,720**	162,648,278
Right-of-use assets		**5,735,682**	5,766,435
Intangible assets	13	**4,924,009**	5,142,222
Goodwill		**195,617**	195,617
Investments in associates and joint ventures		**6,267,016**	5,994,794
Other assets	14	**5,534,275**	4,987,556
Deferred tax assets		**829,132**	853,607
Total non-current assets		**193,536,451**	185,588,509
Current assets			
Inventories		**953,052**	727,196
Trade and bills receivables	15	**40,981,251**	35,732,322
Prepayments and other current assets	16	**3,279,396**	3,126,020
Tax recoverable		**48,255**	102,234
Other financial assets	17	**484,230**	459,073
Restricted deposits		**318,349**	346,789
Cash at banks and on hand	18	**3,027,236**	4,562,082
Total current assets		**49,091,769**	45,055,716

The notes on pages 103 to 156 form part of this interim financial report.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AT 30 JUNE 2024 – UNAUDITED
(Expressed in thousands of Renminbi)

	Note	**30 June 2024** **RMB'000**	31 December 2023 *(Restated)* RMB'000
Current liabilities			
Borrowings	19	**56,104,225**	49,498,691
Trade and bills payables	20	**6,395,735**	7,250,223
Other current liabilities	21	**16,939,015**	13,874,041
Lease liabilities		**122,627**	176,218
Tax payable		**448,996**	457,625
Total current liabilities		**80,010,598**	71,256,798
Net current liabilities		**(30,918,829)**	(26,201,082)
Total assets less current liabilities		**162,617,622**	159,387,427
Non-current liabilities			
Borrowings	19	**74,137,085**	73,309,092
Lease liabilities		**1,301,008**	1,468,447
Deferred income		**796,350**	845,360
Deferred tax liabilities		**258,622**	259,521
Other non-current liabilities	22	**1,528,852**	1,283,013
Total non-current liabilities		**78,021,917**	77,165,433
NET ASSETS		**84,595,705**	82,221,994

The notes on pages 103 to 156 form part of this interim financial report.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AT 30 JUNE 2024 – UNAUDITED
(Expressed in thousands of Renminbi)

	Note	**30 June 2024** **RMB'000**	31 December 2023 (Restated) RMB'000
CAPITAL AND RESERVES			
Share capital	23 (b)	**8,359,816**	8,381,963
Treasury shares	23 (c)	**–**	(56,648)
Other equity instruments	24	**2,057,482**	2,022,877
Reserves		**62,240,309**	60,428,121
Total equity attributable to equity holders of the Company		**72,657,607**	70,776,313
Non-controlling interests		**11,938,098**	11,445,681
TOTAL EQUITY		**84,595,705**	82,221,994

Approved and authorised for issue by the board of directors on 28 August 2024.

Gong Yu Fei
Chairman

Wang Li Qiang
Executive Director

The notes on pages 103 to 156 form part of this interim financial report.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED
(Expressed in thousands of Renminbi)

	Attributable to equity shareholders of the Company											
	Share capital *RMB'000* *(Note 23 (b))*	Treasury shares *RMB'000* *(Note 23 (c))*	Other equity instruments *RMB'000* *(Note 24)*	Capital reserve *RMB'000* *(Note 23 (d)(i))*	Statutory surplus reserve *RMB'000* *(Note 23 (d)(ii))*	Special reserve *RMB'000* *(Note 23 (d)(v))*	Exchange reserve *RMB'000* *(Note 23 (d)(iii))*	Fair value reserve *RMB'000* *(Note 23 (d)(iv))*	Retained earnings *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 31 December 2023	8,381,963	(56,648)	2,022,877	14,953,218	3,377,859	114,913	(402,854)	(59,500)	42,248,567	70,580,395	11,445,681	82,026,076
Business combination under common control *(Note 29 (a))*	-	-	-	174,888	-	596	-	-	20,434	195,918	-	195,918
At 1 January 2024 *(Restated)*	8,381,963	(56,648)	2,022,877	15,128,106	3,377,859	115,509	(402,854)	(59,500)	42,269,001	70,776,313	11,445,681	82,221,994
Changes in equity:												
Profit for the period	-	-	34,605	-	-	-	-	-	3,985,864	4,020,469	671,137	4,691,606
Other comprehensive (loss)/ income *(Note 10)*	-	-	-	-	-	-	(20,544)	1,411	-	(19,133)	1,213	(17,920)
Total comprehensive income/(loss)	-	-	34,605	-	-	-	(20,544)	1,411	3,985,864	4,001,336	672,350	4,673,686
Business combination under common control *(Note 29 (a))*	-	-	-	(206,951)	-	-	-	-	-	(206,951)	-	(206,951)
Acquisition of non-controlling interests	-	-	-	2,537	-	-	-	-	-	2,537	(3,439)	(902)
Capital contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	-	119,525	119,525
Dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(296,019)	(296,019)
Dividends to shareholders of the Company	-	-	-	-	-	-	-	-	(1,860,113)	(1,860,113)	-	(1,860,113)
Repurchase of own shares	-	(55,246)	-	(126)	-	-	-	-	-	(55,372)	-	(55,372)
Cancellation of treasury shares *(Note 23(c))*	(22,147)	111,894	-	(89,890)	-	-	-	-	-	(143)	-	(143)
Effect of safety production funds	-	-	-	-	-	148,610	-	-	(148,610)	-	-	-
Share of other changes of reserves of associates and joint ventures	-	-	-	3,491	-	-	-	-	(3,491)	-	-	-
At 30 June 2024	8,359,816	-	2,057,482	14,837,167*	3,377,859*	264,119*	(423,398)*	(58,089)*	44,242,651*	72,657,607	11,938,098	84,595,705

* These reserve accounts comprise the consolidated reserves of RMB62,240,309,000 (30 June 2023: RMB59,249,661,000) in the consolidated interim statement of financial position.

The notes on pages 103 to 156 form part of this interim financial report.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED
(Expressed in thousands of Renminbi)

