Concord New Energy Group Limited
協合新能源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 182)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

The board of directors (the "Directors") of Concord New Energy Group Limited (the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2020, together with the comparative figures for the corresponding period in 2019. These condensed consolidated financial statements are unaudited but have been reviewed by the Company's audit committee and the Company's independent auditor, Deloitte Touche Tohmatsu.

**for identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2020 – Unaudited

	Notes	2020 RMB'000	2019 RMB'000
Revenue	*3*	**999,540**	963,349
Cost of sales and services rendered		**(357,088)**	(338,228)
Gross profit		**642,452**	625,121
Other income	*4*	**17,333**	15,846
Other gains and losses, net	*5*	**63,990**	19,760
Impairment losses under expected credit loss model, net of reversal	*6*	**(24,025)**	(2,634)
Distribution and selling expenses		**(6,134)**	(3,329)
Administrative expenses		**(156,700)**	(127,407)
Finance costs	*7*	**(202,575)**	(198,681)
Share of profit of joint ventures, net		**83,622**	89,042
Share of profit of associates, net		**6,186**	12,807
Profit before income tax		**424,149**	430,525
Income tax expense	*8*	**(42,579)**	(26,932)
Profit for the period		**381,570**	403,593
Profit attributable to:			
Owners of the Company		**379,389**	399,232
Non-controlling interests		**2,181**	4,361
		381,570	403,593
Earnings per share attributable to owners of the Company during the period		***RMB cents***	*RMB cents*
Basic earnings per share	*9(a)*	**4.60**	4.75
Diluted earnings per share	*9(b)*	**4.31**	4.54

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2020 – Unaudited

	2020	2019
	RMB'000	*RMB'000*
Profit for the period	**381,570**	403,593
Other comprehensive (expense) / income:		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**(1,476)**	6,546
Other comprehensive (expense) / income for the period, net of tax	**(1,476)**	6,546
Total comprehensive income for the period	**380,094**	410,139
Total comprehensive income attributable to:		
Owners of the Company	**378,342**	407,383
Non-controlling interests	**1,752**	2,756
	380,094	410,139

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2020 – Unaudited

	Notes	**30 June 2020** *Unaudited* ***RMB'000***	31 December 2019 *Audited* *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**7,863,784**	9,222,240
Right-of-use assets		**446,232**	548,816
Intangible assets		**825,703**	904,814
Interests in associates		**477,869**	472,072
Interests in joint ventures		**1,504,843**	1,659,770
Financial assets at fair value through profit or loss		**47,407**	34,845
Contract assets	*11*	**347,960**	697,545
Trade and bill receivables	*12*	**184,861**	28,796
Prepayments, deposits and other receivables		**1,095,244**	1,175,437
Finance lease receivables		**11,284**	13,578
Loan receivables		**27,499**	69,571
Deferred tax assets		**30,444**	40,686
		12,863,130	14,868,170
Current assets			
Inventories		**20,308**	12,958
Contract assets	*11*	**645,639**	594,913
Trade and bill receivables	*12*	**388,551**	612,547
Prepayments, deposits and other receivables		**767,880**	534,659
Finance lease receivables		**4,220**	4,276
Loan receivables		**11,234**	14,476
Amounts due from associates		**55,878**	39,134
Amounts due from joint ventures		**66,155**	42,255
Cash and cash equivalents		**1,267,452**	1,462,082
Restricted deposits		**167,117**	143,046
		3,394,434	3,460,346
Assets classified as held for sale	*13*	**3,434,994**	1,563,921
		6,829,428	5,024,267
Total assets		**19,692,558**	19,892,437
LIABILITIES			
Non-current liabilities			
Bank borrowings		**1,855,392**	2,821,165
Other borrowings		**4,171,349**	4,349,758
Senior notes payable		**-**	1,392,941
Convertible loan		**429,557**	418,232
Lease liabilities		**76,172**	81,205
Deferred tax liabilities		**5,710**	12,390
Deferred government grants		**15,168**	15,643
Payables for construction in progress, other payables and accruals		**532,728**	489,799
Financial guarantee contract liabilities		**29,383**	33,808
		7,115,459	9,614,941

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

As at 30 June 2020 – Unaudited

	Notes	**30 June 2020** *Unaudited* ***RMB'000***	31 December 2019 *Audited* *RMB'000*
Current liabilities			
Trade and bill payables	*14*	**1,154,098**	1,081,632
Payables for construction in progress, other payables and accruals		**1,586,405**	1,362,755
Contract liabilities		**50,041**	95,471
Amounts due to joint ventures		**7,679**	53,943
Bank borrowings		**222,995**	506,364
Other borrowings		**187,774**	164,388
Senior notes payable		**1,405,955**	-
Lease liabilities		**13,590**	11,502
Financial guarantee contract liabilities		**8,849**	9,098
Current income tax liabilities		**15,962**	13,187
		4,653,348	3,298,340
Liabilities associated with assets classified as held for sale	*13*	**1,783,027**	1,009,955
		6,436,375	4,308,295
Total liabilities		**13,551,834**	13,923,236
Net current assets		**393,053**	715,972
Total assets less current liabilities		**13,256,183**	15,584,142
Net assets		**6,140,724**	5,969,201
EQUITY			
Equity attributable to owners of the Company			
Share capital	*15*	**72,615**	73,652
Reserves		**6,045,480**	5,869,651
		6,118,095	5,943,303
Non-controlling interests		**22,629**	25,898
Total equity		**6,140,724**	5,969,201

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Basis of preparation and presentation

The unaudited condensed consolidated financial statements of the Company and its subsidiaries (together the "Group") for the six months ended 30 June 2020 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2019.

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in Hong Kong Financial Reporting Standards ("HKFRSs") and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	*Definition of Material*
Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and / or on the disclosures set out in these condensed consolidated financial statements.

2 Segment information

Business segments

The management has determined the operating segments based on the internal reports reviewed and used by executive directors of the Company, who are the chief operating decision markers ("CODM"), for strategic decision making.

The CODM considers the business from a product and service perspective. The Group is organised into certain business units according to the nature of the products sold or services provided. The CODM reviews operating results and financial information of each business unit separately. Accordingly, each business unit (including joint ventures and associates) is identified as an operating segment. These operating segments with similar economic characteristics and similar nature of products sold or services provided have been aggregated into the following reporting segments:

- Power generation segment – operation of wind and solar power plants through subsidiaries, generating electric power for sale to external power grid companies, investing in power plants through joint ventures and associates;

- "Others" segment – provision of power plant operation and maintenance services, provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects (the "engineering, procurement and construction business"), provision of finance lease services and energy internet services.

The CODM assesses the performance of the operating segments based on a measure of adjusted earnings before interest and income tax. This measurement basis excludes the effects of non-recurring income and expenditure from the operating segments.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to the third parties at the then prevailing market prices.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' remuneration, certain other gains and losses, certain other income, finance income and finance costs.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to operating segments other than assets and liabilities attributable to head office.

	Power generation	Others	Segment Total	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the six months ended 30 June 2020					
Segment revenue					
Sales to external customers*	**908,418**	**91,122**	**999,540**	**-**	**999,540**
Inter-segment sales	**-**	**155,108**	**155,108**	**(155,108)**	**-**
	908,418	**246,230**	**1,154,648**	**(155,108)**	**999,540**
Segment results	**581,001**	**2,640**	**583,641**		**583,641**
Unallocated other gains and losses, net					**39,965**
Unallocated income					**12,274**
Unallocated expenses					**(14,215)**
Finance income					**5,059**
Finance costs					**(202,575)**
Profit before income tax					**424,149**
Income tax expense					**(42,579)**
Profit for the year					**381,570**
As at 30 June 2020					
Segment assets	**17,144,679**	**2,325,932**	**19,470,611**		**19,470,611**
Unallocated assets					**221,947**
Total assets					**19,692,558**
Segment liabilities	**(11,413,484)**	**(1,459,614)**	**(12,873,098)**		**(12,873,098)**
Unallocated liabilities					**(678,736)**
Total liabilities					**(13,551,834)**

**Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB722,084,000 and RMB186,334,000 respectively.*

	Power generation	Others	Segment Total	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the six months ended 30 June 2019					
Segment revenue					
Sales to external customers*	886,325	77,024	963,349	-	963,349
Inter-segment sales	-	58,141	58,141	(58,141)	-
	886,325	135,165	1,021,490	(58,141)	963,349
Segment results	601,481	600	602,081		602,081
Unallocated other gains and losses, net					17,126
Unallocated income					7,980
Unallocated expenses					(5,847)
Finance income					7,866
Finance costs					(198,681)
Profit before income tax					430,525
Income tax expense					(26,932)
Profit for the year					403,593
As at 31 December 2019					
Segment assets	17,549,857	2,277,433	19,827,290		19,827,290
Unallocated assets					65,147
Total assets					19,892,437
Segment liabilities	(12,016,630)	(1,473,691)	(13,490,321)		(13,490,321)
Unallocated liabilities					(432,915)
Total liabilities					(13,923,236)

**Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB678,636,000 and RMB207,689,000 respectively.*

3 Revenue

3.1 An analysis of the Group's revenue for six months ended 30 June 2020 is as follows:

	Power generation	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Revenue from contracts with customers:			
Sale of electricity:			
Basic electricity price	**549,586**	**-**	**549,586**
Renewable energy subsidy	**347,374**	**-**	**347,374**
Power plant operation and maintenance services	**-**	**51,332**	**51,332**
Engineering, procurement and construction	**-**	**11,396**	**11,396**
Provision of design services	**-**	**1,123**	**1,123**
Provision of technical and consultancy services	**-**	**13,980**	**13,980**
Provision of agency service on sale of equipment	**-**	**8,223**	**8,223**
Other revenue	**-**	**801**	**801**
	896,960	**86,855**	**983,815**
Finance lease income	**-**	**4,267**	**4,267**
Financing component interest income	**11,458**	**-**	**11,458**
Total revenue	**908,418**	**91,122**	**999,540**

3.2 An analysis of the Group's revenue for six months ended 30 June 2019 is as follows:

	Power generation	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Revenue from contracts with customers:			
Sale of electricity:			
Basic electricity price	517,304	-	517,304
Renewable energy subsidy	361,709	-	361,709
Power plant operation and maintenance services	-	51,905	51,905
Engineering, procurement and construction	-	629	629
Provision of design services	-	10,782	10,782
Provision of technical and consultancy services	-	6,760	6,760
Provision of agency service on sale of equipment	-	1,297	1,297
Other revenue	-	2,440	2,440
	879,013	73,813	952,826
Finance lease income	-	3,211	3,211
Financing component interest income	7,312	-	7,312
Total revenue	886,325	77,024	963,349

4 Other income

An analysis of the Group's other income is as follows:

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Interest income	**5,059**	7,866
Guarantee income	**4,674**	-
Tax refunds	**4,400**	4,612
Government grants	**1,401**	1,099
Rental income	**894**	572
Others	**905**	1,697
	17,333	15,846

5 Other gains and losses, net

An analysis of other gains and losses, net is as follows:

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Gain on disposal / de-registration of subsidiaries, net	**48,908**	8,579
Fair value gains on financial assets at fair value through profit or loss ("FVTPL")	**12,740**	5,495
Fair value gains on derivative component of convertible loan	**12,166**	6,682
Exchange loss, net	**(1,144)**	(455)
Loss on disposal of property, plant and equipment	**(3,976)**	(389)
Others	**(4,704)**	(152)
	63,990	19,760

6 Impairment losses under expected credit loss model, net of reversal

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Impairment loss on contract assets	**3,887**	-
Impairment loss on trade receivables	**6,539**	719
Impairment loss on other receivables	**10,925**	1,915
Impairment loss on amounts due from joint ventures	**2,200**	-
Impairment loss on finance lease receivables	**92**	-
Impairment loss on loan receivables	**382**	-
	24,025	2,634

7 Finance costs

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Interest expenses on:		
— Bank borrowings	**93,181**	113,268
— Other borrowings	**140,458**	70,764
— Senior notes and bonds payable	**55,158**	62,778
— Convertible loan	**20,454**	14,038
— Lease liabilities	**1,845**	677
	311,096	261,525
Less: Interest capitalised	**(108,521)**	(62,844)
	202,575	198,681

8 Income tax expense

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Current tax		
— People's Republic of China (the "PRC") corporate income tax	**39,737**	23,109
— PRC interest and dividend withholding tax	**750**	3,990
Underprovision in prior years		
— PRC corporate income tax	**1,564**	305
Deferred tax	**528**	(472)
	42,579	26,932

9 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company RMB379,389,000 (2019: RMB399,232,000) by the weighted average number of 8,248,572,000 (2019: 8,413,026,000) ordinary shares in issue during the period, after adjusting the effect of shares repurchased and held by the Company's share award scheme.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares from the share award scheme and the convertible loan.

	Six months ended 30 June	
	2020	2019
Earnings:		
Earnings for the purpose of basic earnings per share *(RMB'000)*	**379,389**	399,232
Effect of dilutive potential ordinary shares:		
Adjustments on convertible loan *(RMB'000)*	**15,592**	12,850
Earnings for the purpose of diluted earnings per share *(RMB'000)*	**394,981**	412,082
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share *(thousands)*	**8,248,572**	8,413,026
Effect of dilutive potential ordinary shares:		
Share award scheme *(thousands)*	**48,777**	8,000
Convertible loan *(thousands)*	**866,043**	649,946
Weighted average number of ordinary shares for the purpose of diluted earnings per share *(thousands)*	**9,163,392**	9,070,972

10 Dividend

During the current interim period, a final dividend of HK$0.025 per ordinary share in respect of the year ended 31 December 2019 (the year ended 31 December 2018: HK$0.02) was declared to the owners of the Company. The aggregate amount of final dividend declared in the current interim period equivalent to approximately RMB191,893,000 (the corresponding period of 2019: RMB149,673,000). The dividend has been paid on 2 July 2020 (2019: 29 May 2019).

The directors of the Company have determined that no dividend will be paid in respect of the interim period (2019: nil).

11 Contract Assets

	30 June 2020	31 December 2019
	RMB'000	*RMB'000*
Tariff adjustment receivables	**583,467**	867,605
Retention money	**404,859**	416,696
Construction contracts	**14,841**	15,127
	1,003,167	1,299,428
Impairment loss on contract assets	**(9,568)**	(6,970)
	993,599	1,292,458
Analysed for reporting purposes as:		
Current assets	**645,639**	594,913
Non-current assets	**347,960**	697,545
	993,599	1,292,458

12 Trade and bill receivables

	30 June 2020	31 December 2019
	RMB'000	*RMB'000*
Trade receivables, at amortised cost	**208,397**	202,975
Tariff adjustment receivables, at amortised cost	**376,228**	420,476
Bill receivables, at FVTPL	**11,337**	33,903
	595,962	657,354
Impairment loss on trade receivables	**(14,487)**	(11,487)
Impairment loss on tariff adjustment receivables	**(8,063)**	(4,524)
	573,412	641,343
Analysed for reporting purposes as:		
Current assets	**388,551**	612,547
Non-current assets	**184,861**	28,796
	573,412	641,343

As at 30 June 2020, the aging analysis of the trade receivables, net of allowance for doubtful debts, presented based on invoice date, is as follows:

	30 June 2020	31 December 2019
	RMB'000	*RMB'000*
Within 3 months	**138,799**	127,319
3 to 6 months	**12,805**	17,434
6 to 12 months	**19,984**	7,788
1 to 2 years	**12,681**	13,164
Over 2 years	**9,641**	25,783
	193,910	191,488

The Group's credit terms granted to customers ranging from 30 to 180 days, except for tariff adjustment receivables recognised by the power plants which have not been included in the Catalogue. On certain construction revenue and equipment sales projects, the Group generally grants project final acceptance period and retention period to its customers ranging from 1 to 2 years from the date of acceptance according to the sales agreements signed between the Group and customers.

As at 30 June 2020, the aging analysis of the tariff adjustment receivables, based on the revenue recognition date, is as follows:

	30 June 2020	31 December 2019
	RMB'000	*RMB'000*
Within 3 months	**43,193**	57,306
3 to 6 months	**42,051**	55,266
6 to 12 months	**90,726**	136,476
Over 1 year	**192,195**	166,904
	368,165	415,952

13 Assets / liabilities classified as held for sale

During the current interim period, the Group decided to dispose of its controlling equity interests in certain subsidiaries, which are mainly engaged in wind power plants and solar power plants operations. Given the consideration that the disposal net proceeds may exceed the net value of assets and liabilities, no impairment loss was recognised.

As at 30 June 2020, the assets and liabilities attributable to these subsidiaries, which were expected to be sold within twelve months, have been classified as held for sale and are presented separately in the condensed consolidated statement of financial statements:

	30 June 2020	31 December 2019
	RMB'000	*RMB'000*
Property, plant and equipment	**2,243,340**	1,160,921
Right-of-use assets	**128,525**	60,553
Interests in joint ventures	**36,603**	-
Deferred tax assets	**9,387**	-
Intangible assets	**78,951**	42,411
Contract assets	**278,688**	76,099
Trade and bill receivables	**427,838**	74,045
Prepayments, deposits and other receivables	**172,028**	129,408
Inventories	**620**	-
Cash and cash equivalents	**59,014**	20,484
Assets classified as held for sale	**3,434,994**	1,563,921
Bank borrowings	**1,103,662**	400,453
Other borrowings	**629,655**	547,200
Trade payables	**1,982**	238
Current income tax liabilities	**6,025**	-
Other payables and accruals	**41,703**	62,064
Liabilities associated with assets classified as held for sale	**1,783,027**	1,009,955

The above assets / liabilities classified as held for sale excluded the net amounts due to intragroup entities as at 30 June 2020 totalling RMB441,486,000 (31 December 2019: RMB189,969,000).

