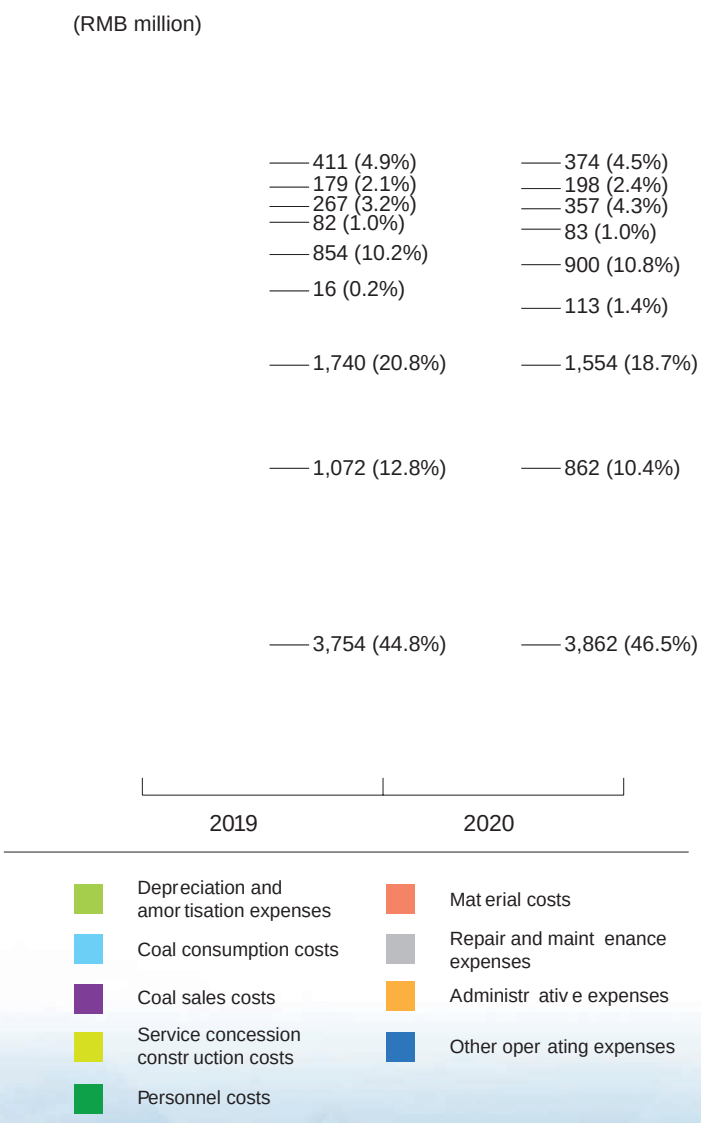
Operating expenses

Operating expenses of the Group amounted to RMB8,303 million in the first half of 2020, representing a decrease of 0.9% as compared to RMB8,377 million in the corresponding period of 2019, primarily due to: (1) a decrease of RMB210 million in coal consumption costs, an increase of RMB31 million in material costs and a decrease of RMB186 million in coal sales costs in the coal power segment; (2) an increase of RMB421 million in the depreciation and amortisation expenses, service concession construction costs, personnel costs, repair and maintenance expenses and other operating expenses in the wind power segment; (3) a decrease of RMB30 million in material costs and an occurrence of RMB16 million in donation outlay in other segments; and (4) a decrease of RMB121 million in external EPC costs in the period.

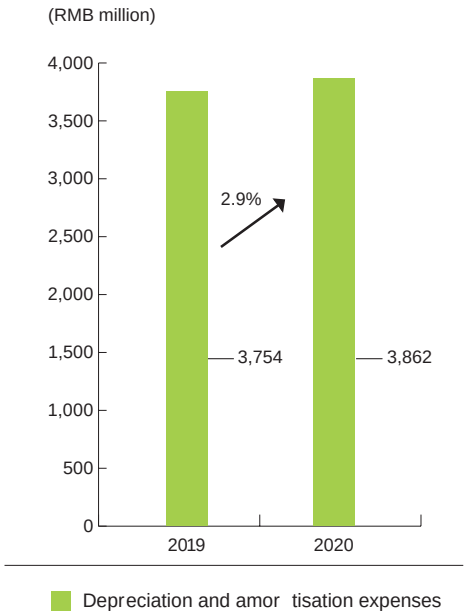
Operating expenses items and their respective proportions are set out in the diagram below (for the six months ended 30 June):



Depreciation and amortisation expenses

Depreciation and amortisation expenses of the Group amounted to RMB3,862 million in the first half of 2020, representing an increase of 2.9% as compared to RMB3,754 million in the corresponding period of 2019, primarily due to: (1) an increase of RMB121 million or 3.5% in depreciation and amortisation expenses in the wind power segment over the corresponding period of 2019 as a result of the effect of expansion in the installed capacity of wind power projects; and (2) a decrease of RMB14 million or 12.3% in depreciation and amortisation expenses in other segments over the corresponding period of 2019.

Depreciation and amortisation expenses are set out in the diagram below (for the six months ended 30 June):



Coal consumption costs

Coal consumption costs of the Group amounted to RMB862 million in the first half of 2020, representing a decrease of 19.6% as compared to RMB1,072 million in the corresponding period (i)0.5 (7p.o)1d(w)0e8 Tp1ion)

Coal sales costs

Coal sales costs of the Group in the first half of 2020 amounted to RMB1,554 million, representing a decrease of 10.7% as compared to RMB1,740 million in the corresponding period of 2019, which was primarily due to a decrease of approximately 5.0% in the sales volume of coal in the first half of 2020 as well as a decrease of approximately 6.0% in the average procurement price of coal.

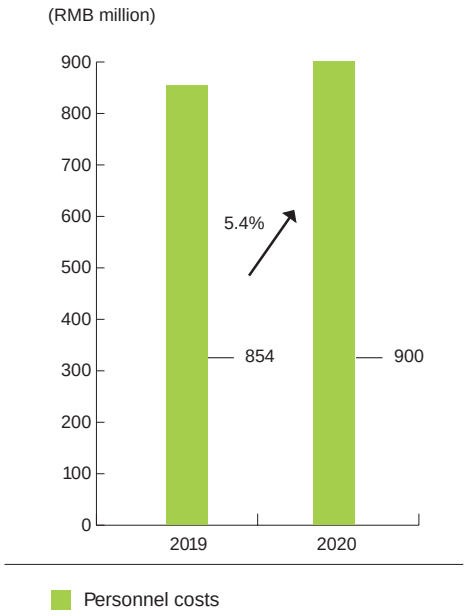
Coal sales costs are set out in the diagram below (for the six months ended 30 June):



Personnel costs

Personnel costs of the Group amounted to RMB900 million in the first half of 2020, representing an increase of 5.4% as compared to RMB854 million in the corresponding period of 2019, which was primarily due to: (1) an increase in headcounts as a result of expansion in the installed wind power capacity; (2) an increase in salary and benefits of staff; and (3) the fact that a portion of the personnel costs were expensed instead of being capitalised as more projects commenced operation.

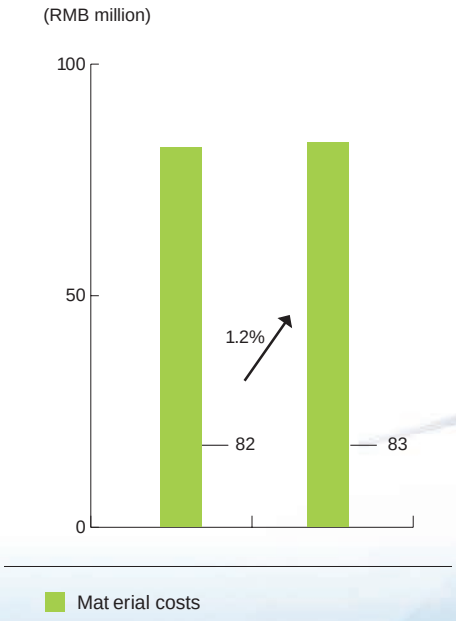
Personnel costs are set out in the diagram below (for the six months ended 30 June):



Material costs

Material costs of the Group amounted to RMB83 million in the first half of 2020, representing an increase of 1.2% as compared to RMB82 million in the corresponding period of 2019, which was primarily due to: (1) an increase in material procurement with the growth of the sales of coal power by-products of the coal power segment; and (2) a decrease of material consumption as a result of reducing the biomass power generation.

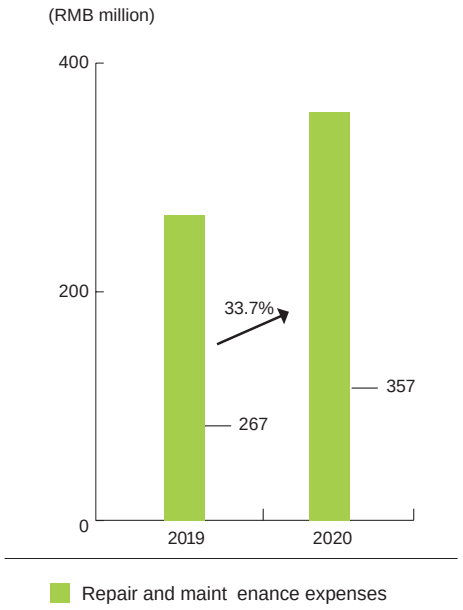
Material costs are set out in the diagram below (for the six months ended 30 June):



Repair and maintenance expenses

The repair and maintenance expenses of the Group amounted to RMB357 million in the first half of 2020, representing an increase of 33.7% as compared to RMB267 million in the corresponding period of 2019, primarily due to an increase in the installed capacity of the wind power segment and an increase in the generating units after the warranty period.