	Attributable to equity shareholders of the Company											
	Share capital *RMB'000* *(Note 23 (b)(i))*	Treasury shares *RMB'000* *(Note 23 (c))*	Other equity instruments *RMB'000* *(Note 24)*	Capital reserve *RMB'000* *(Note 23 (d)(i))*	Statutory surplus reserve *RMB'000* *(Note 23 (d)(ii))*	Special reserve *RMB'000*	Exchange reserve *RMB'000* *(Note 23 (d)(iii))*	Fair value reserve *RMB'000* *(Note 23 (d)(iv))*	Retained earnings *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 31 December 2022 (as previously reported)	8,381,963	–	5,056,400	14,958,211	2,822,761	19,667	(416,992)	(51,692)	37,679,143	68,449,461	11,295,632	79,745,093
Business combination under common control	–	–	–	174,888	–	–	–	–	14,181	189,069	–	189,069
At 1 January 2023	8,381,963	–	5,056,400	15,133,099	2,822,761	19,667	(416,992)	(51,692)	37,693,324	68,638,530	11,295,632	79,934,162
Changes in equity:												
Profit for the period	–	–	97,393	–	–	–	–	–	5,029,637	5,127,030	710,152	5,837,182
Other comprehensive (loss)/ income *(Note 10)*	–	–	–	–	–	–	(10,495)	11,880	–	1,385	2,042	3,427
Total comprehensive income/(loss)	–	–	97,393	–	–	–	(10,495)	11,880	5,029,637	5,128,415	712,194	5,840,609
Capital contributions by non-controlling interests	–	–	–	–	–	–	–	–	–	–	30,826	30,826
Dividends by subsidiaries to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(266,762)	(266,762)
Dividends to shareholders of the Company	–	–	–	–	–	–	–	–	(981,528)	(981,528)	–	(981,528)
Distributions to holders of other equity instruments	–	–	(196,400)	–	–	–	–	–	–	(196,400)	–	(196,400)
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	(939)	(939)
Effect of safety production funds	–	–	–	–	–	152,821	–	–	(152,821)	–	–	–
Share of other changes of reserves of associates and joint ventures	–	–	–	2,396	–	–	–	–	(2,396)	–	–	–
At 30 June 2023	8,381,963	–	4,957,393	15,135,495*	2,822,761*	172,488*	(427,487)*	(39,812)*	41,586,216*	72,589,017	11,770,951	84,359,968

The notes on pages 103 to 156 form part of this interim financial report.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED
(Expressed in thousands of Renminbi)

		Six months ended 30 June	
		2024	2023
			(Restated)
	Note	***RMB'000***	*RMB'000*
Operating activities			
Cash generated from operations		**7,878,973**	9,024,654
Tax paid		**(929,057)**	(982,652)
Net cash generated from operating activities		**6,949,916**	8,042,002
Investing activities			
Payments for acquisition of property, plant and equipment and intangible assets		**(12,037,796)**	(11,144,084)
Payments for acquisition of investments in associates and joint ventures, and subsidiaries		**(561,015)**	(2,161,350)
Purchase of financial products, net		**(11,200)**	(8,000)
Other cash flows (used in)/arising from investing activities		**(17,144)**	1,822,996
Net cash used in investing activities		**(12,627,155)**	(11,490,438)
Financing activities			
Proceeds from borrowings		**109,733,044**	81,181,017
Repayment of borrowings		**(103,452,476)**	(76,361,472)
Interest paid for borrowings		**(1,443,181)**	(1,771,548)
Payment for acquisition of subsidiaries under common control		**(206,951)**	–
Other cash flows used in financing activities		**(461,809)**	(232,102)
Net cash generated from financing activities		**4,168,627**	2,815,895

The notes on pages 103 to 156 form part of this interim financial report.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED
(Expressed in thousands of Renminbi)

		Six months ended 30 June	
		2024	2023
			(Restated)
	Note	***RMB'000***	*RMB'000*
Net decrease in cash and cash equivalents		**(1,508,612)**	(632,541)
Cash and cash equivalents at 1 January	18	**4,562,082**	18,365,275
Effect of foreign exchange rate changes		**(26,234)**	(17,586)
Cash and cash equivalents at 30 June	18	**3,027,236**	17,715,148

The notes on pages 103 to 156 form part of this interim financial report.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 PRINCIPAL ACTIVITIES

China Longyuan Power Group Corporation Limited (the "Company") and its subsidiaries (the "Group") are principally engaged in wind power, coal power and photovoltaic ("PV") 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 of the State Council.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 28 August 2024.

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 2024 amounting to RMB30,918,829,000 (31 December 2023: RMB26,201,082,000). The Directors of the Company (the "Board") 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 2024, the Group will have necessary liquid funds to finance its working capital and capital expenditure requirements within the next twelve months.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

2 BASIS OF PREPARATION (CONTINUED)

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

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

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied the following new and amendments to IFRS Accounting Standards issued by the IASB to this interim financial report for the current accounting period:

Amendments to IAS 1	*Presentation of financial statements: Classification of liabilities as current or non-current (the "2020 Amendments")*
Amendments to IAS 1	*Presentation of financial statements: Non-current liabilities with covenants (the "2022 Amendments")*
Amendments to IFRS 16	*Leases: Lease liability in a sale and leaseback*
Amendments to IAS 7 and IFRS 7	*Statement of cash flows and Financial instruments: Disclosures – Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRS Accounting Standards are discussed below:

(i) Amendments to IAS 1, *Presentation of financial statements ("2020 and 2022 amendments")*

The IAS 1 amendments impact the classification of a liability as current or non-current, and are applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(i) Amendments to IAS 1, *Presentation of financial statements ("2020 and 2022 amendments")* (Continued)

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions in a full set of financial statements.

Upon the adoption of the amendments, the Group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made.

(ii) Amendments to IFRS 16, *Lease: Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

(iii) Amendments to IAS 7, *Statement of cash flows and IFRS 7, Financial instruments: Disclosures – Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements as the Group does not have any supplier finance arrangements.

4 SEGMENT REPORTING

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

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

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

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

The Group combined other business activities that are not mentioned above in "All others". Revenue included in this category is mainly from the manufacturing, 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 and unallocated head office and corporate expenses.

4 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 2024 and 2023 is set out below:

For the six months ended 30 June 2024:

	Wind power *RMB'000*	Coal power *RMB'000*	PV power *RMB'000*	All others *RMB'000*	Total *RMB'000*
Revenue from external customers					
– Sales of electricity	13,760,081	1,853,690	944,882	6,939	16,565,592
– Others	20,636	2,196,786	–	100,453	2,317,875
Subtotal	13,780,717	4,050,476	944,882	107,392	18,883,467
Inter-segment revenue	–	–	–	374,215	374,215
Reportable segment revenue	13,780,717	4,050,476	944,882	481,607	19,257,682
Reportable segment profit (operating profit)	6,758,769	178,943	339,257	101,182	7,378,151
Depreciation and amortisation before inter-segment elimination	(5,007,150)	(126,743)	(420,011)	(56,582)	(5,610,486)
Reversal of impairment losses of trade and other receivables	24,778	–	–	1,789	26,567
Interest income	42,100	935	162	16,020	59,217
Interest expense	(1,208,268)	(29,561)	(96,959)	(307,978)	(1,642,766)
Expenditures for reportable segment non-current assets during the period	5,275,477	82,985	5,852,450	408,059	11,618,971

4 SEGMENT REPORTING (CONTINUED)

(a) Segment results (Continued)

For the six months ended 30 June 2023:

	Wind power	Coal power	PV power (Restated)	All others	Total (Restated)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers					
– Sales of electricity	15,208,729	1,900,503	474,080	6,876	17,590,188
– Others	5,865	2,202,915	488	60,958	2,270,226
Subtotal	15,214,594	4,103,418	474,568	67,834	19,860,414
Inter-segment revenue	–	–	–	191,618	191,618
Reportable segment revenue	15,214,594	4,103,418	474,568	259,452	20,052,032
Reportable segment profit (operating profit)	8,337,331	208,421	238,954	7,712	8,792,418
Depreciation and amortisation before inter-segment elimination	(4,984,807)	(158,614)	(162,556)	(18,764)	(5,324,741)
(Provision)/reversal of impairment losses of trade and other receivables	(6,973)	–	–	670	(6,303)
Interest income	39,670	1,911	1,309	121,949	164,839
Interest expense	(1,407,102)	(31,527)	(84,355)	(131,726)	(1,654,710)
Expenditures for reportable segment non-current assets during the period	3,671,507	147,118	5,755,951	84,710	9,659,286

4 SEGMENT REPORTING (CONTINUED)

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

	Six months ended 30 June	
	2024	2023
		(Restated)
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**19,257,682**	20,052,032
Elimination of inter-segment revenue	**(374,215)**	(191,618)
Consolidated revenue	**18,883,467**	19,860,414
Profit		
Reportable segment profit	**7,378,151**	8,792,418
Elimination of inter-segment profit	**(88,054)**	(47,993)
	7,290,097	8,744,425
Share of profits less losses of associates and joint ventures	**155,792**	(53,303)
Net finance expenses	**(1,620,014)**	(1,568,445)
Unallocated head office and corporate expenses	**(145,241)**	(121,028)
Consolidated profit before taxation	**5,680,634**	7,001,649

(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.

4 SEGMENT REPORTING (CONTINUED)

(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.

5 REVENUE

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

	For the six months ended 30 June 2024				
	Wind power *RMB'000*	Coal power *RMB'000*	PV power *RMB'000*	All others *RMB'000*	Total *RMB'000*
Types of goods and services					
Sales of electricity	13,760,081	1,853,690	944,882	6,939	16,565,592
Sales of steam	–	441,595	–	–	441,595
Sales of coal	–	1,541,501	–	–	1,541,501
Others	20,636	213,690	–	100,453	334,779
	13,780,717	4,050,476	944,882	107,392	18,883,467
Geographic markets					
Chinese Mainland	13,429,510	4,050,476	944,882	107,392	18,532,260
Canada	108,273	–	–	–	108,273
South Africa	173,507	–	–	–	173,507
Ukraine	69,427	–	–	–	69,427
	13,780,717	4,050,476	944,882	107,392	18,883,467
Timing of revenue recognition					
Goods transferred at a point of time	13,773,585	3,952,922	944,882	35,421	18,706,810
Services transferred over time	7,132	97,554	–	71,971	176,657
	13,780,717	4,050,476	944,882	107,392	18,883,467

5 REVENUE (CONTINUED)

	For the six months ended 30 June 2023				
	Wind power	Coal power	PV power	All others	Total
			(Restated)		*(Restated)*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Types of goods and services					
Sales of electricity	15,208,729	1,900,503	474,080	6,876	17,590,188
Sales of steam	–	442,199	–	–	442,199
Sales of coal	–	1,506,651	–	–	1,506,651
Others	5,865	254,065	488	60,958	321,376
	15,214,594	4,103,418	474,568	67,834	19,860,414
Geographic markets					
Chinese Mainland	14,871,621	4,103,418	474,568	67,834	19,517,441
Canada	102,218	–	–	–	102,218
South Africa	179,533	–	–	–	179,533
Ukraine	61,222	–	–	–	61,222
	15,214,594	4,103,418	474,568	67,834	19,860,414
Timing of revenue recognition					
Goods transferred at a point of time	15,208,729	4,005,369	474,568	6,876	19,695,542
Services transferred over time	5,865	98,049	–	60,958	164,872
	15,214,594	4,103,418	474,568	67,834	19,860,414

6 OTHER NET INCOME

	Six months ended 30 June	
	2024	2023
		(Restated)
	RMB'000	*RMB'000*
Government grants	**534,212**	608,598
Rental income from investment properties	**–**	4,985
Gain on disposal of property, plant and equipment	**1,602**	638
Gain on a bargain purchase arising from acquisitions of subsidiaries *(Note 29(b))*	**19,186**	–
Gain on disposal of an associate	**6,257**	–
Others	**63,402**	50,717
	624,659	664,938

7 FINANCE INCOME AND EXPENSES

	Six months ended 30 June	
	2024	2023
		(Restated)
	RMB'000	*RMB'000*
Interest income on financial assets	**59,217**	164,839
Dividend income	**3,812**	2,988
Net unrealised gain on trading securities and derivative financial instruments	**17,346**	47,069
Foreign exchange gains	**45,509**	140
Finance income	**125,884**	215,036
Less:		
Interest on bank and other borrowings	**1,761,060**	1,818,223
Interest on lease liabilities	**39,577**	27,993
Less: Interest expenses capitalised into property, plant and equipment	**(157,871)**	(191,506)
	1,642,766	1,654,710
Foreign exchange losses	**82,839**	106,192
Bank charges and others	**20,293**	22,579
Finance expenses	**1,745,898**	1,783,481
Net finance expenses	**(1,620,014)**	(1,568,445)

The borrowing costs have been capitalised at rates of 1.80% to 4.32% per annum for the six months ended 30 June 2024 (six months ended 30 June 2023: 1.10% to 4.83%).

8 PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2024	2023
		(Restated)
	RMB'000	*RMB'000*
Amortisation		
– intangible assets	**271,190**	297,257
Depreciation		
– investment properties	**–**	295
– property, plant and equipment	**5,249,669**	4,924,782
– right-of-use assets	**67,438**	69,045
(Reversal)/provision of impairment losses		
– trade receivables and other receivables	**(26,567)**	6,303
Cost of inventories	**3,178,790**	3,253,066

9 INCOME TAX

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

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Current tax		
Provision for the period	**942,918**	1,132,099
Underprovision in respect of prior years	**22,534**	14,162
	965,452	1,146,261
Deferred tax		
Origination and reversal of temporary differences	**23,576**	18,206
	989,028	1,164,467

9 INCOME TAX (CONTINUED)

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

	Six months ended 30 June	
	2024	2023
		(Restated)
	RMB'000	*RMB'000*
Profit before taxation	**5,680,634**	7,001,649
Notional tax on profit before taxation	**1,420,159**	1,750,412
Tax effect of non-deductible expenses	**27,848**	12,046
Tax effect of share of profits less losses of associates and joint ventures	**(38,948)**	13,326
Effect of differential tax rate of certain subsidiaries of the Group *(note (i))*	**(529,968)**	(652,337)
Use of unrecognised tax losses in prior years	**(21,969)**	(40,037)
Tax effect of unused tax losses and deductible temporary differences not recognised	**109,372**	66,895
Underprovision in respect of prior years	**22,534**	14,162
Income tax	**989,028**	1,164,467

9 INCOME TAX (CONTINUED)

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

Note:

(i) The provision for income tax of the PRC subsidiaries of the Group is calculated based on the statutory rate of 25% of the assessable profits of the Group as determined in accordance with the relevant PRC income tax rules and regulations for the six months ended 30 June 2024 and the six months ended 30 June 2023, except for certain subsidiaries of the Group, which are taxed at preferential rates of 0% to 15% according to the relevant tax authorities' approvals.