The subsidiaries in relation to the assets and liabilities classified as held for sale as at 31 December 2019 were disposed during the current interim period.

14 Trade and bill payables

	30 June 2020	31 December 2019
	RMB'000	*RMB'000*
Trade payables	**860,249**	946,651
Bill payables	**293,849**	134,981
	1,154,098	1,081,632

As at 30 June 2020, the aging analysis of the trade payables, based on invoice date, is as follows:

	30 June 2020	31 December 2019
	RMB'000	*RMB'000*
Within 3 months	**74,855**	120,979
3 to 6 months	**54,497**	12,012
6 to 12 months	**65,123**	375,320
1 to 2 years	**367,419**	55,806
Over 2 years	**298,355**	382,534
	860,249	946,651

15 Share capital

Ordinary shares issued of HK$0.01 each:

	No. of shares	**Nominal value**
	000's	*RMB'000*
As at 1 January 2020:	8,504,575	73,652
Cancellation of ordinary shares *(Note)*	**(115,390)**	**(1,037)**
As at 30 June 2020:	**8,389,185**	**72,615**

Note:

During the current interim period, the Group repurchased a total of 109,040,000 ordinary shares of the Company from the market for a total consideration of RMB32,502,000. During the current interim period, 115,390,000 ordinary shares of the Company with total par value of RMB1,037,000 were cancelled, the related costs of repurchase were RMB35,518,000 and the exceed of costs of repurchase over the par value of the shares of RMB34,481,000 was charged to share premium.

As at 30 June 2020, the Group had 19,680,000 shares repurchased but not yet cancelled (31 December 2019: 26,030,000 shares). These shares have been cancelled on 22 July 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

I. OPERATING ENVIRONMENT

In the first half of 2020, as the international COVID-19 epidemic continued to spread and the global economy entered an accelerated recession, external instability and uncertainties increased significantly. Under the premise of effective prevention and control of the epidemic, China has accelerated the return to production of enterprises in an orderly manner and the overall economy has recovered steadily. China's GDP growth in the second quarter turned from negative to positive, with an increase of 3.2% year-on-year and 11.5% quarter-on-quarter.

In the first half of 2020, there was a gradual recovery of electricity consumption, and a steady growth of the share of clean energy. The power consumption demand has gradually recovered, with obvious rebounds in industry, investment, consumption, and industry, and industrial enterprises of above the designated size have basically resumed their operation completely. With gradual recovery of power consumption demand. The cumulative electricity consumption in China recorded a 10.1% year-on-year decrease in February, while there was a 6.1% year-on-year increase in June. The consumption and production of electricity continued to show a green and low-carbon development trend, with the proportion of clean energy consumption in the overall energy consumption edged up by 0.6 percentage point. The amount of power generated by clean energy power plants of above the designated size accounted for 27.6% of the overall power generation. Wind power and solar power plants above the designated size recorded power generation growth of 6.8% and 9.1% respectively.

In 2020, the overall construction management of wind power and photovoltaic power projects continued in the direction of the policies established in 2019. These include active promotion of grid parity projects, orderly advancement of projects involving state financial subsidies, compliance with conditions for the transmission and consumption of electricity, as well as disciplined project development through establishment of information monitoring. Wind and PV power consumption were under certain pressure, due to the impact of the COVID-19 epidemic which resulted in insufficient demand and the relatively heavy rainfalls in the southern regions which contributed to the significant increase of hydro-power. In the first half of 2020, the national average utilization hours of wind power was 1,123 hours, representing a year-on-year decrease of 10 hours; and the national average utilization hours of photovoltaic power was 595 hours, representing a year-on-year increase of 19 hours.

During the reporting period, the government has promulgated policies and measures, focusing on implementing the conditions for the transmission and consumption of electricity, enhancing of the capability of renewable energy consumption and allocation, so as to supporting the investment and construction of wind power and photovoltaic power generation projects. In April, the National Energy Administration issued the "Notice on Improving the Main Network Planning of the 2020 Power Grid" (《關於完善2020年電網主網架規劃工作的通知》), which has accelerated the planning and construction of power grid projects. In June, the promulgation of the "Notice on Strengthening and Regulating Investment Management of Power Grid Planning" (《關於加強和規範電網規劃投資管理工作的通知》) by the National Development and Reform Commission and the National Energy Administration has taken a further step to strengthen the coordination and planning of electricity, by promoting the grading and categorization of the investment and management of power grid projects as well as the regulation of efficiencies. During the reporting period, the Zhangbei Flexible Direct Project and the Yunnan-Guizhou Interconnect Gateway Project were completed and put into production, and the Zhangbei-Xiong'an ultra-high voltage AC project was completed. These have further enhanced the capacity of new energy power grid connection, as well as inter-provincial and inter-regional transmission.

During the reporting period, the wind power and PV technology continued to advance, demonstrating a down trend for the cost of power generation. Impacted by the rush for wind power installations and the COVID-19 epidemic, the supply of certain key materials in the wind power industrial chain was tight during the reporting period, resulting in increased prices. However, the prices for wind turbines supplied for the next year have already shown a significant drop, with the lowest public tender price for wind turbines delivered in 2021 down to RMB3,000/kW to RMB3,300/kW. With incessant improvements in power generation performance and reliability of turbine modules, the market share of high capacity turbines， high turbine towers, long blades, low-speed shafts is gradually expanding. The expansion in scale and advancement in intelligence of wind turbines further improves the economy of grid parity projects. Remarkable progress has been made in the technology of photovoltaic modules, with continuous launching of large-size battery cells as well as capacity improvement and lowering of prices for single-cell modules. The increase of capacity for installed PV power plant in a limited land area and the increase in the amount of power generated, significantly reduced the LCOE of photovoltaic power generation. In the first half of the year, the opening bid prices of modules in China repeatedly reached new lows, with the lowest market price of single-crystal PERC modules (390-410W) downed to RMB1.33/W.

During the Reporting Period, the Chinese government has successively introduced a series of favorable policies. In terms of tax and fees, the burden of enterprises in social insurance premiums was alleviated by postponement and exemption of social insurance payments. Preferential treatments in value-added tax and income tax were strengthened. In terms of financial support, the deposit reserve ratio requirement was reduced three times, the shifting of loan pricing benchmark from floating rate was promoted, the financing channels of enterprises were broadened, and various fees and management of credit financing were regulated to reduce financing costs of enterprises. In the first half of the year, the amount of Renminbi loans newly released into the real economy by financial institution reached RMB12.33 trillion, representing the highest level in history and an increase of RMB2.31 trillion as compared with the same period of previous year.

II. BUSINESS REVIEW

In the first half of 2020, the Group focused on both epidemic prevention and control and the resumption of work and production, promoting the development of the Group's operations in a safe and orderly manner. As the power plants maintained safe and stable production, project construction resumed in a timely manner, and project development and service businesses steadily advanced, various business segments of the Group have maintained a trend of continuous development.

In the first half of 2020, the Group materialized a total income of RMB999,540,000 (1H 2019: RMB 963,349,000), accounting for 3.8% increase for the same period of last year. Profit attributable to equity holders of the Group amounted to RMB379,389,000 (1H 2019: RMB399,232,000), representing 5.0% decrease for the same period of last year. The basic earnings per share were RMB4.60 cents (1H 2019: RMB4.75 cents); and the fully diluted earnings per share were RMB4.31 cents (1H 2019: RMB4.54 cents).

As of 30 June 2020, the net assets of the Group amounted to RMB6,140,724,000 (31 December 2019: RMB5,969,201,000) and its net assets per share was RMB0.73 (31 December 2019: RMB0.70).

During the reporting period, the profit attributable to equity holders of the Group decreased, mainly attributable to the delay in the construction of the projects due to the COVID-19 epidemic, resulting in insufficient new projects to be put into production in the first half of the year. The emergency repair and technical transformation of the power plants were also affected, contributing to the increase of wind power and solar power curtailment as well as the increase in the loss of electricity. With the implementation of more prudent accounting policies, both transfer from the provision for the impairment of goodwill and the discount on green electricity subsidy increased as compared with the same period last year. Income tax expense increased as the power plants gradually began to enter a period of full amount or half amount payment of income tax.

(1) Production and Operation of Power Plants

1. Maintaining Stable Safety Production of Power Plants as an Effective Means to Prevent and Control the Epidemic

During the reporting period, the Group actively implemented epidemic prevention and control while carrying out production operations in its power plants, by focusing on both epidemic prevention and control and production safety. By timely establishing a leading group for epidemic prevention and control and releasing measures in relation to epidemic prevention and control and production safety in power plants, including epidemic prevention material reserves, contingency measures for epidemic emergencies, workplace and employee safety protection, scheduling of key work plans as well as work handover, commendation and rewards for employees who had held on to their positions during the time of the epidemic, when the first-line employees had remained in their positions and the Group had ensured the normal operation of important and critical work as well as the safe and stable operation of power plant equipment to ensure steady supply of electricity, through innovative application of measures such as online collaboration and remote guidance. Meanwhile, the Group also formulated special initiatives for the safety production of power plants in severely-affected areas such as Hubei and strengthened the safety management and control of power plants to ensure safe and stable production. During the reporting period, there was no incident of Group employees contracting COVID-19 virus.