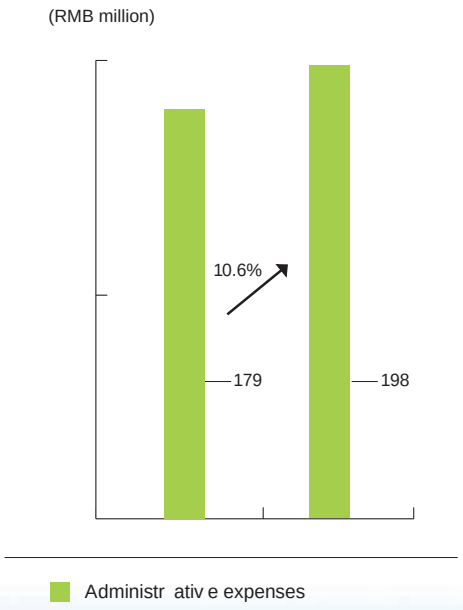
Repair and maintenance expenses are set out in the diagram below (for the six months ended 30 June):



Administrative expenses

Administrative expenses of the Group amounted to RMB198 million in the first half of 2020, representing an increase of 10.6% as compared to RMB179 million in the corresponding period of 2019, which was primarily due to an increase in the expenses including consulting fees, taxes, utilities and repair costs with the growth of the Group's business.

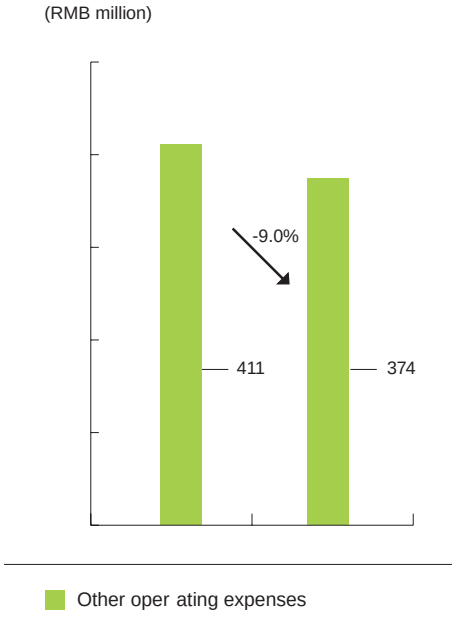
Administrative expenses are set out in the diagram below (for the six months ended 30 June):



Other operating expenses

Other operating expenses of the Group amounted to RMB374 million in the first half of 2020, representing a decrease of 9.0% as compared to RMB411 million in the corresponding period of 2019, which was primarily due to a decrease in the EPC costs arising from the provision of external EPC services by the Group.

Other operating expenses are set out in the diagram below (for the six months ended 30 June):



Operating profit

In the first half of 2020, the operating profit of the Group amounted to RMB6,338 million, representing an increase of RMB222 million or 3.6% as compared to RMB6,116 million in the corresponding period of 2019, which was primarily due to: (1) an increase of RMB345 million in operating profits of wind power segment with the growth of electricity sales and average sale price of electricity in the wind power segment; (2) a decrease of RMB73 million in operating profits of coal power segment as a result of the decrease f7qtilisrationhourts of coa

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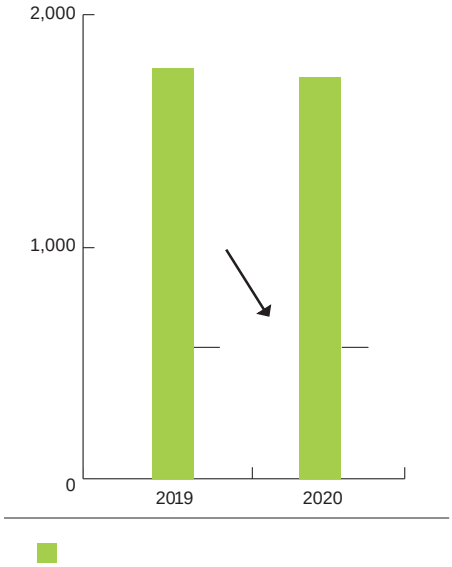
Net finance expenses

Net finance expenses of the Group amounted to RMB1,732 million in the first half of 2020, representing a decrease of RMB41 million or 2.3% as compared to RMB1,773 million in the corresponding period of 2019, which was primarily due to: (1) a decrease in average interest rate which leads to a reduced amount of RMB108 million in interest expenses in the first half of 2020 as compared to the corresponding period of 2019; (2) a decrease of RMB3 million in the Group's net foreign exchange loss in the first half of 2020 as compared to the corresponding period of 2019; (3) an increase of RMB39 million in loss from changes in fair value of the interest rate swap contracts in the first half of 2020 as compared to the corresponding period of 2019; (4) an increase of RMB15 million in charges in the first half of 2020 as compared to the corresponding period of 2019; (5) an increase of RMB17 million in the unrealized profits recognized for trading securities held in the first half of 2020 as compared to the corresponding period of 2019; and (6) a decrease of RMB33 million in interest income on financial assets and dividend in the first half of 2020 as compared to the corresponding period of 2019.

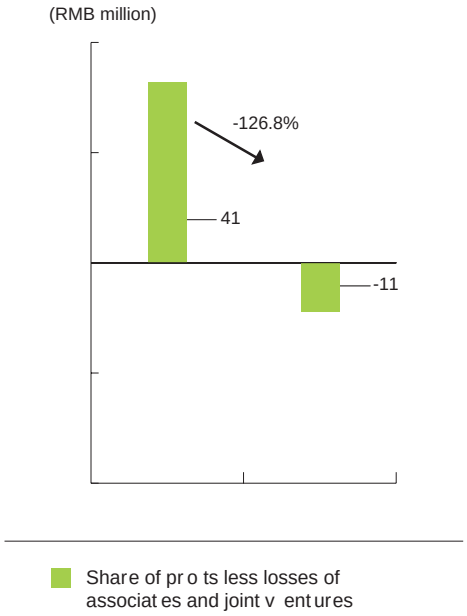
Net finance expenses are set out in the diagram below (for the six months ended 30 June):



Share of profits less losses of associates and joint ventures

The Group's share of profits less losses of associates and joint ventures amounted to RMB-11 million in the first half of 2020, representing a decrease of RMB52 million or 126.8% as compared to RMB41 million in the corresponding period of 2019, which was primarily due to the year-on-year significant decline in the net profit of Guodian United Power Technology Co., Ltd. (7 e L ¥ b ¦ " Þ " ® !) during the first half of 2020.

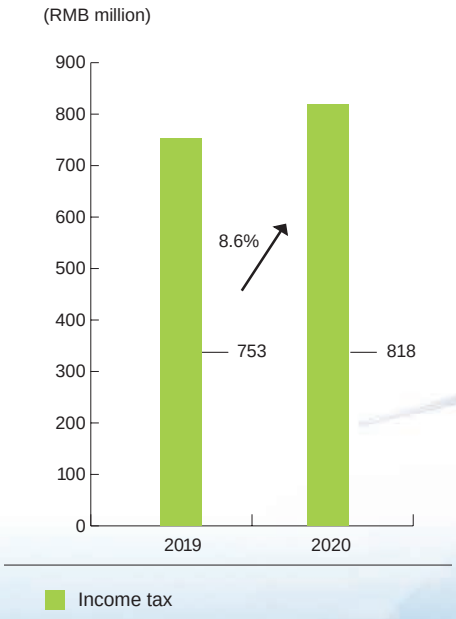
Share of profits less losses of associates and joint ventures is set out in the diagram below (for the six months ended 30 June):



Income tax

In the first half of 2020, the income tax of the Group amounted to RMB818 million, representing an increase of 8.6% as compared to RMB753 million in the corresponding period of 2019, which was mainly due to: (1) a year-on-year increase of 4.8% in profit before tax in the first half of 2020; and (2) a higher tax rate in the first half of 2020 as compared to that in the corresponding period of 2019 as a result of the end of tax exemption period for certain wind power projects.

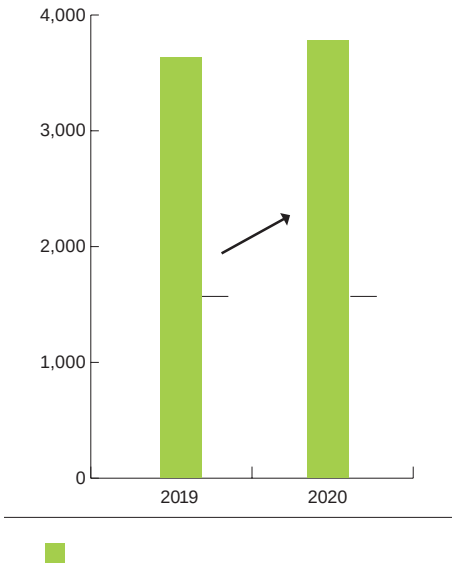
Income tax is set out in the diagram below (for the six months ended 30 June):



Net profit

In the first half of 2020, the net profit of the Group amounted to RMB3,776 million, representing an increase of 4.0% as compared to RMB3,632 million in the corresponding period of 2019, which was mainly due to the increase in net profit of wind power segment.