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

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

9 INCOME TAX (CONTINUED)

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

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

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

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

10 OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments at fair value through other comprehensive income ("FVOCI"):		
– Changes in fair value recognised during the year	**1,881**	15,069
– Tax expense	**(470)**	(2,965)
Net of tax amount	**1,411**	12,104
Other comprehensive losses that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations:		
– Net of tax amount	**(15,474)**	(6,652)
Exchange differences on net investment in foreign operations:		
– Net of tax amount	**(3,857)**	(2,025)
Other comprehensive (losses)/income	**(17,920)**	3,427

11 EARNINGS PER SHARE

(a) Basic 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 2024 of RMB3,985,864,000 (six months ended 30 June 2023 (Restated):RMB5,029,637,000) and the weighted average number of shares in issue during the six months ended 30 June 2024 of 8,360,847,000 (six months ended 30 June 2023: 8,381,963,000 shares).

(b) Diluted earnings per share

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

12 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment of RMB11,427,545,000 (six months ended 30 June 2023 (Restated): RMB8,101,184,000). Items of property, plant and equipment with a net book value of RMB1,824,000 were disposed of during the six months ended 30 June 2024 (six months ended 30 June 2023: RMB1,342,000), resulting in a gain on disposal of RMB1,602,000.

13 INTANGIBLE ASSETS

Intangible assets mainly represent service concession assets of RMB4,454,022,000 (31 December 2023: RMB4,677,138,000), software and others of RMB469,987,000 (31 December 2023 (Restated): RMB465,084,000).

During the six months ended 30 June 2024, there were no significant additions to intangible assets.

14 OTHER ASSETS

	30 June 2024 RMB'000	31 December 2023 (Restated) RMB'000
Listed equity investments designated at FVOCI *(note (i))*	**22,659**	20,778
Unlisted equity investments designated at FVOCI *(note (ii))*	**162,085**	162,085
Financial assets at fair value through profit or loss *(note (iii))*	**50,000**	50,000
Loans and advances to non-controlling equity owner *(note (iv))*	**45,091**	42,425
Others	**78,768**	83,127
	358,603	358,415
Deductible value-added tax ("VAT") *(note (v))*	**5,175,672**	4,629,141
	5,534,275	4,987,556
Less: Loss allowance	**–**	–
	5,534,275	4,987,556

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).

14 OTHER ASSETS (CONTINUED)

(iii) Jiangyin Sulong Heat and Power Generating Co., Ltd. ("Jiangyin Sulong", 江陰蘇龍熱電有限公司), a subsidiary of the Group, invested in Jiangyin New Guolian Equity Investment Fund (Limited partnership) ("Jiangyin Guolian Investment Fund", 江陰新國聯股權投資基金(有限合夥)) in January 2022, with an operating period of 10 years. As a limited partner, Jiangyin Sulong has no significant impact on the operation of Jiangyin Guolian Investment Fund, and the Group's management classified it as a financial asset measured at fair value through profit or loss.

(iv) The loans to non-controlling equity owner are unsecured, not past due as at the end of the reporting period, and bear interest at the rate of 11.66% per annum for the period ended 30 June 2024 (31 December 2023: 11.66%).

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

15 TRADE AND BILLS RECEIVABLES

	30 June 2024	31 December 2023 *(Restated)*
	RMB'000	*RMB'000*
Amounts due from third parties	**41,200,596**	35,820,648
Amounts due from fellow subsidiaries	**108,944**	235,328
Amounts due from associates	**8,051**	34,036
	41,317,591	36,090,012
Less: Loss allowance	**(336,340)**	(357,690)
	40,981,251	35,732,322
Analysed into:		
Trade receivables	**40,961,455**	35,628,795
Bills receivable	**19,796**	103,527
	40,981,251	35,732,322

15 TRADE AND BILLS RECEIVABLES (CONTINUED)

At 30 June 2024, the Group endorsed certain bills receivable accepted by banks in Mainland China to certain suppliers in order to settle the trade payables due to these suppliers with a carrying amount in aggregate of RMB18,993,000 (31 December 2023: RMB34,096,000) and factored certain bills receivable accepted by banks in Mainland China with a carrying amount of RMB194,381,000 (31 December 2023: RMB730,000,000) (the "Derecognised Bills"). In the opinion of the Board, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. 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 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 2024	31 December 2023
		(Restated)
	RMB'000	*RMB'000*
Within 1 year or no invoice date specified	**40,967,972**	35,698,101
Between 1 and 2 years	**1,192**	13,571
Between 2 and 3 years	**4,264**	12,028
Over 3 years	**7,823**	8,622
	40,981,251	35,732,322

The Group's trade and bills receivables are mainly wind power, coal power, PV power sales receivables and tariff premium of renewable energy receivables from local state grid companies. Generally, these 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 state grid companies, which consequently takes a relatively long time for settlement.

15 TRADE AND BILLS RECEIVABLES (CONTINUED)

Pursuant to Caijian [2020] No. 4 *Notice on Promoting the Healthy Development of Non-aqueous Renewable Energy Power Generation* (關於促進非水可再生能源發電健康發展的若干意見) and Caijian [2020] No. 5 *Notice on the Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy* (可再生能源電價附加資金管理辦法) jointly issued by the Ministry of Finance, the NDRC of the PRC and the National Energy Administration in January 2020, a set of new standardised procedures for the settlement of the aforementioned renewable energy tariff premium have 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 2024, most of the Group's related projects have been approved for the tariff premium of renewable energy and certain projects were 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 Board considered the probability of default of trade receivables from the tariff premium is remote since such tariff premium is funded by the PRC government and taking into account the past payment histories of the local grid companies, adjusted for general economic conditions of the new energy industry and an assessment of both current as well as forecast direction of market conditions at the reporting date. Accordingly, the Board are of the opinion that the credit risk of trade receivables from the tariff premium is limited.

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.

16 PREPAYMENTS AND OTHER CURRENT ASSETS

	30 June 2024 RMB'000	31 December 2023 (Restated) RMB'000
Loans and advances to:		
– Associates and joint ventures	23,129	39,503
– Third parties	–	38,022
Government grant receivables	213,946	171,795
Dividends receivable from associates	28,041	28,041
Deductible VAT	1,580,226	1,714,770
Receivable deposits for aborted planned acquisitions	209,750	209,750
Prepayments and others	1,657,056	1,362,108
	3,712,148	3,563,989
Less: Loss allowance	(432,752)	(437,969)
	3,279,396	3,126,020

17 OTHER FINANCIAL ASSETS

	30 June 2024 *RMB'000*	31 December 2023 *RMB'000*
Financial assets at fair value through profit or loss		
– Listed equity securities on the Hong Kong Stock Exchange	**177,230**	163,273
– Financial products *(note (i))*	**307,000**	295,800
	484,230	459,073

Note:

(i) The financial products were issued by financial institutions with a guaranteed principal and variable returns. The expected annual return rate is 1.15% to 2.69% (2023: 1.15% to 2.93%).