The Group adhered to the safety management policy of “safety first, prevention as a priority, and comprehensive management”. While working on epidemic prevention and control, the Group carried out a series of initiatives such as the establishment of the safety and quality supervision system and special inspections and safety trainings in order to ensure the successful implementation of safety measures and the safety production of power plants. In the first half of 2020, the Group continued to improve the level-by-level safety management and control mechanism and implemented the accountability system for safety production at all levels. Through activities such as spring safety inspections and Production Safety Month as well as measures such as self-inspections of power plants, spot checks by the Group’s business departments and evaluation and inspection by external third-party agencies, the Group was able to identify potential safety hazards in a timely manner and formulate closed-loop rectification plans to ensure the elimination of potential hazards.

During the reporting period, the Group's power plants had maintained safe and stable production, with no serious personal injury or fatal accidents, nor safety accidents or incidents involving equipment failure related to responsible parties, etc., thus ensuring stable and reliable power supply as well as safety of personnel and properties.

2. Slight Increase in Attributable Power Generation after Overcoming Adverse Effect

During the reporting period, in light of insufficient power load, lagging in the progress of grid-connected operation and delays in fault handling as well as the adverse situations such as decrease in resources due to the COVID-19 pandemic, the growth rate of the Group's attributable power generation had narrowed and recorded an increase of 2.5% as compared with the same period of last year, with the amount of power generated by wholly-owned power plants increased by 6.6%.The Group's attributable wind power generation still maintained a growth rate of 3.7%, of which power generation by wholly-owned power plants increased 9.2%, mainly due to the improved asset quality of the newly added power plants and the increased installed capacities. Both the Group's attributable PV power generation and power generated by wholly-owned power plants decreased by 7.4% as compared with the same period of last year mainly due to a 5.3% decrease of light resources in the Group's PV power stations as well as increase of solar power curtailment in regions such as Tibet.

Total Attributable Power Generation Output（GWh）

	The Group's Invested Power Plants			The Group's Wholly-owned Power Plants		
Business Segments and Regions	**1H2020**	**1H2019**	**Change Rate**	**1H2020**	**1H2019**	**Change Rate**
Wind Power Generation	**2,218.4**	**2,138.8**	**3.7%**	**1,523.4**	**1,395.1**	**9.2%**
Including:						
Northeastern China	269.8	204.8	31.7%	120.6	-	-
Northern China	236.2	246.6	-4.2%	-	-	-
Northwestern China	78.4	80.5	-2.6%	-	-	-
Eastern China	443.0	381.5	16.1%	316.7	267.8	18.3%
Central Southern China	1,058.3	1,081.8	-2.2%	953.4	983.8	-3.1%
Southwestern China	132.7	143.6	-7.6%	132.7	143.6	-7.6%
PV Power Generation	**244.7**	**264.2**	**-7.4%**	**235.7**	**254.6**	**-7.4%**
Including:						
Northeastern China	0.4	0.4	0.0%	0.4	0.4	0.0%
Northern China	22.6	24.1	-6.2%	16.4	17.2	-4.7%
Northwestern China	7.5	6.7	11.9%	7.5	6.7	11.9%
Eastern China	30.2	32.1	-5.9%	27.5	29.4	-6.5%
Southwestern China	173.6	190.3	-8.8%	173.6	190.3	-8.8%
Overseas Regions	10.4	10.5	-1.0%	10.4	10.5	-1.0%
Total	**2,463.0**	**2,403.0**	**2.5%**	**1,759.2**	**1,649.7**	**6.6%**

3. Higher Level of Utilization Hours as Compared with the National Average despite Increased Wind and PV Power Curtailment

In the first half of 2020, the weighted average utilization hours of the Group’s invested wind power plants reached 1,177, higher than the national average level by 54 hours. Benefited by the improved quality of the new project put into production, the weighted average utilization hours of wholly-owned wind power plants was 1,303, representing an increase of 63 hours over the same period of last year, and 180 hours higher than the national average.

In the first half of 2020, the weighted average utilization hours of the Group’s invested PV power plants was 751, 156 hours higher than the national average level.

Weighted Average Utilization Hours of Power Plants（Hour）

	The Group's Invested Power Plants			The Group's Wholly-owned Power Plants		
Business Segments	**1H2020**	**1H2019**	**Change Rate**	**1H2020**	**1H2019**	**Change Rate**
Average Utilization Hours of Wind Power Plants	**1,177**	**1,189**	**-1.0%**	**1,303**	**1,240**	**5.1%**
Average Utilization Hours of PV Power Plants	**751**	**813**	**-7.6%**	**743**	**806**	**-7.8%**

In the first half of 2020, the power curtailment rate of the Group’s invested power plants increased. The average wind power curtailment rate of the Group’s invested wind power plants was 4.4%, of which the wind power curtailment rate of wholly-owned wind power plants was 3.4%, mainly due to the decrease in social electricity consumption and the increase of power curtailment in regions such as Hunan as a result of limited output channels during the flooding season in southern regions. The average PV power curtailment rate of the Group’s invested PV power plants was 10.1%, of which the PV power curtailment rate of wholly-owned PV power plants was 11.1%, due to the increase of PV power curtailment in regions such as Tibet.

Wind and PV Power Curtailment Rates of Power Plants（%）

	The Group's Invested Power Plants			The Group's Wholly-owned Power Plants		
Business Segments	**1H2020**	**1H2019**	**Change**	**1H2020**	**1H2019**	**Change**
Wind Power Curtailment Rate	**4.4%**	**3.9%**	**0.5%**	**3.4%**	**2.1%**	**1.3%**
PV Power Curtailment Rate	**10.1%**	**7.1%**	**3.0%**	**11.1%**	**7.8%**	**3.3%**

4. Availability Maintained at a Relatively High Level by Strengthening Emphasis on Technological Transformation

In the first half of 2020, as there were delays in fault handling of some power plants due to restricted movement of personnel and materials during the epidemic, the availability of the Group's power plants experienced a slight decline, whereas increased effort in the Group's technological transformation contributed to increase of power plants' availability. With the increase of the resumption of work and production, the overall availability of power plants has been recovering. The availability of the Group's invested wind power plants was 97.48%, of which the availability of wholly-owned wind power plants was 97.83%. The availability of the PV power plants invested by the Group was 99.93%, of which the availability of wholly-owned PV power plants was 99.91%.

Availability of Power Plants（%）

	The Group's Invested Power Plants			The Group's Wholly-owned Power Plants		
Business Segments	**1H2020**	**1H2019**	**Change**	**1H2020**	**1H2019**	**Change**
Availability of Wind Power Plants	**97.48%**	**98.28%**	**-0.80%**	**97.83%**	**98.56%**	**-0.73%**
Availability of PV Power Plants	**99.93%**	**99.96%**	**-0.03%**	**99.91%**	**99.95%**	**-0.04%**

During the reporting period, the Group initiated a total of 49 items of technological transformation in power plants of various regions. Initiatives such as extension of turbine blades, ice prevention for turbine blades, super double-feed induction, enhancement of module's master control programme and improvements on centralized monitoring and control centre system effectively improved the power generation of power plants, and reduced the loss of electricity.

The Group's implement of the blade extension technological transformation in power plants in Anhui, Liaoning, and other places was assessed to increase the power plants generation capacity of power plants by 5% to 7%. Technical transformation in respect of safety including technical upgrade of lightning protection design and grounding modification of wind turbines and PV modules improved the safety and stability of power plants operation. Meanwhile, the Group actively promote the work of equipment maintenance and analysis. Problems of similar nature of equipment were analyzed to improve the capabilities of equipment as well as to provide support for technological transformation. Intelligent operation and management of power plants were promoted continuously by enriching and optimizing the functions of the intelligent operation platform. Online and offline interaction of various tasks were strengthened through data sharing of different systems, thus enhancing the efficiency of power plant operation and level of intelligent operation.

5. Average Feed-in Tariff of Power Plants Experienced a Slight Decrease; Reduced Dependence of Power Plants on Subsidies

During the reporting period, with the impacts of the commencement of operation of grid parity projects, power trading and the Group's active transfer of power plants with high subsidies, the weighted average feed-in tariff of power plants invested by the Group decreased slightly, while the dependence of power plants on subsidies reduced.

Weighted Average Feed-in Tariff of Power Plants (RMB/kWh) (Including VAT)

	The Group's Invested Power Plants			The Group's Wholly-owned Power Plants		
Business Segments	**1H2020**	**1H2019**	**Change**	**1H2020**	**1H2019**	**Change**
Weighted Average Feed-in Tariff of Wind Power	**0.5408**	**0.5519**	**-0.0111**	**0.5690**	**0.5932**	**-0.0242**
Weighted Average Feed-in Tariff of PV Power	**0.9577**	**0.9616**	**-0.0039**	**0.9224**	**0.9301**	**-0.0077**

6. Slight Increase in Income of Power Plants but Decrease in Net Profit of Power Plants

In the first half of 2020, the Group's wholly-owned power plants achieved a total income of RMB908,418,000, an increase of 2.5% over the same period of last year, accounting for 91% of the Group's revenue (1H 2019: 92%).