Net profit is set out in the diagram below (for the six months ended 30 June):



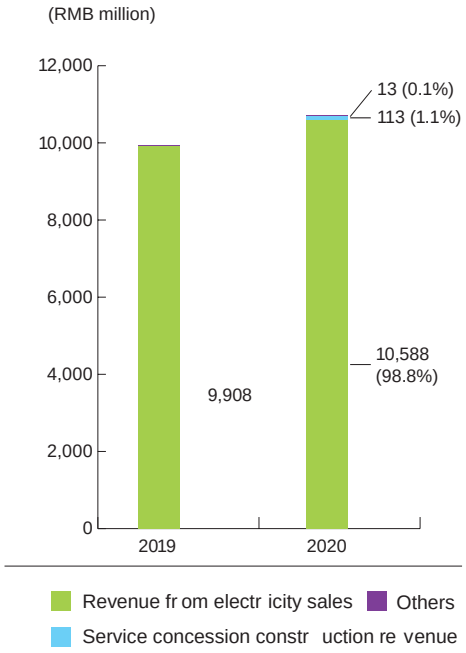
Segment results of operations

Wind power segment

Operating revenue

In the first half of 2020, the operating revenue of the wind power segment of the Group amounted to RMB10,714 million, representing an increase of 7.9% from RMB9,931 million in the corresponding period of 2019, primarily due to an increase in revenue from electricity sales as a result of growing electricity sales of wind power segment caused by an increase in its installed capacity and average utilisation hours.

Operating revenue in the wind power segment and proportions are set out in the diagram below (for the six months ended 30 June):

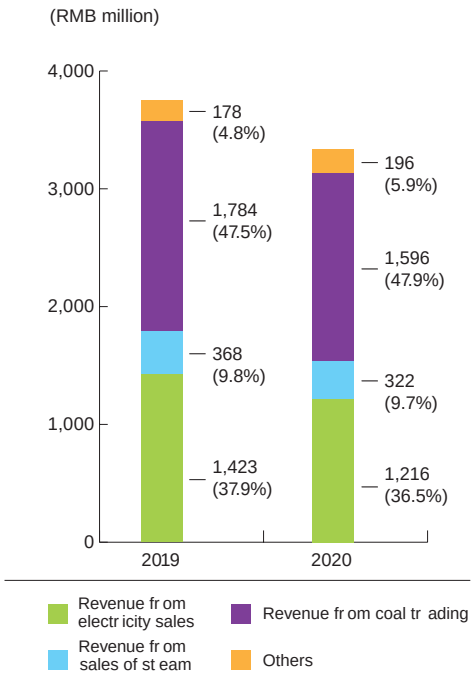


Coal power segment

Operating revenue

In the first half of 2020, operating revenue of the coal power segment of the Group amounted to RMB3,330 million, representing a decrease of 11.3% as compared to RMB3,753 million in the corresponding period of 2019, primarily due to: (1) a decrease of RMB207 million in electricity sales revenue of coal power segment as affected by the decrease in electricity sales in the first half of 2020; and (2) a decrease of RMB188 million in revenue of coal sales resulting from the combined impact of the decline in sales volume of coal and a decrease in unit selling price of coal.

Operating revenue of the coal power segment and proportions are set out in the diagram below (for the six months ended 30 June):



Operating profit

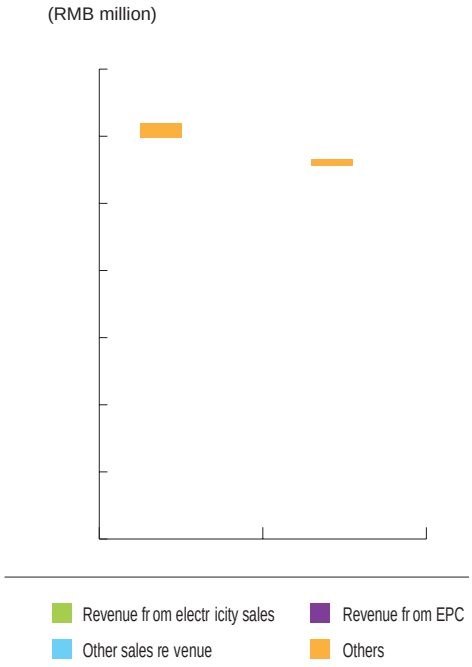
In the first half of 2020, operating

Other segments

Operating revenue

In the first half of 2020, the operating revenue of other segments of the Group amounted to RMB566 million, representing a decrease of 8.6% as compared to RMB619 million in the corresponding period of 2019, which was mainly attributable to a decrease of RMB55 million in revenue from electricity sales as compared to that in the corresponding period of 2019 as a result of the decrease in sales volume of electricity from biomass and PV power.

Operating revenue of other segments and proportions are set out in the diagram below (for the six months ended 30 June):



Assets and liabilities

As at 30 June 2020, total assets of the Group amounted to RMB165,576 million, representing an increase of RMB8,773 million as compared with total assets of RMB156,803 million as at 31 December 2019. This was primarily due to:

(1) an increase of RMB6,620 million in current assets including trade and bills receivables; and

(2) an increase of RMB2,153 million in non-current assets including property, plant and equipment.

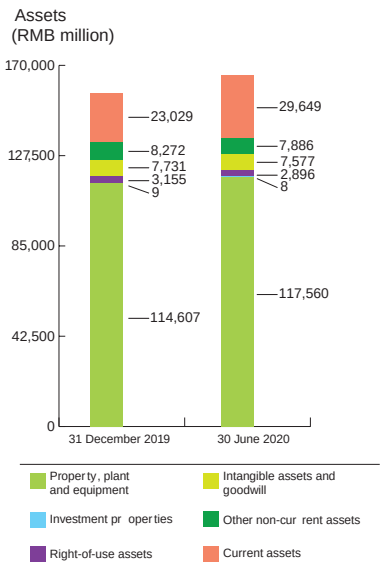
As at 30 June 2020, total liabilities of the Group amounted to RMB102,456 million, representing an increase of RMB6,308 million as compared to total liabilities of RMB96,148 million as at 31 December 2019. This was primarily due to:

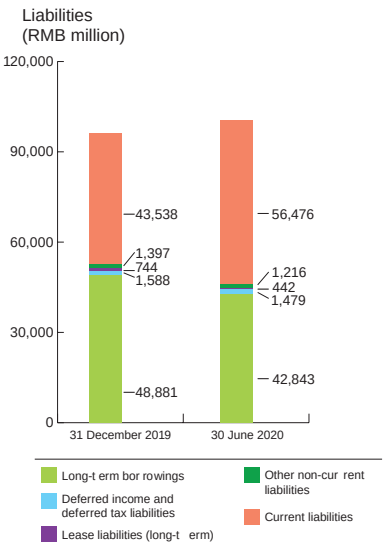
(1) a decrease of RMB6,630 million in non-current liabilities including long-term borrowings; and

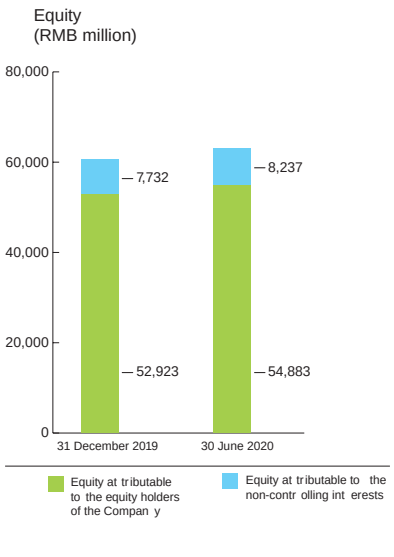
(2) an increase of RMB12,938 million in current liabilities including short-term borrowings.

As at 30 June 2020, equity attributable to equity holders of the Company amounted to RMB54,883 million, representing an increase of RMB1,960 million as compared with RMB52,923 million as at 31 December 2019, which was mainly earnings from business in the period.

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







Name of Shareholder	Class of Share	Capacity	Number of Shares/ Underlying Shares Held *(Share)*	Percentage in the Relevant Class of Share Capital *(Note 1) (%)*	Percentage in the Total Share Capital *(Note 1) (%)*
Citigroup Inc.	H shares	Person having a security interest in shares, interest of corporation controlled by substantial Shareholders and approved lending agent	207,255,426 (Note 8) (Long position)	6.21	2.58
Citigroup Inc.	H shares	Interest of corporation controlled by substantial Shareholders	5,751,000 (Note 9) (Short position)	0.17	0.07
Citigroup Inc.	H shares	Approved lending agent	193,415,954 (Shares in a lending pool)	5.79	2.41
FMR LLC	H shares	Interest of corporation controlled by substantial Shareholders	203,322,590 (Note 10) (Long position)	6.09	2.53
Brown Brothers Harriman & Co.	H shares	Agent	167,108,371 (Long position)	5.00	2.08
Brown Brothers Harriman & Co.	H shares	Agent	167,108,371 (Shares in a lending pool)	5.00	2.08

Notes j

1. The percentage is based on the issued number of relevant class of shares/total issued shares of the Company as at 30 June 2020.