18 CASH AT BANKS AND ON HAND

	30 June 2024 *RMB'000*	31 December 2023 *(Restated)* *RMB'000*
Cash on hand	**2**	1
Cash at banks and other financial institutions	**3,027,234**	4,562,081
	3,027,236	4,562,082
Representing:		
– Cash and cash equivalents	**3,027,236**	4,562,082
	3,027,236	4,562,082

19 BORROWINGS

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

	30 June 2024 *RMB'000*	31 December 2023 *(Restated)* *RMB'000*
Bank loans		
– Secured *(note (i))*	**11,316,690**	11,025,086
– Unsecured *(note (ii))*	**54,091,996**	55,643,634
Loans from fellow subsidiaries		
– Unsecured *(note (ii))*	**11,950,938**	10,328,396
Loans from an associate		
– Secured *(note (i))*	**1,205,598**	627,000
Loans from third parties		
– Secured *(note (i))*	**503,033**	546,816
Other borrowings *(note 19(c))*		
– Secured	**606,096**	658,096
– Unsecured	**10,281,000**	10,296,444
	89,955,351	89,125,472
Less: Current portion of long-term borrowings *(note 19(b))*		
– Bank loans	**(4,512,661)**	(7,532,462)
– Loans from fellow subsidiaries	**(939,253)**	(1,338,600)
– Loans from third parties	**(20,710)**	(82,765)
– Other borrowings	**(10,345,642)**	(6,862,553)
	74,137,085	73,309,092

Notes:

(i) Certain secured borrowings of subsidiaries of the Group were secured by property, plant and equipment with net carrying amount of RMB3,517,120,000 (31 December 2023: RMB3,586,436,000), inventories with net carrying amount of RMB2,826,000 (31 December 2023: RMB2,899,000) and trade debtors' beneficial rights arising from future electricity sales.

(ii) As at 30 June 2024, the Group's loans and borrowings guaranteed by CHN Energy amounted to RMB58,159,000 (31 December 2023: RMB76,947,000).

19 BORROWINGS (CONTINUED)

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

	30 June 2024 *RMB'000*	31 December 2023 *RMB'000*
Short-term interest-bearing borrowings		
Bank loans		
– Secured *(note (i))*	**140,000**	150,000
– Unsecured	**15,140,371**	17,255,311
Loans from fellow subsidiaries		
– Unsecured	**12,044,000**	8,671,000
Loans from a third party		
– Secured	**849,588**	556,000
Loans from an associate		
– Secured *(note (i))*	**112,000**	–
Other borrowings		
– Unsecured *(note 19(c)(ii))*	**12,000,000**	7,050,000
	40,285,959	33,682,311
Current portion of long-term borrowings *(note 19(a))*		
Bank loans	**4,512,661**	7,532,462
Loans from fellow subsidiaries	**939,253**	1,338,600
Loans from third parties	**20,710**	82,765
Other borrowings	**10,345,642**	6,862,553
	56,104,225	49,498,691

Note:

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

19 BORROWINGS (CONTINUED)

(c) Significant terms of other borrowings:

	30 June 2024 *RMB'000*	31 December 2023 *RMB'000*
Long-term *(note (i))*		
Current portion of long-term other borrowings	**10,345,642**	6,862,553
Non-current portion of long-term other borrowings	**541,454**	4,091,987
Short-term		
Short-term financing bonds *(note (ii))*	**12,000,000**	7,050,000

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 2024, CAD81,737,086 of the corporate bond has been repaid.

On 16 July 2021, the Company issued a three-year medium-term note of RMB1,000 million at par with a coupon rate of 3.2%. The effective interest rate is 3.3%.

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

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

On 2 December 2021, the Company issued a three-year corporate bond of RMB2,990 million at par with a coupon rate of 2.70% per annum. The effective interest rate is 2.80%.

On 13 January 2022, the Company issued an three-year corporate bond of 2,000 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 an three-year corporate bond of 1,500 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 effective interest rates from 1.75% to 1.77% issued in 2024.

20 TRADE AND BILLS PAYABLES

	30 June 2024 *RMB'000*	31 December 2023 *(Restated)* *RMB'000*
Bills payables	**3,292,544**	6,175,103
Trade payables	**2,841,844**	934,732
Amounts due to associates	**52,962**	18,765
Amounts due to fellow subsidiaries	**208,385**	121,623
	6,395,735	7,250,223

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

	30 June 2024 *RMB'000*	31 December 2023 *(Restated)* *RMB'000*
Within 1 year	**6,304,600**	7,221,790
Between 1 and 2 years	**64,027**	11,680
Between 2 and 3 years	**11,372**	9,261
Over 3 years	**15,736**	7,492
	6,395,735	7,250,223

21 OTHER CURRENT LIABILITIES

	30 June 2024	31 December 2023 *(Restated)*
	RMB'000	*RMB'000*
Payables for acquisition of property, plant and equipment	**9,313,222**	8,963,910
Payables for staff-related costs	**1,108,421**	224,041
Payables for other taxes	**450,955**	515,728
Dividends payable	**2,670,263**	673,790
Amounts due to associates and joint ventures *(note (i))*	**1,510,956**	1,442,513
Amounts due to fellow subsidiaries *(note (i))*	**244,764**	268,159
Amounts due to CHN Energy *(note (i))*	**39,866**	39,647
Payables for acquisition of subsidiaries	**117,468**	85,793
Other accruals and payables	**1,226,874**	1,493,034
Derivative financial instruments		
– Interest rate swap contracts *(note (ii))*	**19,622**	24,301
Contract liabilities	**236,604**	143,125
	16,939,015	13,874,041

Notes:

(i) Amounts due to CHN Energy, fellow subsidiaries, associates and joint ventures are unsecured and 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 2024 and 31 December 2023.

(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.

22 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities mainly represent payables for acquiring wind turbines and other engineering equipments including retention payables, of which RMB220,524,000 (31 December 2023: RMB193,313,000) is due to associates of the Group, and RMB45,577,000 (31 December 2023: RMB27,603,000) is due to fellow subsidiaries.

23 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

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

The Board do not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

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

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Final dividend in respect of the financial year ended 31 December 2023, approved during the following interim period, of RMB0.2225 per share (2022: RMB0.1171 per share)	**1,860,113**	981,528

Dividends in respect of the financial year ended 31 December 2023 have been fully paid on 6 August 2024.

23 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Share capital

	30 June 2024 RMB'000	31 December 2023 RMB'000
Issued and fully paid:		
Domestic state-owned ordinary shares of RMB1.00 each *(note (i))*	**5,041,934**	5,041,934
H shares of RMB1.00 each *(note 23(c))*	**3,317,882**	3,340,029
	8,359,816	8,381,963

Note:

(i) On 21 January 2022, the Company merged with Inner Mongolia Pingzhuang Energy Co., Ltd. ("Pingzhuang Energy", 內蒙古平莊能源股份有限公司) 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 2023. 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).