Affected by a number of issues, including the increase of wind power and PV power curtailment rates as a result of the epidemic, decrease of resources in certain areas, disposal of share equities of certain power plants, as well as the increase in discount rate of green electricity subsidies and the commencement of income tax payments for the projects, the power plants recorded a reduced net profit during the reporting period. The Group's wholly-owned power plants achieved a total net profit from power generation of RMB390,746,000, and the Group shared net profits totalling RMB95,271,000 from its associates and joint ventures.

Revenue and Net Profit of Power Plants（RMB）

	1H2020	**1H2019**	**Change Rate**
Revenues of Wholly-owned Power Plants	**908,418,000**	**886,325,000**	**2.5%**
Including: Wind Power	722,084,000	678,636,000	6.4%
PV Power	186,334,000	207,689,000	-10.3%
Net Profit of Wholly-owned Power Plants	**390,746,000**	**410,246,000**	**-4.8%**
Including: Wind Power	332,619,000	337,782,000	-1.5%
PV Power	58,127,000	72,464,000	-19.8%
Net Profit of Jointly-owned Power Plants	**95,271,000**	**101,849,000**	**-6.5%**
Including: Wind Power	90,252,000	96,643,000	-6.6%
PV Power	5,019,000	5,206,000	-3.6%

(2) Power Plant's Development and Construction

1. Timely Resumption of Project Construction and Accelerated Progress of Project Construction

During the reporting period, the total installed capacity of Group's invested power plants was 946MW (1H 2019: 933MW) and the attributable installed capacity was 810MW, of which there were 9 continued projects, which were wholly-owned projects with installed capacity of 646MW, and 2 newly commenced construction projects with installed capacity of 300MW and attributable installed capacity of 164MW.

During the reporting period, the Group put 1 new, wholly-owned wind power plant into production, with total installed capacity of 100MW. Because of the COVID-19 epidemic, the production capacity of enterprises, supply chain, transportation and logistics had been severely affected, causing a great impact on the supply of key equipment and components for power plant construction as well as the movement of personnel, thus contributing to delays in the progress of project constructions.

In response to the situation, the Group timely formulated an overall plan for epidemic prevention and accumulated pandemic prevention materials, and requested for the resumption of work when the epidemic prevention and control situation had clearly improved. By arranging point-to-point pickup and delivery services for construction personnel and scheduling tasks via remote video conferences, the Group advanced the resumption of project construction in a scientific, rigorous and orderly manner, such that the dual impact of the COVID-19 epidemic and the rush for wind power installation could be positively reduced. The scale of construction has not been affected and the pace of construction is accelerating, with a view to achieving the target of grid connections for the whole year without being affected.

As of 30 June 2020, the Group held the equity interest of 74 grid-connected wind power and PV power plants with a total installed capacity of 3,251MW (1H 2019: 3,189MW) and an attributable installed capacity of 2,266MW. Of them, 55 were wind power plants with an installed capacity of 2,918MW (1H 2019: 2,857MW) and an attributable installed capacity of 1,952MW; 19 were PV power plants with an installed capacity of 332MW (1H 2019: 332MW) and an attributable installed capacity of 314MW.

As of 30 June 2020, 41 grid-connected wind power and PV power plants were wholly-owned by the Group with a total installed capacity of 1,576MW. Of them, 24 were wind power plants with an installed capacity of 1,273MW; 17 were PV power plants with an installed capacity of 303MW.

Attributable Installed Capacity（MW）

Business Segments and Regions	The Group's Invested Power Plants			The Group's Wholly-owned Power Plants		
	1H2020	**1H2019**	**Change Rate**	**1H2020**	**1H2019**	**Change Rate**
Installed Wind Power Capacity	**1,952**	**1,891**	**3.2%**	**1,273**	**1,212**	**5.0%**
Including:						
Northeastern China	278	162	71.6%	149	-	-
Northern China	319	186	71.5%	100	-	-
Northwestern China	103	103	0.0%	-	-	-
Eastern China	346	379	-8.7%	228	261	-12.6%
Central Southern China	826	981	-15.8%	716	871	-17.8%
Southwestern China	80	80	0.0%	80	80	0.0%
Installed PV Power Capacity	**314**	**314**	**0.0%**	**303**	**303**	**0.0%**
Including:						
Northeastern China	1	1	0.0%	1	1	0.0%
Northern China	26	26	0.0%	20	20	0.0%
Northwestern China	9	9	0.0%	9	9	0.0%
Eastern China	44	44	0.0%	40	40	0.0%
Southwestern China	215	215	0.0%	215	215	0.0%
Overseas Regions	18	18	0.0%	18	18	0.0%
Total	**2,266**	**2,205**	**2.8%**	**1,576**	**1,515**	**4.0%**

2. Aggressively Developed Grid Parity Projects to Ensure a Sufficient Project Reserves

During the reporting period, red alert was removed from all wind power investments in China, creating new room for investment in wind power development. Closely following the industry policies of wind and PV power in various regions, the Group carried out its work deployment in a timely manner and formulated development strategies with flexibility. By integrating its resource advantages, the Group aggressively launched grid parity wind power and PV power development projects.

During the reporting period, the Group’s wind and PV power projects of 858MW in total were included in NEA’s construction plan for the 2020 grid parity projects, 5 of which were wind power projects (448MW in total) and 5 were PV power projects (410MW in total), providing sufficient guarantee for the Group's sustainable development and the strategic accomplishment of replacing subsidized projects with grid parity projects.

The Group strengthened its expansion in and management of resources through entering into new contracts for a total of 2,050MW of wind resources and a total of 1,580MW of PV resources, ensuring sufficient projects for the Group’s subsequent construction and sustainable development.

3. Efforts to Broaden Financing Channels to Ensure the Financial Support for Projects

The Group has closely tracked the industrial and financing policies of the state and local governments, actively taken the advantage of the benefits in policies and lowered its financing costs by following appropriate directions in financing. In the first half of 2020, the Group completed the conversion of the pricing benchmark of loan interest rate of the existing financing contracts to LPR, and the interest rates of the newly signed financing contracts were lower than those signed in the same period last year. The Group has consolidated its foundation in financing by exploring new financing channels as well as maintaining good communication and cooperation with various financial institutions. In the first half of the year, the Group increased the number of its cooperating financial institutes to 18. The Group has taken various measures, such as actively seeking to raise capital through the issuance of green bonds and other financial tools in the capital market, to meet the Group's capital needs and to ensure financing support for the construction and operation of the Group's projects.

(3) Asset Management

During the reporting period, the Group decidedly carried out its development strategy of replacing subsidized projects with grid parity projects, continued to implement the strategy of "build & transfer" and constantly enhanced asset management and optimized asset quality. The Group dynamically analyzed the economic benefits of all power plants, strengthen the monitoring and analysis of cash flow and debt indicators, replaced the existing power plants that were dependent on green energy subsidies with newly constructed, high-quality power plants. The steady development of the Group was guaranteed through optimization of asset structure. In the first half of 2020, the Group disposed of 3 green-power subsidized projects, with a total installed capacity of 196MW.

The Group also cooperated with the investors and purchasers of the disposed power plants, by providing O&M and asset management services, which contributed to the addition of income source through collection of O&M service charge.

During the reporting period, the Group increased its efforts in project negotiation and cooperation with domestic state-owned enterprises and accelerated the introduction of capital in order to improve income generated from projects.

(4) Other Businesses

During the reporting period, other business segments of the Group contributed RMB91,122,000 to the Group (1H 2019: RMB77,024,000).

While focusing on its core business of power generation, the Group also developed other businesses related to renewable energy industry chains. In the first half of 2020, the Group continued to strengthen its developments in the areas such as intelligent O&M, power plant design business, energy IoT business, financing lease business as well as energy storage with certain progresses.

1. Professional Operation and Maintenance of Power Plants

During the reporting period, the Group's subsidiary Beijing Century Concord Operation and Maintenance Co., Ltd. ("Concord O&M") carried out a series of measures including the establishment of a technological system, strengthened digital informatization constructions to deepen intelligent O&M service model. With continuous improvements in the informatization of O&M management and in intelligent O&M services, the Group's revenue and net profit both recorded year-on-year increases.

During the reporting period, Concord O&M continued to deepen the development and application of the functions of the intelligent O&M platform, optimize the data interoperability and linkage between "POWER^{+}", "Yixun", "EAM" and the "Centralized Monitoring and Control Centres". A customer relationship management system ("CRM") was also launched with functions providing closed-loop services for the intelligent O&M platform. To further enhance service quality, Concord O&M has established a technical service system which allows remote technical service requests. It has also set up a three-level technical support system under the three-tier interaction management model which encompasses the headquarters + regions + power stations, with technical sharing through the intelligent O&M platform. Leveraging the intelligent application of the intelligent O&M platform, the professional support of the technical service systems and the interaction of the three-tier management system, Concord O&M's intelligent O&M service model of online and offline integration has been optimized gradually and the level of intelligent O&M services continued to improve.