2. Among these 4,696,360,000 domestic shares, 4,602,432,800 domestic shares were directly held by CHN Energy while the remaining 93,927,200 shares were held by Guodian Northeast Electric Power Co., Ltd.* (7 e e b Þ " ® !), a subsidiary of CHN Energy. Accordingly, CHN Energy was deemed as the owner of the equity interests held by Guodian Northeast Electric Power Co., Ltd.* (7 e e b Þ " ® !).

* *For identification purpose only*

3. Among these 434,479,240 H shares, 432,758,662 H shares were held by Wellington Management Company LLP, an indirect non-wholly-owned subsidiary of Wellington Management Group LLP, 2,702 H shares were held by Wellington Management Hong Kong Ltd., an indirect non-wholly-owned subsidiary of Wellington Management Group LLP, 1,717,876 H shares were held by Wellington Management International Ltd., an indirect non-wholly-owned subsidiary of Wellington Management Group LLP. Accordingly, Wellington Management Group LLP was deemed as the owner of the H share equity interests held by its aforesaid subsidiaries.

4. Among these 17,161 H shares, 10,008 H shares were held by Wellington Management Company LLP, an indirect non-wholly-owned subsidiary of Wellington Management Group LLP, 2,702 H shares

6. Among these 587,000 H shares, 500,000 H shares were held by BlackRock Institutional Trust Company, National Association, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 87,000 H shares were held by BLACKROCK (Luxembourg) S.A., an indirect non-wholly-owned subsidiary of BlackRock, Inc. Accordingly, BlackRock, Inc. was deemed as the owner of the H share short positions held by its aforesaid subsidiaries.

7. These 219,912,875 H shares were held by The Bank of New York Mellon, a wholly-owned subsidiary of The Bank of New York Mellon Corporation. Accordingly, The Bank of New York Mellon Corporation was deemed as the owner of the H share equity interests held by its aforesaid subsidiary.

8. Among these 207,255,426 H shares, 193,415,954 H shares were held by Citibank, N.A., an indirect wholly-owned subsidiary of Citigroup Inc., 13,839,472 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.

9. These 5,751,000 H shares were held by Citigroup Global Markets Limited, an indirect non-wholly-owned subsidiary of Citigroup Inc. Accordingly, Citigroup Inc. was deemed as the owner of the H share short positions held by its aforesaid subsidiary.

10. Among these 203,322,590 H shares, 164,529,900 H shares were held by FIDELITY MANAGEMENT & RESEARCH COMPANY LLC, a wholly-owned subsidiary of FMR LLC, 7,130,000 H shares were held by FIDELITY MANAGEMENT & RESEARCH (HONG KONG) LIMITED, an indirect wholly-owned subsidiary of FMR LLC, 26,211,250 H shares were held by Fidelity Institutional Asset Management Trust Company, an indirect wholly-owned subsidiary of FMR LLC, 36,869 H shares were held by FIAM LLC, an indirect wholly-owned subsidiary of FMR LLC, 5,414,571 H shares were held by FIDELITY INVESTMENTS CANADA ULC, an indirect non-wholly-owned subsidiary of FMR LLC. Accordingly, FMR LLC was deemed as the owner of the H share equity interests held by its aforesaid subsidiaries.

EMPLOYEES

As at 30 June 2020, the Group had a total of 7,768 employees. Focusing on position-based responsibilities and performance assessment, the Group set up a staff remuneration system which closely links employees' remuneration with corporate economic benefits, individual performance and de facto contribution, and devised a scientific and rational mechanism for incentives and constraints to reward good performers and sanction poor performers, thereby stimulating internal driving force and vitality.

OTHER INFORMATION

MATERIAL LITIGATION

As at 30 June 2020, the Group was not involved in any material litigation or arbitration. So far as known to the Directors, no material litigation or claims are pending or threatened against the Group.

CHANGE IN INFORMATION OF DIRECTORS AND SUPERVISORS

Directors of the Company

During the Reporting Period, as elected at the 2020 first extraordinary general meeting of the Company, Mr. Zhang Xiaoliang was appointed as a non-executive Director of the Company with effect from 28 February 2020 until the expiry of the fourth session of the Board. Meanwhile, Mr. Zhang Xiaoliang was appointed as a member of the strategic committee of the Board and Mr. Yang Xiangbin, a non-executive Director of the Company was appointed as a member of audit committee and ceased to be a member of the strategic committee, with effect from 28 February 2020 until the expiry of the fourth session of the Board.

Mr. Luan Baoxing resigned as a non-executive Director and member of the audit committee of the Company due to work arrangement, with effect from 28 February,2020.

Details of the aforementioned changes have been disclosed in (among others) the announcement on the proposed change of director dated 30 December 2019, circular of the 2020 first extraordinary general meeting dated 13 January 2020 and the poll results announcement of the 2020 first extraordinary general meeting dated 28 February 2020 published by the Company.

Mr. Meng Yan, an independent non-executive Director of the Company, ceased to be an independent non-executive director of Jolimark Holdings Limited (H Õ › p Þ " ® !) (HKSE: 2028), with effect from May 2020 and was appointed as an independent director of Qi An Xin Technology Group Inc. (SSE: 668561), with effect from 30 May 2019.



INDEPENDENT REVIEW 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 interim condensed consolidated financial statements 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 condensed consolidated financial statements as at 30 June 2020 are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong

11 August 2020

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

FOR THE SIX MONTHS ENDED 30 JUNE 2020 (Expressed in thousands of Renminbi)

	Notes	Six months ended 30 June 2020 RMB'000	2019 RMB'000
Revenue	5	14,217,858	14,037,658
Other net income	6	423,093	455,593
Operating expenses			
Depreciation and amortisation		(3,861,917)	(3,754,273)
Coal consumption		(861,646)	(1,072,492)
Coal sales costs		(1,554,431)	(1,740,122)
Service concession construction costs		(112,712)	(15,994)
Personnel costs		(900,157)	(854,282)
Material costs		(83,163)	(82,414)
Repairs and maintenance		(356,804)	(266,995)
Administration expenses		(198,321)	(179,008)
Other operating expenses		(374,121)	(411,266)
		(8,303,272)	(8,376,846)
Operating profit		6,337,679	6,116,405
Finance income		32,524	59,167
Finance expenses		(1,764,826)	(1,832,559)
Net finance expenses	7	(1,732,302)	(1,773,392)
Share of profits less losses of associates and joint ventures		(11,134)	41,135
Profit before taxation	8	4,594,243	4,384,148
Income tax	9	(818,024)	(752,618)
Profit for the period		3,776,219	3,631,530

The notes on pages 68 to 121 form part of these interim financial statements.

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

FOR THE SIX MONTHS ENDED 30 JUNE 2020 (Expressed in thousands of Renminbi)

	Notes	Six months ended 30 June 2020 RMB'000	2019 RMB'000
Other comprehensive (loss)/income			
Other comprehensive (loss)/income that will not to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity investments at fair value through other comprehensive (loss)/income, net of tax		(168,231)	125,065
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange difference on translation of financial statements of overseas subsidiaries		(52,426)	370
Exchange difference on net investment in foreign operations		(76,253)	8,515
Other comprehensive (loss)/income for the period, net of tax	10	(296,910)	133,950
Total comprehensive income for the period		3,479,309	3,765,480
Profit attributable to:			
Equity holders of the Company			
– Shareholders		3,209,720	3,086,841
– Perpetual medium-term note holders	23	121,000	121,000
Non-controlling interests		445,499	423,689
Profit for the period		3,776,219	3,631,530
Total comprehensive income attributable to:			
Equity holders of the Company			
– Shareholders		2,920,947	3,232,171
– Perpetual medium-term note holders	23	121,000	121,000
Non-controlling interests		437,362	412,309
Total comprehensive income for the period		3,479,309	3,765,480
Basic and diluted earnings per share *(RMB cents)*	11	39.94	38.41

The notes on pages 68 to 121 form part of these interim financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2020 (Expressed in thousands of Renminbi)

	Notes	30 June 2020 RMB'000	31 December 2019 RMB'000
Non-current assets			
Property, plant and equipment	12	117,560,131	114,607,185
Investment properties		8,494	8,860
Right-of-use assets		2,896,103	3,154,801
Intangible assets	13	7,515,129	7,669,653
Goodwill		61,490	61,490
Investments in associates and joint ventures		4,256,248	4,328,089
Other assets	14	3,458,482	3,786,220
Deferred tax assets		170,724	157,201
Total non-current assets		135,926,801	133,773,499
Current assets			
Inventories		893,190	819,218
Trade and bills receivables	15	21,504,140	16,365,170
Prepayments and other current assets	16	2,327,241	1,963,316
Tax recoverable		93,062	200,109
Other financial assets	17	545,394	249,523
Restricted deposits		281,549	523,403
Cash at banks and on hand	18	4,004,553	2,908,445
Total current assets		29,649,129	23,029,184

The notes on pages 68 to 121 form part of these interim financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2020 (Expressed in thousands of Renminbi)

	Notes	30 June 2020 RMB'000	31 December 2019 RMB'000
Current liabilities			
Borrowings	19	40,520,486	28,964,731
Trade and bills payables	20	4,530,049	3,411,125
Other current liabilities	21	11,082,385	10,840,352
Lease liabilities		27,930	92,126
Tax payable		315,389	229,507
Total current liabilities		56,476,239	43,537,841
Net current liabilities		(26,827,110)	(20,508,657)

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UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2020 (Expressed in thousands of Renminbi)

	Notes	30 June 2020 RMB'000	31 December 2019 RMB'000
CAPITAL AND RESERVES			
Share capital	22	8,036,389	8,036,389
Perpetual medium-term notes	23	4,894,737	4,991,000
Reserves		41,951,485	39,895,253
Total equity attributable to equity holders of the Company		54,882,611	52,922,642
Non-controlling interests		8,236,909	7,732,430
TOTAL EQUITY		63,119,520	60,655,072

Approved and authorised for issue by the board of directors on 11 August 2020.