23 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Treasury shares

During the six months ended 30 June 2024, the Company repurchased 11,812,000 H shares with a total consideration of RMB55,246,000 (excluding commissions and other fees), representing 0.3536% of the total H shares and 0.1409% of the Company's total shares.

During the year of 2023, the Company repurchased 10,335,000 H shares with a total consideration of RMB56,648,000 (excluding Commission and other fees), representing 0.3094% of the total H shares and 0.1233% of the Company's total shares;

Above shares have been cancelled in March 2024. The implementation of this repurchase was in compliance with the requirements of the Company's share repurchase program and relevant laws and regulations.

(d) Nature and purpose of reserves

(i) Capital reserve

The capital reserve includes share premium and the 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, 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.

23 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Nature and purpose of reserves (Continued)

(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 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.

(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.

23 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Nature and purpose of reserves (Continued)

(v) Special reserve

According to the "Management Measures for the Extraction and Use of Enterprise Safety Production Expenses" issued by the Ministry of Finance on 13 December 2022 (Caizi[2022] No.136), the subsidiaries of the Company which are engaging power generation are required to set aside an amount of certain percentage of revenue to safety production fund since December 2022. The withdrawn safety production fund was recorded in special reserve, which can be used for safety facilities and environment improvement, and is not available for distribution to shareholders. Upon incurring qualifying safety expenditure, an equivalent amount should be transferred from special reserve to retained earnings.

24 OTHER EQUITY INSTRUMENTS

On 30 August 2021, the Company issued a perpetual medium-term note (the "Note") which was recorded as equity. The Note is at fixed interest rate with a term of three plus N years. The principle amount of the Note is RMB2 billion and the coupon rate is 3.47%. The interest of the Note is recognised as distributions, which will be 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 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 2024, the profit attributable to holders of the Note, based on the applicable interest rate, was RMB34,605,000 (six months ended 30 June 2023: RMB97,393,000). No distribution has been made in 2024 (31 December 2023: RMB196,400,000).

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial instruments carried at fair value

Fair value hierarchy

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

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

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

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

The Group has a team headed by the finance manager performing valuations for the financial instruments, including the unlisted equity securities and interest rate swap contracts. The team reports directly to the chief financial officer and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the chief financial officer. Discussion of the valuation process and results with the chief financial officer and the audit committee is held twice a year, to coincide with the reporting dates.

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Fair value hierarchy (Continued)

		Fair value measurements as at 30 June 2024 categorised into		
	Fair value at 30 June 2024	Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Unlisted equity investments designated at FVOCI	162,085	–	–	162,085
Unlisted equity investments designated at FVTPL	50,000	–	–	50,000
Listed equity investments designated at FVOCI	22,659	22,659	–	–
Other financial assets designed at fair value through profit or loss	484,230	177,230	307,000	–
Trade and bills receivables designated at FVOCI	40,706,172	–	2,571,435	38,134,737
Liabilities:				
Derivative financial instruments – Interest rate swap contracts	19,622	–	19,622	–

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Fair value hierarchy (Continued)

		Fair value measurements as at 31 December 2023 categorised into		
	Fair value at 31 December 2023	Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	(Restated)		*(Restated)*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Unlisted equity investments designated at FVOCI	162,085	–	–	162,085
Unlisted equity investments designated at FVTPL	50,000	–	–	50,000
Listed equity investments designated at FVOCI	20,788	20,788	–	–
Other financial assets designed at fair value through profit or loss	459,073	163,273	295,800	–
Trade and bills receivables designated at FVOCI	35,320,784	–	2,912,556	32,408,228
Liabilities:				
Derivative financial instruments – Interest rate swap contracts	24,301	–	24,301	–

During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2023: nil). The Group's policy is to recognise transfers between levels of the fair value hierarchy as at the end of the reporting period in which they occur.

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Fair value hierarchy (Continued)

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

The Group endorsed and factored a significant part of its bills receivable 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 measured 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 flows model. The model incorporates various market observable inputs including the annualised yields of similar securitisation products and interest rate curves. The carrying amounts of trade and bills receivables are the same as their fair values.

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 Board to determine comparable public companies (peers) based on industry, size, leverage and strategy, and 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 Board 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.

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Fair value hierarchy (Continued)

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2024 and 31 December 2023:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B	1.1 – 1.2	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB15,938,000
		Discount for lack of marketability	25% – 29%	10% increase/decrease in multiple would result in decrease/increase in fair value by RMB5,605,000

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 investments.

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Fair value hierarchy (Continued)

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

	30 June 2024 *RMB'000*	31 December 2023 *RMB'000*
Equity investments at fair value through other comprehensive income – unlisted:		
At 1 January	**162,085**	166,315
Changes in fair value recognised in other comprehensive income	**–**	(4,230)
At 30 June	**162,085**	162,085

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2024 and 31 December 2023.

26 CAPITAL COMMITMENTS

Capital commitments mainly relate to the construction of new power projects, certain ancillary facilities and renovation projects for existing power plants. Capital commitments outstanding at the period/year end in the consolidated financial statements were as follows:

	30 June 2024 *RMB'000*	31 December 2023 *RMB'000*
Contracted, but not provided	**16,098,322**	9,804,170

27 CONTINGENT LIABILITIES

At 30 June 2024, the Group issued the following guarantees:

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 2024, the balance counter-guaranteed by the Company amounted to RMB6,869,000 (31 December 2023: RMB7,236,000).

28 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The Group is part of a large 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	
	2024	2023
	RMB'000	*RMB'000*
Sales of goods and provision of services to		
Fellow subsidiaries	**127,711**	46,778
Associates and joint ventures	**31,489**	245,030
Purchase of goods and receipt of services from		
Fellow subsidiaries	**2,088,669**	1,115,369
Associates and joint ventures	**348,706**	338,508
Net changes in working capital repaid from		
Associates and joint ventures	**(23,295)**	(37,595)
Loan guarantees revoked from		
CHN Energy	**(18,788)**	(14,364)
Loans provided by		
Fellow subsidiaries	**4,995,542**	3,795,614
Associate	**690,598**	247,000
Interest expenses		
Fellow subsidiaries	**237,581**	161,135
Associates and joint ventures	**9,876**	9,482
Interest income		
Fellow subsidiaries	**1,134**	15,799

28 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Lease payments		
Fellow subsidiaries	**11,295**	11,165
Associates and joint ventures	**–**	8,379
Lease income		
Associates and joint ventures	**5,800**	1,355
Deposits withdrawn from		
Fellow subsidiaries	**(1,031,546)**	(237,474)
Increase investment to		
Associates	**170,111**	2,161,350

(b) Outstanding balances with related parties

The deposits placed with a fellow subsidiary amounted to RMB1,334,098,000 as at 30 June 2024 (2023: RMB2,365,644,000). Details of material outstanding balances with related parties are set out in Notes 14, 15, 16, 19, 20, 21 and 22.