During the reporting period, Concord O&M actively innovated new business models. Apart from O&M services, it also explored new businesses such as technical services, technical transformation, data services and intelligent early warning, and achieved breakthroughs in off-shore businesses. In the first half of 2020, Concord O&M undertook service contracts with a total of 116 wind power and PV power plants (6.5GW in total) in O&M, asset management, inspection and wind turbine commissioning services, as well as 43 service contracts covering the areas such as preventive tests, technical services, technical transformation and sales of spare parts.

2. Engineering Consultancy and Design Business

During the reporting period, the Group's subsidiary Concord Power Consulting & Design (Beijing) Corp., Ltd. ("Design Company") strengthened the full process control of projects. It continuously promoted design optimization and standardized construction, and improved its design philosophy and service quality. In addition to intensive expansion of the traditional areas such as design consultancy markets and EPC markets, it also actively expanded into new business areas and enhanced its market competitiveness.

During the reporting period, the Design Company completed 187 technical service reports, 75 feasibility study reports, 20 microsite selection reports and a total of 10 preliminary designs, construction drawing designs and record drawing designs. 10 exterior contracts were signed and it won the bid of shortlisted for 13 frameworks. Furthermore, the Design Company also won the bids for the planning projects of wind and solar power industries in Zhaotong, Yunnan and wind power development in Yilan, Heilongjiang.

The Design Company comprehensively improved its quality management level, and was awarded the third prize of the 2020 Outstanding Quality Control Team Achievements in the Power Engineering Industry with its work result report of "Reducing the Weight of Towers of the High-wheeled Wind Power Turbine in Yangcun Village, Tianchang, Anhui".

3. Research and Development of Energy Internet of Things Technology

During the reporting period, the Group's subsidiary Beijing Power Concord Technology Development Co., Ltd. ("Power Concord") improved its product planning and research and development management. Technical developments were carried out based on market needs and product planning, and the reserve pool of professional talents in R&D, operation and sales was strengthened. Market competitiveness of products was enhanced through optimization of the complete value chain.

During the reporting period, Power Concord continued to develop and optimize the functions of the intelligent platform POWER$^+$. By consummating data collection solution, enhancing the integrity of data collection and data quality and launching a study on AI data analysis, the level of big data application and intelligent analysis was further strengthened. Moreover, Power Concord achieved data interoperability between the POWER$^+$ platform and the Enterprise Asset Management System (EAM), extensively integrating online intelligent monitoring with offline O&M of power stations. On the foundation of the intelligent platform POWER$^+$, Power Concord fulfilled integrated energy service of power stations based on an asset management model. With functions such as power station multi-functional data collection, centralized monitoring and control, intelligent analysis, intelligent early warning and automated logbook, a service closed loop of data-driven new energy asset full life cycle intelligent operation was realized.

At this moment, the new energy intelligent operation platform POWER$^+$ has been implemented in the Group's operation control centre and third party O&M management platforms, providing quality intelligent energy services to renewable energy power stations of total capacity of over 7 GW.

4. Financial Leasing, Energy Storage and Incremental Distribution Network Businesses

Focusing on the renewable energy industry chain, the Group actively explored new business development models including finance leasing, energy storage and incremental distribution network during the reporting period. The Group kept close track of industry policies and market trends, monitored technological development and improved risk management and control. It dynamically tracked the investment returns of new businesses, formulated investment strategies and expanded into the Group's new growth areas according to the degree of maturity of business development.

III. ENVIRONMENTAL PROTECTION, COMPLIANCE AND SOCIAL RESPONSIBILITY

In addition to financial performance, the Group believed that high-standard corporate social responsibility is of great significance in building a positive relationship between an enterprise and society, motivating its employees and achieving sustainable development and return for the Group.

(1) Ecological and Environmental Protection

While complying with national ecological and environmental protection laws and regulations, the Group has formulated its own environmental protection management system and working procedures. When managing the full life cycle of power plants, the Group focused on the investment and management in environmental protection, conservation of water and soil and biodiversity protection. Through various measures including ensuring allocation of funds, optimized designs, technology upgrades and intelligent operation of enhancing environmental standards and concept of environmental protection, the Group practiced energy conservation, emission reduction, ecological environment protection, guard of green water and green mountains while providing clean energy to protect the natural environment. As such, the Group has established a good image in local investment and development.

The "Three Simultaneous" system, (the synchronization of soil and water conservation work and the main project in design, construction and production) has been strictly implemented in the course of construction of the Group's power plants. The Group carried out environmental protection initiatives such as prevention and protection measures and water conservation construction with full compliance with the requirements of environmental impact assessment. In the construction of power plants, the Group used optimized design and strives to reduce environmental damage by adopting prefabricated cabin booster stations and optimizing road design. It also designed water and soil conservation solution and strictly implemented the "Three Simultaneous" system to prevent water and soil loss. Construction technology and road excavation process were improved and the area of the hoisting platform was reduced to mitigate the damage to the environment including roads, land and woodland. Furthermore, more environmentally-friendly equipment such as low-noise wind turbine and sonic bird repellent device was adopted to reduce environment impact.

During the operation of the power plants, the Group ensured the normal operation of environmental protection facilities and enhanced the performance of environmental protection equipment through measures such as inspection of water and soil conservation facilities, technical transformation and site treatment. At the same time, the Group also maintained exchange and communication with the local governments, actively participated in relevant activities on safety, environmental protection and fire safety organized by the local governments. In the first half of 2020, the project company in Yunnan and the local township government launched a safety inspection campaign on flood prevention and fire protection to help enhance safety and environmental protection awareness as well as emergency response capabilities of the local community. The Group also adhered to the concept of green operation and promoted the ideas of resource conservation and environmental protection by reducing the emissions and discharge from administrative activities.

During the reporting period, the electricity generation by the Group's invested wind power and PV power plants achieved larger proportion of reduction in carbon dioxide, sulphur dioxide, and nitrogen oxide emissions, and standard coal and water saving compared with conventional power plants. The reduction in pollutants contributed to the reduction in air pollution, greenhouse gas, emissions and haze.

Emissions Reduction by Power Plants

Emissions Reduction Indicators	1H2020	Accumulated Amount
CO_2 (kilotons)	2,735	32,264
SO_2 (tons）	651	24,077
NO_X (tons)	678	21,671
Standard Coal Saving (kilotons)	1,066	11,643
Water Saving (kilotons)	4,209	76,558

(2) Compliance

During the reporting period, the Group strictly complies with relevant standards, laws and regulations in terms of operation, management and labour practices.

(3) Community Responsibilities

While focusing on the development of clean energy business, the Group actively fulfilled its social responsibilities and contributed to the society through various methods including dedicated participation in social welfare,

1. Poverty Alleviation and Benevolent Contribution

The Group actively carried out poverty alleviation work in areas where its power plant investments have been made, through a combination of measures such as poverty alleviation projects and poverty alleviation consumption to assist local poverty reduction and economic development.

During the reporting period, the Group supported Haixing County in Hebei Province in achieving comprehensive poverty alleviation. The Haixing poverty alleviation PV project in Hebei was awarded the title of “Excellent Enterprise in Poverty Alleviation Assistance” by Haixing County. Responding to local requests, the Kangbao Concord Xuwulin Wind Power Co., Ltd. in Hebei provided assistance to locals in poverty, with a donation of RMB69,000 for poverty alleviation. Project companies in provinces including Heilongjiang and Hubei assisted local townships in road repair and made donations to support local households in poverty and cultural events and competitions, thereby enhancing local infrastructure construction and living standards of the local population.

In addition to poverty alleviation and donation, the Group also actively participated in local epidemic prevention and control where its subsidiaries were located. The subsidiaries in Heilongjiang, Jilin, Liaoning, Inner Mongolia, Anhui and Hubei actively deployed resources by providing supports in term of funds and epidemic prevention materials to the local communities. Meanwhile, the Group’s power plants succeeded in maintaining safe and stable power generation, ensuring the provision of electricity to the local communities for production and daily household needs.

2. Education and Employment

The Group has been keen on school-enterprise cooperation, and relied on projects to carry out localized talent training and personnel recruitment. We promotes renewable energy education development of China, while facilitating the development in local economy, culture, employment, and environment.

The Group has entered into a donation agreement with the North China Electric Power University Education Foundation and set up a scholarship, which has already provided assistance to a total of 1,274 student beneficiaries. The school-enterprise cooperative mode of training was launched jointly with a number of colleges and universities, with an aim to develop talents in local regions. A modern apprenticeship system with cooperative development class was set up jointly with Ulanqab Vocational College and Hunan Polytechnic of Water Resources and Electric Power. As at the 30 June 2020, a total of 101 students have joined the company's power plants for internship this academic year, and the retention rate of interns was almost 50%. At the same time, local employment thrived with the Group's localized recruitment at the places of projects. In the first half of the year, 132 positions were provided to the local labour force where the projects were located.