Jia Yanbing
Chairman

Sun Jinbiao
Executive Director

The notes on pages 68 to 121 form part of these interim financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2020 (Expressed in thousands of Renminbi)

	Attributable to the equity holders of the Company									
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total comprehensive income										
At 30 June										

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2020 (Expressed in thousands of Renminbi)

	Attributable to the equity holders of the Company									
	Share capital	Perpetual medium-term notes	Capital reserve	Statutory surplus reserve	Exchange reserve	Fair value reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
	RMB'000	*RMB'000 (Note 23)*	*RMB'000 (Note 22(c)(i))*	*RMB'000 (Note 22(c)(ii))*	*RMB'000 (Note 22(c)(iii))*	*RMB'000 (Note 22(c)(iv))*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2019	8,036,389	4,991,000	14,708,774	1,486,824	(448,576)	91,206	20,370,813	49,236,430	7,329,363	56,565,793
Changes in equity:										
Profit for the period	–	121,000	–	–	–	–	3,086,841	3,207,841	423,689	3,631,530
Other comprehensive income	–	–	–	–	21,975	123,355	–	145,330	(11,380)	133,950
Total comprehensive income	–	121,000	–	–	21,975	123,355	3,086,841	3,353,171	412,309	3,765,480
Capital contributions by non-controlling interests	–	–	–	–	–	–	–	–	36,610	36,610
Appropriation	–	–	–	256,683	–	–	(256,683)	–	–	–
Dividends paid by subsidiaries to non-controlling equity owners	–	–	–	–	–	–	–	–	(326,214)	(326,214)
Dividends to shareholders of the Company	–	–	–	–	–	–	(785,155)	(785,155)	–	(785,155)
Distribution for perpetual medium-term notes	–	(217,263)	–	–	–	–	–	(217,263)	–	(217,263)
At 30 June 2019	8,036,389	4,894,737	14,708,774	1,743,507	(426,601)	214,561	22,415,816	51,587,183	7,452,068	59,039,251

The notes on pages 68 to 121 form part of these interim financial statements.

	Attributable to the equity holders of the Company									
	Share capital *RMB'000*	Perpetual medium-term notes *RMB'000 (Note 23)*	Capital reserve *RMB'000 (Note 22(c)(i))*	Statutory surplus reserve *RMB'000 (Note 22(c)(ii))*	Exchange reserve *RMB'000 (Note 22(c)(iii))*	Fair value reserve *RMB'000 (Note 22(c)(iv))*	Retained earnings *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 July 2019	8,036,389	4,894,737	14,708,774	1,743,507	(426,601)	214,561	22,415,816	51,587,183	7,452,068	59,039,251
Changes in equity:										
Profit for the period	-	121,000	-	-	-	-	1,237,949	1,358,949	329,219	1,688,168
Other comprehensive income	-	-	-	-	(26,965)	28,212	-	1,247	784	2,031
Total comprehensive income	-	121,000	-	-	(26,965)	28,212	1,237,949	1,360,196	330,003	1,690,199
Capital contributions by non-controlling interests	-	-	-	-	-	-	-	-	173,276	173,276
Dividends paid by subsidiaries to non-controlling equity owners	-	-	-	-	-	-	-	-	(222,917)	(222,917)
Distribution for perpetual medium-term notes	-	(24,737)	-	-						

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2020 (Expressed in thousands of Renminbi)

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Operating activities		
Cash generated from operations	4,040,302	2,986,477
Tax paid	(637,607)	(686,913)

	Notes	Six months ended 30 June 2020 RMB'000	2019 RMB'000
Net increase/(decrease) in cash and cash equivalents		1,155,005	(819,786)
Cash and cash equivalents at 1 January	18	2,908,445	2,861,261
Effect of foreign exchange rate changes		(58,897)	5,650
Cash and cash equivalents at 30 June	18	4,004,553	2,047,125

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi)

1 PRINCIPAL ACTIVITIES

China Longyuan Power Group Corporation Limited (the "Company") and its subsidiaries (the "Group") are principally engaged in wind and coal power generation and sale, coal trading and other related businesses in the People's Republic of China (the "PRC").

The Company's parent and ultimate holding company is CHN Energy, which is a state-owned enterprise established in the PRC.

2 BASIS OF PREPARATION OF THE FINANCIAL REPORT

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting.* They were authorised for issuance by the board of directors of the Company on 11 August 2020.

The interim financial statements have 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 2020 amounting to RMB26,827,110,000. The directors of the Company are of the opinion that, based on a review of the forecasted cash flows of the Group, the unutilised banking facilities and the unutilised credit lines with banks as at 30 June 2020, the Group will have necessary liquid funds to finance its working capital and capital expenditure requirements within the next twelve months.

The preparation of an interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and the 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 statements contain condensed consolidated financial statements and selected explanatory notes, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2019. The notes include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the 2019 annual financial statements. The interim condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(a) New Standards, Interpretations and Amendments

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) New Standards, Interpretations and Amendments (Continued)

II Amendments to IFRS 7, IFRS 9 and IAS 39 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any significant impact on the financial position and performance of the Group.

III Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1 June 2020 with earlier application permitted. The amendments did not have any significant impact on the financial position and performance of the Group.

IV Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. The amendments did not have any significant impact on the Group's interim condensed consolidated financial information.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) Accounting Judgments and Estimates

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial statements, except for the changes of useful lives and residual values of items of property, plant and equipment which were explained in note 12, the other significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual consolidated financial statements for the year ended 31 December 2019.

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.

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

4 SEGMENT REPORTING (CONTINUED)

(a) Segment results

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

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

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 2020 and 2019 is set out below:

For the six months ended 30 June 2020

	Wind power *RMB'000*	Coal power *RMB'000*	All others *RMB'000*	Total *RMB'000*
Revenue from external customers				
– Sales of electricity	10,587,582	1,216,120	160,023	11,963,725
– Others	13,971	2,113,816	13,634	2,141,421
Subtotal	10,601,553	3,329,936	173,657	14,105,146
Inter-segment revenue	–	–	392,622	392,622
Reportable segment revenue	10,601,553	3,329,936	566,279	14,497,768
Reportable segment profit/(loss) (operating profit/(loss))	6,211,780	224,066	(10,355)	6,425,491
Depreciation and amortisation before inter-segment elimination	(3,583,946)	(195,786)	(98,874)	(3,878,606)
Provision of impairment losses of property, plant and equipment, trade and other receivables	(33,151)	–	(33)	(33,184)
Interest income	9,150	5,929	7,103	22,182
Interest expenses	(1,403,281)	(34,649)	(82,598)	(1,520,528)
Expenditures for reportable segment non-current assets during the period	6,714,640	124,645	2,948	6,842,233

4 SEGMENT REPORTING (CONTINUED)

(a) Segment results (Continued)

For the six months ended 30 June 2019

	Wind power *RMB'000*	Coal power *RMB'000*	All others *RMB'000*	Total *RMB'000*
Revenue from external customers				
– Sales of electricity	9,907,692	1,422,633	215,039	11,545,364
– Others	7,087	2,330,093	139,120	2,476,300
Subtotal	9,914,779	3,752,726	354,159	14,021,664
Inter-segment revenue	–	–	265,327	265,327
Reportable segment revenue	9,914,779	3,752,726	619,486	14,286,991
Reportable segment profit (operating profit)	5,866,742	297,128	37,879	6,201,749
Depreciation and amortisation before inter-segment elimination	(3,462,788)	(194,002)	(112,734)	(3,769,524)
(Provision)/Reversal of impairment losses of property, plant and equipment, trade and other receivables	(390)	–	1,825	1,435
Interest income	8,847	9,710	37,929	56,486
Interest expenses	(1,481,482)	(42,120)	(105,736)	(1,629,338)
Expenditures for reportable segment non-current assets during the period	3,284,230	72,884	9,757	3,366,871