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

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

28 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

– Sale 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 authorities. The Group prices its other services and products based on the commercial negotiations. The Group has also established its approval process for the sale 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.

28 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 process and financing policy, and what information would be necessary for an understanding of the potential effect of the relationship on the financial statements, the Board are of the opinion that the following transactions require disclosure as transactions with other state-controlled entities:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Sales of electricity	**16,322,345**	17,247,976
Sales of other products	**457,080**	965,058
Interest income	**3,334**	142,289
Interest expenses	**1,295,267**	1,472,834
Loans (returned)/received	**(3,191,470)**	5,657,902
Deposits withdrawn from state-owned banks	**(560,950)**	(2,157,852)
Purchase of materials and receipt of construction services	**2,575,721**	2,216,719

28 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 2024 *RMB'000*	31 December 2023 *RMB'000*
Receivables from sales of electricity	**33,520,741**	35,383,680
Receivables from sales of other products	**13,803**	29,067
Bank deposits (including restricted deposits)	**1,062,469**	1,623,419
Borrowings	**81,491,497**	82,352,481
Payable for purchase of materials and receiving construction work services	**1,212,085**	2,805,186

(d) Commitment with related parties

	30 June 2024 *RMB'000*	31 December 2023 *RMB'000*
Capital commitment with		
Associates	**367,320**	220,930

29 BUSINESS COMBINATIONS

(a) Business combinations under common control

In July 2023, Heilongjiang Longyuan New Energy Development Company Limited (黑龍江龍源新能源發展有限公司), a wholly-owned subsidiary of the Company, obtained the control of Guoneng Tonghe County New Energy Co., Ltd ("Tonghe New Energy", 國能通河縣新能源有限公司) through the concert agreement with Guoneng Heilongjiang New Energy Co., Ltd (國能黑龍江新能源有限公司).

At the beginning of 2024, the Company entered into an equity transfer agreement with CHN Energy to acquire 100% equity interests of Chicheng Nanjun New Energy Co., Ltd ("Chicheng Nanjun New Energy", 赤城縣楠軍新能源有限公司) and Hefei Senyong New Energy Technology Co., Ltd ("Hefei Senyong New Energy", 合肥森永新能源科技有限公司) held by CHN Energy at a total consideration of RMB206,950,600.

These two transactions (the "Transaction") were completed on 1 July 2023 and 29 February 2024, respectively. As all these entities involved in the Transaction are under common control of CHN Energy before and after the acquisition. The Transaction is considered as a business combination under common control. The principle of merger accounting for business combination involving business under common control has therefore been applied. As a result, the condensed consolidated financial statements of the Group have been prepared as if Tonghe New Energy, Chicheng Nanjun New Energy and Hefei Senyong New Energy were the subsidiaries of the Company ever since they became under common control of CHN Energy.

Accordingly, the consolidated statement of financial position as at 31 December 2023 has been restated to include the assets and liabilities of Chicheng Nanjun New Energy and Hefei Senyong New Energy at carrying amounts in the books of the Group. The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended 30 June 2023 have been restated to include the results and cash flows of Tonghe New Energy, Chicheng Nanjun New Energy and Hefei Senyong New Energy as if these above-mentioned companies were the subsidiaries of the Company throughout the period ended 30 June 2023. Respective notes to the condensed consolidated financial statements have also been restated. All significant intra-group transactions, balances, income and expenses are eliminated on combination.

29 BUSINESS COMBINATIONS (CONTINUED)

(a) Business combinations under common control (Continued)

As a result of the Transaction, the relevant line items in the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2023 have been restated. Details are as follows:

	As at 31 December 2023		
	The Group *(as previously reported)* *RMB'000*	Effect of the Transaction *RMB'000*	The Group *(as restated)* *RMB'000*
Total non-current assets	184,906,736	681,773	185,588,509
Total current assets	45,008,403	47,313	45,055,716
Total assets	229,915,139	729,086	230,644,225
Total non-current liability	76,634,457	530,976	77,165,433
Total current liability	71,254,606	2,192	71,256,798
Total liabilities	147,889,063	533,168	148,422,231
Equity attributable to the equity holders of the Company	70,580,395	195,918	70,776,313
Non-controlling interests	11,445,681	–	11,445,681
Total equity	82,026,076	195,918	82,221,994
Total equity and liabilities	229,915,139	729,086	230,644,225

29 BUSINESS COMBINATIONS (CONTINUED)

(a) Business combinations under common control (Continued)

	For the period ended 30 June 2023		
	The Group *(as previously reported)* *RMB'000*	Effect of the Transaction *RMB'000*	The Group *(as restated)* *RMB'000*
Revenue and other net income	20,511,489	13,863	20,525,352
Operating expenses	(11,895,940)	(6,015)	(11,901,955)
Operating profit	8,615,549	7,848	8,623,397
Profit before taxation	6,998,909	2,740	7,001,649
Profit for the period	5,834,442	2,740	5,837,182
Other comprehensive income	3,427	–	3,427
Total comprehensive income for the period	5,837,869	2,740	5,840,609
Profit for the period attributable to:			
Equity holders of the Company	5,124,290	2,740	5,127,030
Non-controlling interests	710,152	–	710,152
Total comprehensive income for the period attributable to:			
Equity holders of the Company	5,125,675	2,740	5,128,415
Non-controlling interests	712,194	–	712,194
Basic and diluted earnings per share *(RMB cents)*	59.97	–	60.01

29 BUSINESS COMBINATIONS (CONTINUED)

(b) Business combinations not under common control

On 29 February 2024, the Group acquired 100% equity interest five companies from third parties, Beijing Dongneng Xinyuan Equity Investment LP (北京東能新源股權投資合夥企業(有限合夥)) and Beijing Xinyuan No.1 Equity Investment Fund LP (北京新源壹號股權投資基金合夥企業(有限合夥)). All the five companies are engaged in PV power generation and sale. Based on the relevant equity transfer agreements, the details of the transactions are as follows:

No.	Counterparty	Target Companies	Shareholding Percentage	Transaction Price *RMB'000*
1	Beijing Dongneng Xinyuan Equity Investment LP	Hechi Jinghong PV Power Generation Co., Ltd	100%	133,290
2	Beijing Dongneng Xinyuan Equity Investment LP	Qinzhou Jingneng PV Power Generation Co., Ltd	100%	90,267
3	Beijing Dongneng Xinyuan Equity Investment LP	Hechi Shengbu PV Power Generation Co., Ltd	100%	93,188
4	Beijing Xinyuan No.1 Equity Investment Fund LP	Tangyin Jinghong PV Power Co., Ltd	100%	62,000
5	Beijing Xinyuan No.1 Equity Investment Fund LP	Tangxian Xinxusheng New Energy Development Co., Ltd	100%	94,000
				472,745

29 BUSINESS COMBINATIONS (CONTINUED)

(b) Business combinations not under common control (Continued)

The aggregate fair values of the identifiable assets acquired and liabilities assumed of the target companies acquired aggregated as at the acquisition date are set out as follows:

	Fair value as at the acquisition date *RMB'000*
Non-current assets	
Property, plant and equipment	**1,093,706**
Intangible assets	**24**
Other assets	**112,741**
Deferred tax assets	**526**
Current assets	
Inventories	**2,583**
Trade and bills receivables	**108,228**
Prepayments and other current assets	**4,534**
Cash at banks and on hand	**50,167**
	1,372,509
Non-current liabilities	
Borrowings	**(604,830)**
Deferred tax liabilities	**(9,010)**
Current liabilities	
Trade payables and other current liabilities	**(266,738)**
	(880,578)
Total identifiable net assets	**491,931**

29 BUSINESS COMBINATIONS (CONTINUED)

(b) Business combinations not under common control (Continued)

An analysis of the cash flows in respect of the acquisitions of target companies are as follows:

	Six months ended 30 June 2024 *RMB'000*
Total consideration	**472,745**
Less: Payables for acquisitions of subsidiaries	**(31,674)**
Cash and cash equivalents in the subsidiaries acquired	**(50,167)**
Payment for acquisition of businesses, net of cash acquired	**390,904**

Gain on a bargain purchase arising from acquisitions of subsidiaries is as follows:

	Total *RMB'000*
Fair value of identifiable net assets	**491,931**
Total consideration	**(472,745)**
Gain on a bargain purchase arising from acquisitions of subsidiaries	**19,186**

The acquisition-related costs were charged directly to consolidated statements of profit or loss for the six months ended 30 June 2024. From the acquisition date to 30 June 2024, these five companies contributed total revenue of RMB33,195,000 and net profit of RMB31,214,000.

30 SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

On 23 August 2024, the Group entered into an equity transaction contract and agreed to sell the entire 27% equity interests it holds in Jiangyin Sulong Thermal Power Co.,Ltd. ("Jiangyin Sulong", 江陰蘇龍熱電有限公司), a subsidiary of the Group, to Jiangyin Power Investment Co., Ltd. (江陰電力投資有限公司), which is a connected person of the Company at the subsidiary level, at a consideration of RMB1,319,150,000. Upon completion of this disposal, Jiangyin Sulong will no longer be included in the Group's consolidated financial statements.

As at the date of this report, the Company has issued a series of ultra short-term debentures of RMB4.6 billion with a term of 180 to 210 days and coupon rates of 1.73% to 1.75%, and mid-term notes of RMB8.0 billion with a term of 3 to 10 years and coupon rate of 2.07% to 2.50%.

FINANCIAL STATEMENTS RECONCILIATION BETWEEN PRC GAAP AND IFRS

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

	Consolidated profit attributable to equity holders of the Company For the six months ended		**Total equity attributable to equity holders of the Company**	
			30 June	31 December
	2024	2023	**2024**	2023
		(Restated)		*(Restated)*
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Consolidated net profit/equity attributable to equity holders of the Company under PRC GAAP	**3,827,268**	4,961,177	**72,954,170**	71,113,786
Impact of IFRS adjustments:				
Difference on revaluation of certain assets upon the reorganisation in 2009 *(note (i))*	**7,793**	7,793	**(308,933)**	(316,726)
Special reserve *(note (ii))*	**179,593**	152,821	**–**	–
Others	**5,815**	5,239	**12,370**	(20,747)
Consolidated net profit/equity attributable to equity holders of the Company under IFRSs	**4,020,469**	5,127,030	**72,657,607**	70,776,313

Notes:

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

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

GLOSSARY OF TERMS

1+1+4+N	Company headquarters + National Wind Power Operation Research and Development (Experimental) Center + 4 technology companies + affiliated units
average load factor of generating equipment	average utilisation hours divided by calendar hours
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
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
electricity sales	the actual amount of electricity sold by a power plant in a particular period of time, which is equivalent to gross power generation less comprehensive auxiliary electricity
ESG	Environmental, social, and governance
Five capabilities	Strategies implementation capability, organization and leading capability, opportunity seizing and utilization capability, resource integration capability, transformation and innovation capability
Group	China Longyuan Power Group Corporation Limited* and its subsidiaries
GW	unit of energy, 1 GW = 1,000 MW

GLOSSARY OF TERMS

GWh	unit of energy, 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, 1 kW = 1,000 watts
kWh	unit of energy, 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 2024, being the latest practicable date prior to the issue 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
Longyuan Power/our Company/ the Company/we	China Longyuan Power Group Corporation Limited* (龍源電力集團股份有限公司)
MW	unit of energy, 1 MW = 1,000 kW.
MWh	unit of energy, one megawatt-hour is the amount of energy that would be produced by a generator producing one megawatt for one hour
on-site-based, facts-based, immediately-based management	On-site-based: Corporate management should take on-site management as the core, solve problems at the place where they occur, and regard the on-site as the root cause of problems and the cornerstone for improving management level. Facts-based: Managers seek specific measures to solve problems based on facts and figures on the spot. Immediately-based: When there is need to solve a problem on site, the key manager and/or key few personnel go immediately to the site to organize for a solution

Pingzhuang Energy	Inner Mongolia Pingzhuang Energy Co., Ltd. (內蒙古平莊能源股份有限公司)
replacing small-capacity units with large-capacity units	to replace the original small-capacity wind turbine units with mainstream models in the industry with large installed capacity of a single unit and advanced technology to maximize the use of land and wind power resources in old wind farms
Reporting Period	from 1 January 2024 to 30 June 2024
SZSE	The Shenzhen Stock Exchange
"Three closely" "Three must" requirements	Three closely: Closely following up major issues in industry development, closely following up major projects of the Group, and closely linking to national level research and development platforms as the path for technological innovation. Three must: The spirit of scientific and technological innovation that "No one but I can undertake the cause, to deeply cultivate essential fields, and with the determination that things must be achieved"
Three new patterns	New pattern of shared development, new pattern of regional collaboration, and new pattern of industrial synergy
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
three teams	excellent experts, great craftsmen and young talents
Two-high-one-low	High quality, high speed and low cost

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 Directors

Mr. Gong Yufei *(Chairman of the Board)*
Mr. Wang Liqiang *(President)*

Non-executive Directors

Mr. Tang Chaoxiong
Ms. Wang Xuelian
Ms. Chen Jie
Mr. Zhang Tong

Independent Non-executive Directors

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

LEGAL REPRESENTATIVE

Mr. Gong Yufei

AUTHORIZED REPRESENTATIVES

Mr. Gong Yufei
Ms. Chan Sau Ling

COMPANY SECRETARY

Ms. Chan Sau Ling

AUDITORS

KPMG *(Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance)*
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

Mazars Certified Public Accountants LLP
Floor 2–9
No. 169, Donghu Road, Wuchang District,
Wuhan City, Hubei Province
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
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

Agricultural Bank of China Limited
Beijing Branch
No. 13, Chaoyangmen North Street
Dongcheng 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 Share: 00916 Hong Kong Stock Exchange
A Share: 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