(4) Customers and Suppliers Relationship

During the reporting period, the Group maintained a good relationship between customers and suppliers with no major dispute.

During the reporting period, the Group's top five customers accounted for 69% of the Group's total sales, including 16% from State Grid Anhui Electric Power Co., Ltd., the largest customer.

During the reporting period, the Group's top five suppliers accounted for 81% of the Group's total procurement, including 31% from the largest supplier, Shanghai Electric Wind Power Group Co. Ltd., which supplied wind turbine equipment for wind power projects invested by the Group.

IV. HUMAN RESOURCES

The Group always upholds its core values of "people-orientation, value creation, working for a better future and striving for excellence". It protects the legal rights of its employees, pays attention to their career development, cares for their health and safety, and puts efforts in achieving the common development of the employees as well as the Group. The Group continuously optimizes its human resources management system based on the principle of coordinated strategy, organization, talents and incentives. The Group respects the value of talents, seeks to develop their potentials and optimizes the incentive mechanism, fostering a human resources management system that is able to support the strategic implementation and organizational development of the Group.

(1) Employees

During the reporting period, the Group continued to uplift the level of intelligent operation and centralized management, and optimize the organizational structure and personnel allocation, in order to improve the employees' productivity.

As of 30 June 2020, the Group had 1,438 fulltime employees (31 December 2019: 1,448), 146 of whom worked at the Group's headquarters, 308 in project development and management, 813 in O&M, 84 in Energy IoT technology development and 87 in businesses such as design and leasing.

(2) Employees' Development

Human resources are the basis of the sustainable development of the Group. We pay attention to the growth and development of our employees, and for the common growth of our employees and the corporation, we strive to provide our employees with a good working environment and a platform with extensive room for development. The Group has been implementing regional management progressively to uplift its operation and decision-making efficiency. In addition to the enhancement of job functions and remuneration system, the Group has been constantly developing and improving the appointment qualification system. The first employee appointment qualification verification was completed for determining the development path of the current employees. To optimize the talent structure, talent inventory reviews were taken, a talent pool was built, and a team of reserve talents were identified. With expedited implementation of reserve talents development plans, the employees' potentials can be further developed, with enhanced vitality of the Group's talents and improved matching of people and roles. With dynamic tracking of core talents' development and the construction of a cadre management system, a professional management team can be built through strengthened management of cadres and nurturing of talent echelon. The E-HR information system has been adopted to improve processes and to promote a paperless office which will contribute to the improved efficiency of human resources activities.

(3) Employees' Trainings

The Group is committed to establishing a learning organization with sound talent development mechanism built on a hierarchical and categorized talent incubation system. The Group has built and optimized its training system to cater for various aspects of multiple perspectives, including the training system, training courses, instructors, and training assessments. Taking advantage of training channels such as online and offline courses, school-enterprise cooperation, learning groups as well as industry communications, different curricula and targeted training are designed for the management, middle managers, reserve management cadres, new employees and technicians. Training designs and effectiveness are continuously improved through training evaluations.

In the first half of 2020, the Group made full use of the online platform to carry out talent training, accumulating online and offline training for more than 3,200 participants and over 60,000 hours of training classes. The Group completed the construction of a management courses training system, with enriched learning materials on an online learning platform, to provide skill enhancements for middle managers and talent pipeline, compulsory courses for newly recruited employees and general management skills. Through this online mode, training for the management and reserve talents were launched, trainings as well as knowledge competitions on safety, production, finance and legal knowledge were also arranged. All these represent a new mode of corporate training that has been developed under the epidemic.

(4) Caring for Employees

The Group provides employees with good compensations and benefits as well as a development platform. Besides, it introduces to its employees a variety of caring measures including staff physical examinations, staff supplemental medical insurance, festival benefits, employee support and activities.

In the first half of 2020, the Group actively maintained sufficient epidemic prevention materials and spent a total of more than RMB1 million for the purchase of materials such as face masks, disinfecting alcohol, hand sanitizers and instant food items, with an aim to safeguard the health and safety of the employees. The Group has also put great efforts to help the employees in dire need of assistance, by providing them with livelihood support and medical assistance. In the first half of the year, the Group donated RMB60,000 to an employee of a subsidiary as medical assistance to help resolve the employee's problem. 2 employees benefited from the employees' mutual fund with an amount of RMB60,000. As at 30 June 2020, the fund has provided assistance to 16 employees in need with an accumulated amount of RMB840,000.

In the first half of 2020, the Group took full advantage of the online interactive feature of the social communication software and organized a number of corporate culture events, including theme activities such as the "Our Story of Fighting the Epidemic" essay competition, the "Concord Spring" photography event, the "Love Our Earth, Love Our Lives" casual snapshot event, the "Joyful Reading Space" reading event and the "World No Tobacco Day, 31 May", as well as the caring activity on Women's Day and the special event "Companionship is the Best Gift" on 1 June. The Group also continues to improve the office space and working environment with a view of improving office work experience and corporate image. With a focus on fire safety management in the office space, the Group attended to over 1,000 incidents of problems with various equipment and facilities during the first half of the year, ensuring all equipment and facilities were operating properly, as well as providing the employees with a safe, healthy and comfortable working environment.

(5) Safety and Health

The Group has always focused on securing the occupational safety and occupational health of its employees and kept improving the management system of occupational safety and health in order to provide systematic and institutional guarantee to its employees in this regard. Safety protection gears and tools procured are strictly inspected to ensure compliance with national or professional standards. Comprehensive safety protection gears and tools in compliance with power safety requirements are provided by all power plants, stored and managed in accordance with fire and other safety requirements. Potential hazards are identified and eliminated in a timely manner through safety and quality supervision and inspection, to ensure the safety of employees in the work process. Safety education and trainings on professional technical skills are provided to enhance the safety awareness and emergency response capabilities of employees. The Group also cares about the occupational health of employees and organizes regular occupational health examinations for employees in specific positions.

In the first half of 2020, initiatives such as conducting safety inspection in spring, routine safety monitoring and inspections and engaging external third party for safety monitoring and inspections were arranged. Potential hazards were timely discovered and rectification were carried out according to the potential hazard rectification plan. As of 30 June 2020, the rectification rate reached 75.5%. A total of more than 270 talks on safety topics, education on warning signals and emergency drills were carried out, and 98 pieces of safety training materials were published.

V. Financial Resources and Commitments

As of 30 June 2020, the Group held cash and cash equivalents of approximately RMB1,434,569,000 (31 December 2019: RMB1,605,128,000). The net assets of the Group were RMB6,140,724,000 (31 December 2019: RMB5,969,201,000). The balance of bank and leasing loans of the Group was RMB6,437,510,000 (31 December 2019: RMB7,841,675,000). The gearing ratio was 68.82% (31 December 2019: 69.99%).

Pledge of Assets

As of 30 June 2020, the buildings and equipment of the Group were pledged to secure a loan balance of RMB5,694,597,000 (31 December 2019: RMB5,251,063,000).

Contingent Liability

With effective from 27 June 2019, the subsidiaries of the Group provided joint liability guarantees for the debts of Daoxian Century Concord Wind Power Co., Ltd.* (道縣協合風力發電有限公司) ("Daoxian Century Concord") and Daoxian Jingtang Century Concord Wind Power Co., Ltd.* (道縣井塘協合風力發電有限公司) ("Daoxian Jingtang") under the lease contracts. As of 30 June 2020, the total debts of Daoxian Century Concord and Daoxian Jingtang were RMB455,466,000.

Save as mentioned above, there was no material contingent liability of the Group as at 30 June 2020.

Commitments

As of 30 June 2020, the Group had capital commitments of RMB2,573,558,000 (31 December 2019: RMB1,471,579,000), which were not included in the financial statements. The unpaid contracted amount for purchase of equipment by subsidiaries was RMB2,573,558,000 (31 December 2019: RMB1,471,579,000) by the subsidiaries.

VI. Risk Factors and Risk Management

The Group's business and financial conditions are affected by risk factors including policies, market, weather, power curtailment and exchange rates.

The profits of wind power and PV power generation enterprises are greatly affected by changes in government and industrial policies. The delay in the payment of renewable energy subsidies poses certain risks to the cash flows of projects. Policies such as "market trading" and "grid parity" in the wind power and PV power generation industries may result in lowered tariffs for the power plants. The amount of power generated fluctuates in response to changes of wind and PV resources from year to year, and extreme weather will also bring adverse impact to the amount of power generated by power plants. There are also varying degrees of wind power and PV power curtailments in certain regions. In regions where there are abundant wind and PV resources and sufficient power grid transmission capacity, fierce competitions among power generating enterprises are found. The Group also has overseas investments and issues bonds denominated in U.S. dollars. Fluctuations in the Renminbi exchange rate will result in foreign exchange losses or gains from the Group's foreign currency businesses.