4 SEGMENT REPORTING (CONTINUED)

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

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	14,497,768	14,286,991
Service concession construction revenue	112,712	15,994
Elimination of inter-segment revenue	(392,622)	(265,327)

5 REVENUE

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

For the six months ended 30 June 2020

	Wind power *RMB'000*	Coal power *RMB'000*	Other business *RMB'000*	Total *RMB'000*
Types of goods and services				

5 REVENUE (CONTINUED)

For the six months ended 30 June 2019

	Wind power *RMB'000*	Coal power *RMB'000*	Other business *RMB'000*	Total *RMB'000*
Types of goods and services				
Sales of electricity	9,907,692	1,422,633	215,039	11,545,364
Sales of steam	–	368,163	–	368,163
Service concession construction revenue	15,994	–	–	15,994
Sales of coal	–	1,784,446	–	1,784,446
Others	7,087	177,484	139,120	323,691
	9,930,773	3,752,726	354,159	14,037,658
Geographic markets				
Mainland China	9,638,607	3,752,726	354,159	13,745,492
Canada	110,684	–	–	110,684
South Africa	181,482	–	–	181,482
	9,930,773	3,752,726	354,159	14,037,658
Timing of revenue recognition				
Goods transferred at a point of time	9,907,692	3,664,559	215,135	13,787,386
Services transferred over time	23,081	88,167	139,024	250,272
	9,930,773	3,752,726	354,159	14,037,658

6 OTHER NET INCOME

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Government grants	403,655	415,759
Rental income from investment properties	7,373	5,854
Others	12,065	33,980
	423,093	455,593

7 FINANCE INCOME AND EXPENSES



8 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Amortisation		
– intangible assets	259,968	255,980
Depreciation		
– investment properties	366	366
– property, plant and equipment	3,530,323	3,424,772
– right-of-use assets	71,260	73,155
Provision/(Reversal) of impairment losses		
– property, plant and equipment	33,151	–
– trade and other receivables	33	(1,435)
Cost of inventories	2,499,240	2,895,028

9 INCOME TAX

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

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Current tax		
Provision for the period	801,697	730,564
Underprovision in respect of prior years	28,839	28,543
	830,536	759,107
Deferred tax		
Origination and reversal of temporary differences	(12,512)	(6,489)
	818,024	752,618

9 INCOME TAX (CONTINUED)

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 2020 and the six months ended 30 June 2019, except for certain subsidiaries of the Group, which are taxed at preferential rates of 0% to 15% according to the relevant tax authorities' approvals.

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10 OTHER COMPREHENSIVE (LOSS)/INCOME

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Other comprehensive (loss)/income that will not to be reclassified to profit or loss in subsequent periods		
Net (loss)/profit on equity investments in unlisted		

11 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders of the Company for the six months ended 30 June 2020 of RMB3,209,720,000 (six months ended 30 June 2019: RMB3,086,841,000) and the number of shares in issue during the six months ended 30 June 2020 of 8,036,389,000 (six months ended 30 June 2019: 8,036,389,000 shares).

There was no difference Do Q BT /CS0 7tween Do Q BT /CS0the diluted earnings per share no dilutive potential shares outstanding for the periods presented.

12 PROPERTY, PLANT AND EQUIPMENT

During six months ended 30 June 2020, the Group acquired items of property, plant d equipment of approximately RMB6,535,776,000 (six months ended 30 June 2019: approximately RMB3,174,460,000). Items of property, plant and equipment with a net book value of approximately RMB13,956,000 were disposed of during the six months ended 30 June 2020 (six months ended 30 June 2019: approximately RMB4,049,000), resulting in a loss on disposal of approximately RMB1,252,000 (six months ended 30 June 2019: loss on of approximately RMB1,779,000). The Group made provision for impairment loss approximately RMB33,151,000 (six months ended 30 June 2019: nil).

In,,
Changes in Accounting Estimates and Errors, the Group adjusted the expected useful lives and the expected residual value rates of land, buildings and structures (“ S › [* \ Ò”) and power generation equipment and T /CS0assets T /CS0(“ ensure the T /CS0adjusted expected useful lives and expected residual value rates to properly reflect the 7tter estimations on the actual useful lives of fixed assets. The revised useful life of land, buildings and structures (“ S › [* \ Ò”) is 35 years and the expected residual value rate T /CS03%. The revised useful T /CS0life of T /CS0power generation equipment and assets T /CS0(20ears and thT /6 (e)14.4 (e)0.6 (x)0.6 (p)0.5 (e)0.6 (c)0.5 (t)0.6 (e)0.6 (d)14.4 (r)0.6 (e)0.6 (s)0 the expected T /CS0residual T /CS0value T /CS0rate T /CS0came into effect from T /CS01 January T adopts prospective application for the changes in accounting estimates. Based on the preliminary calculations, if there were no changes in accounting estimates, the depreciation have to approximately RMB3,598,710,000 for the period 30 June 2020. With the change in accounting estimates, the depreciation charge amounted to approximately RMB3,533,710,000 for the period ended 30 June 2020, which increased the total profit of the Group for the period ended 30 June 2020 by approximately RMB65,000,000.

13 INTANGIBLE ASSETS

Intangible assets mainly represent service concession assets of approximately RMB7,170,068,000 (31 December 2019: approximately RMB7,309,327,000), software and other assets of approximately RMB345,061,000 (31 December 2019: approximately RMB360,326,000).

During the six months ended 30 June 2020, the additions to intangible assets mainly represent service concession assets of approximately RMB112,712,000 (six months ended 30 June 2019: approximately RMB15,994,000).

14 OTHER ASSETS

	30 June 2020 *RMB'000*	31 December 2019 *RMB'000*
Listed equity investments designated at FVOCI	28,089	36,733
Unlisted equity investments designated at FVOCI *(Note (i))*	834,474	1,047,848
Loans and advances to:		
– associates *(Note (ii))*	25,000	25,000
– non-controlling equity owners *(Note (iii))*	40,649	48,994
Dividend receivable *(Note ((iv))*	180,000	230,000
Others	80,802	20,284
Subtotal	1,189,014	1,408,859
Deductible value-added tax ("VAT") *(Note (v))*	2,269,468	2,377,361
	3,458,482	3,786,220

14 OTHER ASSETS (CONTINUED)

Notes:

(i) 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).

(ii) The loans to associates are unsecured, not past due as at the end of the reporting period, and bear interest at the rate of 5.23% per annum for the period ended 30 June 2020 (31 December 2019: 5.23%).

(iii) The loans to non-controlling equity owners are unsecured, not past due as at the end of the reporting period, and bear interest at the rate of 9.21% per annum for the period ended 30 June 2020 (31 December 2019: 10.29%).

(iv) The dividend receivable is the dividend declared but not paid yet by Jiangsu Nantong Power Generation Co., Ltd., the joint venture of the Group.

(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 2020 *RMB'000*	31 December 2019 *RMB'000*
Amounts due from third parties	21,480,608	16,338,604
Amounts due from fellow subsidiaries	27,363	16,337
Amounts due from associates	8,620	22,648
	21,516,591	16,377,589
Less: Allowance for doubtful debts	(12,451)	(12,419)
	21,504,140	16,365,170

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 2020 *RMB'000*	31 December 2019 *RMB'000*
Within 1 year	21,456,046	16,253,651
Between 1 and 2 years	46,793	108,180
Between 2 and 3 years	1,301	3,339
	21,504,140	16,365,170

15 TRADE AND BILLS RECEIVABLES (CONTINUED)



16 PREPAYMENTS AND OTHER CURRENT ASSETS

	30 June 2020 *RMB'000*	31 December 2019 *RMB'000*
Loans and advances to *(Note (i)):*		
– associates and joint ventures	311,327	279,257
– China Energy Investment Corporation Limited ("CHN Energy")	6,461	6,260
– fellow subsidiaries	547,660	376,205
– third parties	410,421	266,629
Government grant receivables	176,270	112,731
Dividend receivable from		
– associates	43,674	33,914
Deductible VAT	863,856	876,839
Prepayments and others	253,207	297,115
	2,612,876	2,248,950
Less: Allowance for doubtful debts	(285,635)	(285,634)
	2,327,241	1,963,316

Note:

(i) Interest-bearing loans and advances of the Group amounted to RMB618,500,000 with interest rates of 4.35% to 5.00% per annum as at 30 June 2020 (31 December 2019: RMB445,000,000, 4.35% to 4.74%).

16 PREPAYMENTS AND OTHER CURRENT ASSETS (CONTINUED)

Where applicable upon the financial assets above, an impairment analysis is performed at each reporting date by considering the probability of default by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

For the loans and advances due from a fellow subsidiary that was in financial difficulties,

18 CASH AT BANKS AND ON HAND

	30 June 2020 *RMB'000*	31 December 2019 *RMB'000*
Cash on hand	6	3
Cash at banks and other financial institutions	4,004,547	2,908,442
	4,004,553	2,908,445
Including:		
– Cash and cash equivalents	4,004,553	2,908,445

19 BORROWINGS



19 BORROWINGS (CONTINUED)

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

	30 June 2020 *RMB'000*	31 December 2019 *RMB'000*
Bank loans		
– Secured *(Note (ii))*	479,500	479,500
– Unsecured	20,884,804	16,175,855
Loans from other financial institutions and others		
– Unsecured *(Note (i))*	41,000	41,000
Loans from fellow subsidiaries		
– Unsecured	410,642	419,579
Other borrowings		
– Unsecured *(Note 19(c)(ii))*	6,500,000	4,500,000
Current portion of long-term borrowings *(Note 19(a))*		
– Bank loans	2,732,156	3,093,614
– Other borrowings	9,472,384	4,255,183
	40,520,486	28,964,731

Notes:

(i) As at 30 June 2020, the outstanding loans of the Company amounted to RMB41,000,000 (31 December 2019: RMB41,000,000). These outstanding loans were borrowed from a third party by the Company's subsidiary, China Fulin Wind Power Engineering Co., Ltd.

(ii) Certain secured borrowings from 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 2020 *RMB'000*	31 December 2019 *RMB'000*
Long-term		
Corporate bonds *(Note (i))*	27,772,663	26,294,756
Short-term		
Corporate bonds *(Note (ii))*	6,500,000	4,500,000

Notes:

19 BORROWINGS (CONTINUED)

(c) Significant terms of other borrowings (Continued)

Notes: (Continued)

(i) (Continued)

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

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

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

On 4 December 2018, the Company issued a three-year unsecured corporate bond of RMB3,000 million at par with a coupon rate of 3.96% per annum. The effective interest rate is 4.08%.

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

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

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

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

(ii) Short-term financing bonds represented a series of unsecured corporate bonds with the coupon rates from 1.28% to 3.28% issued in 2019 and 2020. The effective interest rates of these bonds are from 1.48% to 3.54%.

20 TRADE AND BILLS PAYABLES

	30 June 2020 *RMB'000*	31 December 2019 *RMB'000*
Bills payables	3,818,623	2,550,875
Trade payables	638,073	790,250
Amounts due to associates	65,579	24,351
Amounts due to fellow subsidiaries	7,774	45,649
	4,530,049	3,411,125

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

	30 June 2020 *RMB'000*	31 December 2019 *RMB'000*
Within 1 year	4,190,614	3,131,458
Between 1 and 2 years	271,056	200,930
Between 2 and 3 years	5,300	52,764
Over 3 years	63,079	25,973
	4,530,049	3,411,125

As at 30 June 2020 and 31 December 2019, all trade and bills payables are payable and expected to be settled within one year.

21 OTHER CURRENT LIABILITIES

22 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

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

The directors did not recommend the payment of any interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: nil).

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

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Final dividend in respect of the financial year ended 31 December 2019, approved during the following interim period, of RMB0.1076 per share (year ended 31 December 2018: RMB0.0977 per share)	864,715	785,155

Dividends in respect of the financial year ended 31 December 2019 have been fully paid on 10 August 2020.

22 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Share capital

	30 June 2020 *RMB'000*	31 December 2019 *RMB'000*
Issued and fully paid:		
4,696,360,000 domestic state-owned ordinary shares of RMB1.00 each	4,696,360	4,696,360
3,340,029,000 H shares of RMB1.00 each	3,340,029	3,340,029
	8,036,389	8,036,389

(c) Nature and purpose of reserves

(i) Capital reserve

valueamount

22 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) 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 the distribution of a dividend to equity holders. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the Company and is non-distributable other than in liquidation.

(iii) Exchange reserve

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

(iv) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments at fair value through other comprehensive income (income tax exclusive) held at the end of the reporting period.

23 PERPETUAL MEDIUM-TERM NOTES

On 24 November 2015, the Company issued a perpetual medium-term note amounting to RMB3,000,000,000 (the "2015 Perpetual Medium-term Note"). The 2015 Perpetual Medium-term Note was issued at par value with an initial interest rate of 4.44% and recorded as equity, after netting off related issuance costs of approximately RMB9,000,000. On 17 November 2017, the Company issued a perpetual medium-term note amounting to RMB2,000,000,000 (the"2017 Perpetual Medium-term NoiBer2014 (e)-13.5 (t)-13.5 (u)-13.5 (a

24 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.

24 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 2020 categorised into		
	Fair value at 30 June 2020	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets:				
Unlisted equity investments designated at FVOCI	834,474	–	–	834,474
Listed equity investments designated at FVOCI	28,089	28,089	–	–
Listed equity investments designated at fair value through profit or loss	79,544	79,544	–	–
Financial assets designated at fair value through profit or loss	465,850	–	465,850	–

24 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 2019 categorised into		
	Fair value at 31 December 2019	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets:				
Unlisted equity investments designated at FVOCI	1,047,848	–	–	1,047,848
Listed equity investments designated at FVOCI	36,733	36,733	–	–
Listed equity investments designated at fair value through profit or loss	70,833	70,833	–	–
Financial assets designated at fair value through profit or loss	102,800	–	102,800	–
Trade and bills receivables designated at FVOCI	16,162,602	–	16,162,602	–
Financial liabilities:				
Derivative financial instruments – interest rate swap contracts	124,011	–	124,011	–

24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Fair value hierarchy (Continued)

During the six months ended 30 June 2020, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2019: nil). The Group's policy is to recognise transfers between levels of the fair value hierarchy as at the end of the reporting period in which they occur.

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

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

24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Fair value hierarchy (Continued)

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

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

24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Fair value hierarchy (Continued)

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at FVOCI have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value

24 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 2020 and 31 December 2019:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B multiple of peers	0.7–1.2 (31 December 2019:0.9–1.5)	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB83,314,000 (31 December 2019: RMB104,651,000)
		Discount for lack of marketability	30% (31 December 2019:30%)	10% increase/decrease in discount would result in decrease/increase in fair value by RMB35,706,000 (31 December 2019: RMB44,851,000)

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

24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 30 June 2020 and 31 December 2019, except for the following:

	30 June 2020		31 December 2019	
	Carrying amount *RMB'000*	Fair value *RMB'000*	Carrying amount *RMB'000*	Fair value *RMB'000*
Other borrowings	18,300,279	18,046,277	22,039,573	20,978,452
Fixed rate long-term loans	311,735	309,702	358,184	346,861
	18,612,014	18,355,979	22,397,757	21,325,313

25 TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are derecognised in their entirety

At 30 June 2020, the Group endorsed certain bills receivable accepted by banks in Mainland China to certain of its suppliers in order to settle the trade payables due to these suppliers with a carrying amount in aggregate of RMB99,749,000 (31 December 2019: RMB108,178,000) and factored certain bills receivable accepted by banks in Mainland China with a carrying amount of RMB29,805,000 (31 December 2019: nil) (the "Derecognised Bills"). The Derecognised Bills have a maturity from one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the banks in Mainland China default (the “Continuing Involvement”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase the Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

During the period, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the period or cumulatively. The Group endorsed certain bills receivables accepted by banks in Mainland China to certain of its suppliers in order to settle the trade payables due to such suppliers (the “Endorsement”). The Endorsement has been made evenly throughout the period.

The Group entered into several trade receivables factoring arrangements (the “Factoring Arrangements”) in 2019 and transferred certain trade receivables to the banks. Under the Factoring Arrangements, the Group is not exposed to default risks of the trade receivables after the transfer. Subsequent to the transfer, the Group did not retain any rights on the use of the trade receivables, including the sale, transfer or pledge of the trade receivables to any other third parties. The original carrying value of the trade receivables transferred under the arrangement that have not been settled as at 30 June 2020 was RMB1,157,516,000 (31 December 2019: RMB2,304,386,000).

25 TRANSFERS OF FINANCIAL ASSETS (CONTINUED)

Transferred financial assets that are derecognised in their entirety (Continued)

During this period, under the arrangement of the renewable assets property right trust agreement ("Trust Agreement") with China Resources SDIC Trust Co., Ltd. ("SDIC Trust"), the Group completed two recurring sales with the amount of RMB64,797,000 and RMB217,205,000 whereby it transferred the trade receivables on tariff premium of renewable energy to the Trust Agreement established by SDIC Trust. Under the Trust Agreement, the Group is not exposed to default risks of the trade receivables after the transfer. Subsequent to the transfer, the Group did not retain any rights on the use of the trade receivables, including the sale, transfer or pledge of the trade receivables to any

11425 TRANSFERS OF FINANCIAL ASSETS (CONTINUED)During this period, under the arrangeme
completed one ABN tranche issuance with a total amount of RMB1,100,000,000 by it transferred th
(31 December 2019: RMB553,429,000). Since the Group neither transferred nor retained substantially

26 CAPITAL COMMITMENTS

Capital commitments outstanding at the period/year end not provided for in the

28 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

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

The principal transactions are as follows:

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Sales of goods/provision of services to		
Fellow subsidiaries	7,404	17,276
Associates and joint ventures	68,086	75,218
Purchase of goods/receipt of services from		
Fellow subsidiaries	772,803	597,591
Associates and joint ventures	856,469	662,446
Working capital provided to/(received from)		
CHN Energy	201	219
Fellow subsidiaries	(88)	34,232
Associates and joint ventures	(1,430)	3,794
Loan guarantees revoked from		
CHN Energy	(80,104)	(149,968)
Associates and joint ventures	(13,870)	(16,770)
Loans provided to/(repaid from)		
Associates and joint ventures	33,500	(485,000)
Loans repaid to/(acquired from)		
Fellow subsidiaries	8,937	(5,509)