The Group formulates different measures to mitigate risks according to the likelihood of occurrence of various risks. We keep up with the direction of policies through strengthened analysis and prudent judgement and make plans in advance. We continue to improve our development capabilities and optimize our deployment of projects by increasing development efforts in regions with no power curtailment and fully addressing the problem of power curtailment. We improve the standard of circuit designs, perform stringent safety evaluations on power generation modules and strive to balance or reduce the impact of climate on the safety and efficiency of power plants. We adopt a number of measures to strengthen the management of risks related to exchange rate and effectively implement protective measures against risks associated with exchange rate.

VII. PROSPECTS

With the worldwide spread of the COVID-19 epidemic at this moment, the global development of the epidemic is still subject to a high degree of uncertainties, as the duration and negative impacts of the epidemic may exceed our expectation. The Chinese economy has gradually stabilized and normal production has basically resumed under the normalization of epidemic prevention and control measures. With the total resumption of work and production of domestic enterprises and restoration of normal economic social order, domestic power demand has been gradually restored.

Looking forward to the second half of the year, the development of renewable energy will usher in three advantages:

1. There is a continuous lowering of LCOE for wind power and PV power generation. With the constant development of high capacity wind turbine and tall tower technology, the efficiency of resource utilization improves continuously, and the prices of the wind power units into a downward trend. Meanwhile, following the continuous lowering of the cost of manufacturing of silicon plates, the application of half cut cell PV modules, increasing size of PV cells, the enhanced conversion efficiency and lowering price of PV modules, the cost of PV power generation will continue to drop. In addition, the site selection, design and intelligent O&M of power plants are constantly improving, with enormous room for further technological progress. With these advantages, the LCOE in most regions are already lower than the cost of coal-fired power generation. The competitive edge of renewable energy, as represented by wind power and PV power, over the traditional power generation has become more obvious.

2. The industry regulations and policy systems have made gradual improvements. China will continue to push forward and support clean energy, and issued a series of policies to ensure the smooth transition of wind power and PV power generation to grid parity, improving the management of wind power and PV power generation in all aspects including project development, construction, grid connection, operation, information monitoring and power consumption, thus improving the management and promoting the healthy, sustainable development of wind power and PV power generation.

3. Financial policies will continue to relax, and the prudent monetary policy will become more flexible and moderate. China's financial policies will continue to guide financial institutions to increase their support and make greater efforts to benefit the real economy. The financial policies will facilitate the financing of projects and reduce the financing costs.

Looking forward to the era of grid parity, the Group has sufficient project reserves, and possesses strong development capability and professional construction capability in the industry. The Group will take advantage of the favourable macro environment and adopt a proactive development strategy to vigorously develop grid parity PV and wind power projects, expedite the construction and production of projects, actively dispose of the existing project, replace green power subsidized projects with grid parity projects and replace economically unfavourable projects with projects of low LCOE, in order to improve the Group's overall asset quality and achieve sustainable and stable development of the Group. Meanwhile, investment in R&D will be increased and technological aspects of design, operation and maintenance services will be improved.

In the second half of 2020, the Group will strengthen its safety management and control to ensure a stable safety production and increase its development efforts in grid parity and PV projects, and vigorously develop power generation projects with high economic efficiency. The Group will also accelerate project construction to meet its annual production target. It will continue to optimize the asset quality of power plants and reduce the reliance on renewable energy subsidies by adopting the "build and transfer" strategy such that grid parity projects can serve as the core profit source of the Group in the future. Furthermore, the Group will continue to develop new businesses and enhance the synergetic development of service businesses, and at the same time will explore a new mode of operation under the norm of routine prevention and control of epidemic. In the second half of 2020, the Group will strive to achieve the following:

1. Ensure Safe Production and Steady Growth of Power Generation

The Group will ensure that is the power plants are operated safely, with stable production of power generation, by consistently adhering to the principle of safety first, continuing to improve the safety management system by intensifying the implementation of the accountability system for production safety and strengthening the level-by-level management and control mechanism for safety management. The Group will conduct safety supervisions and inspections in an orderly manner (including the comprehensive autumn inspection and special inspections for wind turbines before the storm season), strengthen the works in early control of risks as well as in inspection and effective elimination of potential hazards, ensuring all potential hazards are effectively eliminated. Safety management skills and awareness of employees are enhanced through safety education and trainings as well as the building of a safety culture.

2. Increase High-quality Projects in the Reserve and Expedite the Progress of Project Construction

The Group will continue to strengthen the development of grid parity projects and PV projects, strive to fight for larger share of development projects, so as to increase high-quality projects reserve. Special efforts will be made in the development of large-base projects and direct power supply projects. Efforts in project coordination will be strengthened and progress of construction projects will be accelerated. Appropriate measures will be formulated according to specific projects to ensure that the annual production target will be met.

3. Continuously Optimize Asset Quality and Increase Efforts in Asset Swapping

The Group will calculate the investment return of projects dynamically, accelerate the construction of grid parity projects, strengthen refine management of power plants and strictly control cost of capital. Through strategies such as "build and transfer", technical innovation and intelligent operation, the Group will increase the proportion of assets in grid parity and economically efficient projects to reduce its reliance on renewable energy subsidies, improve cash flows, optimize asset structure and increase asset quality.

4. Innovate the Energy IoT Business Model and Strengthen Synergetic Development in Service Businesses

The Group will ride on the Energy IoT, and focus on the development of innovative businesses along the industry chain of renewable energy. The Group will expedite its development on Energy IoT products and increase its marketing expansion in the mature products such as data collector and PV intelligent O&M platform. At the same time, we will deepen the synergistic development of the servicing business by consolidating our experience in intelligent O&M, leveraging systems such as POWER^{+} new energy intelligent O&M platform, EAM system and a three-level technical support system, so as to improve all aspects of professional services and create intelligent O&M products.

5. Continue to Fight the Epidemic and Actively Explore a New Operation Model under the New Norm of Routine Prevention and Control of Epidemic

The Group will continue to monitor the development trend of the epidemic, insist to take prevention and control of the epidemic as a routine and actively explore a new operation model under the condition of routine epidemic prevention. We will strengthen the online collaboration and remote communication by taking full advantage of information management systems and mobile internet technology. The Group will also explore the full integration of technologies, such as IoT, big data, cloud platform and artificial intelligence with its power plants, through means of digitalization and intelligentization, improving the level of power plants' intelligent management as well as the logistic efficiency of power plants' materials and personnel, and promoting operation modes including remote access, collaboration, sharing, real-time and precision. Through the IoT, big data and other technologies, the Group will cultivate new business and explore the construction of new service platforms, establishing a more flexible and agile decision mechanism, as well as strengthening the collaborative management of supply chain to facilitate swift responses to market demands. The Group will establish a more robust financial system, optimize the debt structure and asset structure, and improve the information construction of the financial system, strengthen the analysis of financial data.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITES OF THE COMPANY

During the six months ended 30 June 2020, Company had purchased 109,040,000 ordinary shares of the listed securities of the Company with the aggregate consideration of HK$35,971,000 on the Stock Exchange of Hong Kong Limited, all of the purchased shares were subsequently cancelled by the Company and the issued share capital of the Company was reduced thereon. Details of the share repurchases during the Period are as follows:

	Share repurchased	**Purchase price per share**		
Period of repurchased	**Number**	**Highest**	**Lowest**	**Aggregate amount**
	('000)	*HK$*	*HK$*	*HK$ '000*
January 2020	40,060	0.375	0.350	14,707
February 2020	8,810	0.355	0.345	3,052
April 2020	29,910	0.315	0.285	8,907
May 2020	10,580	0.315	0.300	3,232
June 2020	19,680	0.325	0.295	6,073
	109,040			**35,971**

Save as disclosed above, neither the Group, nor any of its subsidiaries purchased, sold or redeemed any of the Group's listed securities during the Period under review.

CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2020, the Board has reviewed the Group's corporate governance code and is satisfied that the Company has complied with the provisions of the relevant Corporate Governance Code (the "CG Code") from time to time, as set out in Appendix 14 to the Listing Rules.

All other information on the Corporate Governance Code of the Company has been disclosed in the Corporate Governance Report contained in the 2019 annual report of the Company issued in April 2020.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 to the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have always complied with the required standards set out in the Model Code throughout the six months ended 30 June 2020.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company, Mr. Yap Fat Suan, Henry, Ms. Huang Jian and Mr. Zhang Zhong. Mr. Yap Fat Suan, Henry is the chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the CG Code. The Group’s unaudited condensed consolidated interim financial statements for the six months ended 30 June 2020 have been reviewed by the Audit Committee.

The Company's independent auditor, Deloitte Touche Tohmatsu, has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2020 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

For and on behalf of

Concord New Energy Group Limited

Chairman

Liu Shunxing

Hong Kong, 10 August 2020

As at the date of this announcement, the Board comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Yu Weizhou (Chief Executive Officer), Mr. Gui Kai, Mr. Niu Wenhui, Dr. Shang Li and Mr. Zhai Feng (all of above are executive Directors), Mr. Wang Feng (who is a non-executive Director) and Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang, Ms. Huang Jian and Mr. Zhang Zhong (who are independent non-executive Directors).