28 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Interest income		
Fellow subsidiaries	2,239	4,949
Associates and joint ventures	9,942	30,899
Interest expenses		
Fellow subsidiaries	11,858	10,430
Deposits paid to/(withdrawn from)		
Fellow subsidiaries	157,713	(311,982)

28 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties

As at 30 June 2020, deposits placed with a fello (aT1.2 (June)14(aT1.2 (June)14(a

28 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

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

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Sales of electricity	11,706,090	11,253,198
Sales of other products	463,915	631,511
Interest income	913	10,833
Interest expenses	1,616,206	1,599,919
Loans (received)/repaid		1,402,489
	796,889	
Purchase of materials and receipt of construction services	2,142,880	1,657,387
Service concession construction revenue	112,712	15s 4

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 2020 *RMB'000*	31 December 2019 *RMB'000*
Receivables from sales of electricity	21,015,169	15,497,033
Receivables from sales of other products	63,703	189,990
Bank deposits (including restricted deposits)	1,957,039	1,160,150
Borrowings	45,108,535	42,657,542
Payable for purchase of materials and receiving construction work services	2,394,775	1,149,451

(d) Key management personnel remuneration

Remuneration for key management personnel is as follows:

28 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Commitments with related parties

	30 June 2020 *RMB'000*	31 December 2019 *RMB'000*
Capital commitments with		
Associates and joint ventures	1,849,469	2,590,356

29 SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

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

30 APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2020 were approved and authorised for issue by the board of directors on 11 August 2020.

GLOSSARY OF TERMS

"Audit Committee"	the audit committee of the Board
"average utilisation hour(s)"	the consolidated gross power generation in a specified period (in MWh or GWh) divided by the average consolidated installed capacity in the same period (in MW or GW)
"biomass"	plant material, vegetation, or agricultural waste used as a fuel or energy source
"Board"	the board of directors of the Company
"CHN Energy"	China Energy Investment Corporation Limited (7 • • U ³ « Þ " ª , ® !), previously known as Shenhua Group

“consolidated installed capacity”	the aggregate installed capacity or capacity under construction (as the case may be) of our project companies that we fully consolidate in our consolidated financial statements only. It is calculated by 100% of the installed capacity or capacity under construction of our project companies that we fully consolidate in our consolidated financial statements and are deemed as our subsidiaries. Neither consolidated installed capacity nor consolidated capacity under construction includes the capacity of our associated companies
“Director(s)”	the directors of the Company
“electricity sales”	the actual amount of electricity sold by a power plant in a particular period of time, which equals gross power generation less comprehensive auxiliary electricity
“Group”	China Longyuan Power Groupe/CS0 cs 1cood95ina ana subsidiarin

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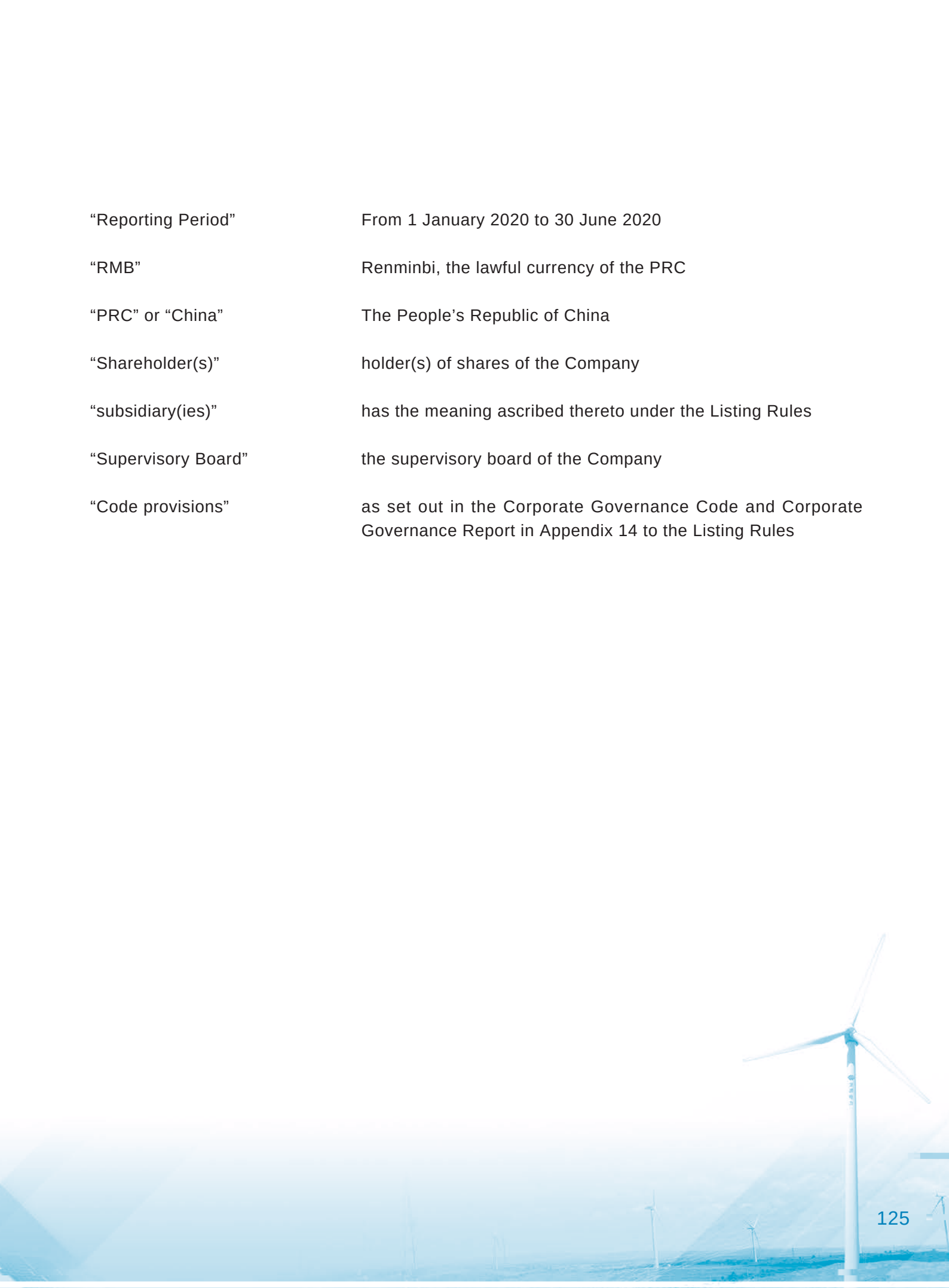
GW(s)”)Tj 0 Tw 16.198 0 unitriodeE geg, gigawatt.T1_GW = 1,000 MWcity

GLOSSARY OF TERMS

"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"kW"	unit of energy, kilowatt. 1 kW = 1,000 watts
"kWh"	unit of energy, kilowatt-hour. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"load factor"	the ratio (expressed as a percentage) of the gross amount of electricity generated by a power plant in a given period divided by the number of hours in the given period multiplied by the plant's installed capacity
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix 10 to the Listing Rules
"MW"	unit of energy, megawatt. 1 MW = 1,000 kW. The installed capacity of power plants is generally expressed in MW
"MWh"	unit of energy, megawatt-hour. The standard unit of energy used in the electric power industry. One megawatt-hour is the amount of energy that would be produced by a generator producing one megawatt for one hour
"NDRC"	the National Development and Reform Commission of the People's Republic of China (• 6 [O • q 7 7 • ï • q · ' ‰ p 6)
"renewable energy"	sustainable sources that are regenerative or, for all practical purposes, cannot be depleted, such as wind, water or sunlight

"Reporting Period"	From 1 January 2020 to 30 June 2020
"RMB"	Renminbi, the lawful currency of the PRC
"PRC" or "China"	The People's Republic of China
"Shareholder(s)"	holder(s) of shares of the Company
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Supervisory Board"	the supervisory board of the Company
"Code provisions"	as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 14 to the Listing Rules



CORPORATE INFORMATION

THE COMPANY'S OFFICIAL NAME

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THE COMPANY'S NAME IN ENGLISH

China Longyuan Power Group
Corporation Limited*

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Hong Kong

BOARD OF DIRECTORS

Executive Directors

Mr. Jia Yanbing *(Chairman of the Board)*
Mr. Sun Jinbiao *(President)*

Non-executive Directors

Mr. Liu Jinhuan
Mr. Yang Xiangbin
Mr. Zhang Xiaoliang

Independent Non-executive Directors

Mr. Zhang Songyi
Mr. Meng Yan
Mr. Han Dechang

THE COMPANY'S LEGAL REPRESENTATIVE

Mr. Jia Yanbing

AUTHORIZED REPRESENTATIVES

Mr. Jia Yanbing
Mr. Jia Nansong
Mr. Zhang Songyi (as Mr. Jia Yanbing's alternate)
Ms. Chan Sau Ling (as Mr. Jia Nansong's alternate)

* *For identification purposes* only

JOINT COMPANY SECRETARIES

Mr. Jia Nansong
Ms. Chan Sau Ling

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